Pomorskie takes the smart route
panorama

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Editorial

Preparations are well under way for the European Week of Regions and Cities (EWRC), formerly known as OPEN DAYS, scheduled for 10-13 October in Brussels. The name may have changed but the concept remains the same – around 130 workshops, debates and networking activities focusing this year on ‘Regions and Cities for sustainable and inclusive growth’. If you cannot come to Brussels, there is a programme of events for citizens across Europe between September and November.

The EWRC’s three main themes are aligned with the political priorities of the Commission and Committee of the Regions: sustained and sustainable economic growth; inclusive economic growth; and making ESI Funds simpler. Around 187 regions and cities from 28 countries will focus on new opportunities to attract and implement EU investment in cities and regions, discuss the results of such investments, showcase good practice and encourage dialogue on future improvements.

One of the main features is the EWRC University which aims to make the latest research on regional and urban development accessible to policy-makers and practitioners and to raise awareness of research results. This year, the popular master class for PhD students and early-career researchers will focus on EU Cohesion Policy.

Other main attractions include the prize-giving ceremony for the annual RegioStars Awards, celebrating good practices in regional development and inspirational projects supported by Cohesion Policy funds. As a follow-up to OPEN Urban DAY 2015, there will also be various events for the urban practitioners’ community, plus the results of the annual photography competition.

High-level debate

If beneficiaries of the European Structural and Investment Funds are to make the most of the opportunities provided, it is vital that access to funding must be as simple as possible. Our interview with former Commission Vice-President Siim Kallas, chairperson of the High Level Group on Simplification, gives an insight into how 12 independent experts are monitoring procedures and promoting simplification to encourage the better use of investment in EU regions. In less than a year, the Group has analysed topics on e-governance, simplified cost options, access to funding for SMEs, and financial instruments and produced conclusions and recommendations for interested parties. The HLG is currently on track to report on a simpler implementation framework for post 2020 for inclusion in the Commission’s reflections on the future of Cohesion Policy.

New look

In this issue of Panorama we have introduced a couple of new articles and adapted several design features to better match the content. The in-depth feature on the Polish region of Pomorskie looks at the challenges it is facing and the ‘negotiating approach’ being used to overcome them. Working with a variety of partners, the region is defining smart specialisations, developing revitalisation projects and coordinating activities in urban areas. An interview with Mieczysław Struk, Marshal of the Pomorskie Voivodeship further explores the contribution Cohesion Policy is making to the region’s economic development and the complementarity between the different investment tools.

A closer look at the BAYinTRAP project goes behind the scenes to find out how the summer school concept was used to involve students in city transport systems and encourage them to have their say in developing sustainable urban transport policy.

End of an era

And finally, in an interview with Walter Deffaa, Director-General for Regional and Urban Policy, we find out a little more about the highs and lows of his 30-year career with the European Commission as he prepares to retire and to take on some new and exciting challenges.

Corina Creţu
European Commissioner for Regional Policy
In 2016, the European Week of Regions and Cities (or ‘EWRC’, formerly known as OPEN DAYS) will take place under the title ‘Regions and Cities for sustainable and inclusive growth’. The event comprises around 130 workshops, debates and networking activities which will be attended by some 6 000 participants. In addition to the Brussels-based workshops, there will be a programme of local events taking place across Europe between September and November 2016.

This year’s event is based around three major themes aligned with the 2016 political priorities of the European Commission and the EU Committee of the Regions. Discussions are intended to support the implementation of the 2014-2020 European Structural and Investment Fund programmes, demonstrate the results of EU investment, showcase examples of good practice, and encourage input for possible future improvements:

- **Sustained and sustainable economic growth**
  This strand will focus on new opportunities for regions and cities to foster growth and create more employment, in the context of the internationalisation of Europe’s economies. It will examine which regions and cities are currently more successful in attracting new investments and why. It will also look specifically at the new opportunities linked to innovation, with particular reference to energy efficiency, developing the low-carbon economy and promoting the circular economy, as well as smart specialisation.

- **Inclusive economic growth**
  Seminars under this strand will examine the development and implementation of labour market and social inclusion policies at local level for disadvantaged sections of the population, including social housing, public services and education, and measures to facilitate the setting-up of micro-businesses or small enterprises and to create a more ‘self-employment friendly’ environment. The strand will allow regions and cities to share their experiences in tackling the refugee crisis, including through the use of EU funds.

- **Making ESI Funds simpler**
  Under this strand, regional and national authorities implementing programmes supported under European Structural and Investment Funds will have the opportunity to exchange experience and good practice in relation to improving the efficiency and effectiveness of programme management, including ways to simplify management and build administrative and executive capacity. It will also look at best practice in urban development, integrated territorial investment programmes and community-led local development, and in relation to promoting use of new financial instruments. Early results of the ex-post evaluations for the period 2007-2013 will be of interest here.

**Special focus on Urban Agenda for Europe**

In continuity with last year’s OPEN Urban DAY, the European Commission, DG Regional and Urban Policy, and the EU Committee of the Regions have joined forces with the Brussels Capital Region and local institutions, representatives from other cities and European networks and initiatives to facilitate international exchange on sustainable urban development.
The urban practitioners’ community will be able to attend specific interactive sessions, workshops, project visits and key events on the Urban Agenda for Europe (its priority themes, partnerships and one-stop shop), urban impact assessment and the importance of multi-level governance, including project site visits organised by the Brussels Capital Region.

Local events
Each participating region and city will organise at least one event locally, bringing the EWRC closer to citizens. These events will be held between September and November under the title ‘Europe in my region/city’, and organised around the EWRC thematic priorities. Aimed at the general public, potential beneficiaries of EU regional policy, expert audiences, academics and the media, they can take various formats, such as conferences, workshops, radio/TV broadcasts or exhibitions. Local events can also be organised in conjunction with the launch of EU regional policy projects or within the framework of annual information measures, as required by the ESI Funds regulations.

‘Europe in my Region’ photo competition
The fifth edition of the photo competition is open until 28 August. To enter the competition, citizens must take a photo of a project which has received EU funding, with a plaque or billboard with funding information and the EU flag featuring in the picture. The three winners win a photography course given by a professional photographer and a trip to Brussels.


RegioStars
The objective of the RegioStars Awards is to identify good practices in regional development and highlight original and innovative projects which could attract and inspire other regions.

The Award Categories for 2016 are:
- SMART GROWTH: emerging opportunities in the global economy
- SUSTAINABLE GROWTH: circular economy
- INCLUSIVE GROWTH: integrated living – building inclusive and non-segregated communities
- CITYSTAR: innovative solutions for sustainable urban development
- EFFECTIVE MANAGEMENT: making a difference by managing differently.

This year, 104 applications have been submitted and are being evaluated by the jury.

The RegioStars 2016 Awards ceremony will take place during the official EWRC reception at BOZAR in Brussels on Tuesday, 11 October. Winning projects will receive their trophies from European Commissioner for Regional Policy, Corina Crețu, and the President of the RegioStars Awards jury, Lambert Van Nistelrooij MEP.


14th European Week of Regions and Cities 2016, 10-13 October 2016, Brussels
Registration opens 6 July:
http://www.regions-and-cities.europa.eu
The EWRC University

SHOWCASING NEW RESEARCH ON REGIONAL AND URBAN DEVELOPMENT

The mission of the EWRC University is to make the latest research on regional and urban development accessible to policy-makers and practitioners.

Now in its eighth year, the EWRC University is a core part of the European Week of Regions and Cities (EWRC). Its aim is to facilitate exchanges between academics from across Europe and regional and local representatives and to raise awareness of research results in the field of regional and urban development and EU Cohesion Policy.

The EWRC University is organised by the three premier academic learned societies in the field of regional studies, regional science and spatial planning – the Regional Studies Association (RSA), the European Regional Science Association (ERSA), and the Association of European Schools of Planning (AESOP) together with the European Commission and the European Committee of the Regions (CoR).

The EWRC is attended by around 6000 practitioners, policy-makers and academics interested in EU Cohesion Policy. It hosts around 130 sessions organised by European institutions, regions, cities and other organisations with an interest in EU Cohesion Policy. Within this overall programme, the EWRC University includes sessions focusing on key themes of practical relevance to regions and cities.

This year, the topics scheduled for the EWRC University sessions are:

- Moving micro-businesses towards the productivity frontier
- Knowledge pearls: challenges and dilemmas in the city-university nexus
- Smart specialisation five years on: from design to implementation
- Spatial data requirements for effective spatial policy
- Sustained and sustainable economic growth: balancing economic and ecological development in cities and regions
- Territorial implications of climate change at the EU level
- Urban development/territorial policy provisions and the challenge of creating simplified and user-friendly implementation systems
- Sustainable societies of tomorrow: addressing the demographic challenge and the dynamics of the silver economy
- Migration and cities: territorial aspects of migration
- Who are the new self-employed in Europe and what is their contribution to growth and to territorial and social cohesion?

EWRC Master Class

An important part of the EWRC University is a master class for PhD students and early-career researchers interested in EU Cohesion Policy. Scheduled to take place from 9-13 October, 30 selected participants will attend five days of coordinated sessions focusing on EU Cohesion Policy. They will also have the opportunity to present in brief their core research to panels of senior EU officials for comment and feedback. The master class includes round tables, interactive sessions and networking events with the most senior EU officials.

The key themes for 2016 Class are:

- Promoting inclusive growth and social cohesion, including the territorial dimension and the integration of urban and rural development;
- The significance of the network economy: policy learning; transfers between regions and cities; knowledge spillovers; and
- Improving the Cohesion Policy delivery system: performance, simplification and accountability.
Participation in the master class is highly competitive as it provides a stimulating and rewarding environment for younger researchers to meet leading EU policy-makers and debate key issues on the policy’s design, implementation and effectiveness. Previous participants have found that attending these classes has created new networks and opportunities and has been beneficial to their career.

**Academic organisers**

**Regional Studies Association (RSA)**, established in 1965, is the global forum for city and regional research, development and policy. The RSA publishes five leading journals in the field, of which Regional Studies is the oldest and best known. In addition, it funds new research and knowledge exchange through a range of funding programmes as well as networking and other support to help researchers grow their research, careers and influence. The RSA believes that regions are a key spatial scale for examining the nature and impacts of political, economic, social and environmental change and innovation. The Association works in partnership with organisations such as the European Commission, CoR, DG Regio, UN-Habitat, the World Bank and the Organisation for Economic Co-operation and Development and has been involved in the EWRC University and the master class from the beginning.

www.regionalstudies.org

**European Regional Science Association (ERSA)** is the largest supra-regional science association under the umbrella of the Regional Science Association International (RSAI). ERSA currently incorporates 18 national and linguistic associations of researchers with an interest in spatial issues across Europe. Its world-class congress is a unique platform to promote regional studies and exchange on current economic, social and policy issues. ERSA also actively collaborates with other international institutions and associations (e.g. European Investment Bank, European Commission, European University Association, AESOP) and believes this is essential for fostering innovative thinking and generating new and smart solutions for existing territorial development problems.

www.ersa.org

**Association of European Schools of Planning (AESOP)**, established in 1987, is an international association of universities teaching and researching in the field of spatial planning. With over 150 institutional members, AESOP provides a platform for the exchange of planning knowledge for scholars, practitioners, professional bodies, politicians and other stakeholders in spatial and urban development across Europe. The AESOP Annual Congress has become the biggest planning assembly in Europe. The Association publishes its own Planning Education journal and collaborates with more than 50 other planning journals. AESOP cooperates with European academic organisations and professional associations as well as with European and global institutions, agencies and programmes (EC, CoR, UN-Habitat) supporting their growing interest in ‘territory and territoriality’.

www.aesop-planning.eu

**FIND OUT MORE**

http://regions-and-cities.europa.eu
When Walter Deffaa began his career back in 1983, just nine Member States had signed up to the European project. Thirty years on, although there have been ups and downs, significant progress has been made and over 508 million citizens in 28 Member States are now part of the growing EU community. As Mr Deffaa tells Panorama, during that time he has witnessed many notable changes, both in his own career and across the Union as a whole.

**During your career at the European Commission you have held a variety of posts in different DGs. Which did you find most challenging ... and/or rewarding?**

Well, having spent more than half my life at the Commission I have plenty of memories! I started as an administrator in DG ECFIN and worked my way up through seven DGs to the position of Director-General in three of those – Internal Audit Service, Taxation and Customs Union and Regional and Urban Policy.

I think Budget and Regional Policy have made the greatest mark on me, although I have been quite lucky in my career pathway as the ‘red thread’ has involved several policy reform dossiers. During my stints at DG Budget and in the Internal Auditor Service, I participated in the Liikanen Sound and Efficient Management Initiative and Kinnock’s strategy for reforming the management system, personnel policy and financial management. While working at the Secretariat-General, I was responsible for the first Commission Communication on Impact Assessment, and then Head of Cabinet for Commissioner Wulf-Mathies. I worked on the Agenda 2000, the multi-annual financial framework 2000-2006 which incorporated the big ‘Eastern enlargement’. Most recently, I have been busy with colleagues in DG Regio shaping and implementing a modern Cohesion Policy, simplifying the delivery system and moving both our policy and our DG towards a result-orientation logic.

**How does result-orientation differ from the previous focus on fund absorption?**

For the first time we can report what the money is going to be spent on and what it will achieve – indicating, for example, how many jobs will be created, the number of people given access to clean water or supported with training, the number of disadvantaged people, such as migrants or minorities, involved in social development programmes, the number of enterprises receiving support, additional households with better broadband access, etc. Member States set their own targets and expected results from Cohesion Policy funding once the programmes have been adopted. Moreover, we have introduced special requirements related to thematic concentration so that the allocated funds constitute critical mass and can bring real impact and results on the ground.

For the sake of transparency, it is very important that every citizen can access this information. Last December, the European Commission adopted a Communication (entitled ‘Investing
in jobs and growth – maximising the contribution of ESI Funds) detailing the main results expected, and this information is now publicly available on the Commission’s open data platform (https://cohesiondata.ec.europa.eu/), which is updated regularly. Cohesion Policy is no longer just a concept – result-orientation can be seen as a major breakthrough in the 2014-2020 programming period.

This is a big step forward, but would you agree that a greater effort is needed to close the communication gap on regional policy?

Yes, communication is a challenge. Figures show that only about 30% of citizens are aware of EU-funded regional projects although, interestingly, more than 70% of these think they are good. There is a lot to be gained through better local communication – the more people who know about work in the regions, such as a new water-treatment facility or innovation centre, the more positive their attitudes will be. The closer you get to the people on the ground, the more interested they are in the projects going on around them. We are actively working with INFORM, the network of communication managers in the Member States and in the regions, in order to help them exchange good practices. A series of seminars involving various stakeholders – such as Commission Representations in the Member States and Europe Direct Information Centres representatives – are being organised in the Member States to sensitise them to the dialogue with their citizens. And during the last Europe Day on 9 May, there was a concerted effort by local politicians in several Member States to visit projects and bring evidence of the European Union’s support. We also hope that more and more political representatives of the EU institutions will have the opportunity to visit some good project examples when they are in ‘their’ countries.

How can the Commission ensure that Cohesion Policy is used to best effect across all the regions?

Over the years, Cohesion Policy funding has had a considerable impact and, thanks to greater transparency we have evidence that it has done much to improve less-developed regions, particularly in Eastern Europe, and helped them to catch up. However, significant

“There is a lot to be gained through better local communication”
economic disparities remain and we are now looking closely at lagging regions and how to improve our impact in some low-income countries and/or low-growth regions. It is not just about money – there are concerns about governance, administrative and legal frameworks which are also addressed by the introduction of *ex-ante* conditionalities. On the more practical side, peer-2-peer exchanges between national/regional administrations are intended to enhance administrative capacity, while on the governance side Integrity Pacts are fighting fraud and corruption, and agreements between contracting authorities and bidders should ensure greater transparency.

Cross-border regions are also high on the agenda now, with the Member States looking for solutions to the refugee crisis and security. There are around 150 million Europeans living in these regions and many are facing problems which cannot be solved by money alone. The Cross Border Review launched by Commissioner Corina Crețu is designed to address administrative and regulatory issues, such as those linked to cross-border healthcare, social security and labour market mobility. Just to give you an example, the crossing between Denmark and Sweden used to take 30 minutes on the Øresund Bridge. That time has doubled now because of border security checks which, over time, risk having a major economic impact on the regions of both countries, not to mention the inconvenience and impracticalities involved for those working in one country and living in the other.

And there is another ‘headache’: in the past, disparities among the Member States were on the decline, but the economic crisis stopped this convergence, which was a major wake-up call. The more peripheral regions and cities were worst hit by the resulting slowdown in growth. In response, we have geared Cohesion Policy more towards investment, and now refer to European Structural and Investment Funds.

We have almost doubled (with around EUR 20 billion) the allocation to financial instruments in order to significantly increase the number of enterprises which could benefit from Cohesion Policy support. The aim is to promote regional economies by concentrating on areas of real growth, such as innovation and, in particular, the smart specialisation strategy which I think is a very powerful instrument to promote the transition of regional economies. Similarly, several regions from different countries have teamed up under the Vanguard Initiative – New growth through Smart Specialisation. This is driven by a commitment in the EU’s regions to use smart specialisation to boost new growth through entrepreneurial innovation and industrial renewal.

"Result-orientation can be seen as a major breakthrough in the 2014-2020 programming period. For the first time we can report on how the money is going to be spent and where"
In this programming period, we have over 120 national and regional smart specialisation strategies all over Europe. The interesting element here is that we ask Member States to cooperate with the regional and public authorities – not just their own governments – to push forward regional development by working with business, researchers, universities and civil society in a societal process which I believe is both very important and very promising.

Within the Commission, some DGs have been criticised for not working more closely together. Have you seen much improvement in internal synergies in this respect?

To a certain extent, the cooperation mentioned in the previous question goes beyond traditional ‘silos’, and also reflects how we are working within the Commission to ensure Cohesion Policy is no longer an isolated policy. We are now collaborating with colleagues in other areas such as energy, environment and research, not to forget urban development – in fact, we have never had such close cooperation between the different DGs.

This relates to my past as I very much believe in public sector innovation, one important element of which is to share more information and knowledge across the departments. For instance, we have introduced a scheme called the Seal of Excellence. If a research team’s project is shortlisted in a Horizon 2020 project call but there is insufficient funding available to proceed with it then, if the project fits into the regional development programme, it can be taken up and supported by regional funding without the need to reapply. So you can see that real synergies are emerging between R&D and regional policies.

The Juncker Plan for Investment in Europe and the ESI Funds are also linked: the Investment Plan is based on economic profitability to attract private investment – but someone has to take the risks. Sometimes, these risks may be so high that additional coverage is necessary – and this is where Cohesion Policy may be able to help. Good examples of such synergy include the Investment Fund ‘Troisième Révolution Industrielle’ in Nord Pas-de-Calais, a programme targeting zero-carbon emissions by 2050, whereby the region’s energy needs would be covered by renewable energy sources. In fact, we are now using a very forward-looking and modern governance structure to try to bring together, for example, those responsible for energy in the Member States with fund managers – and likewise for the environment.

Does this synergy extend to other European institutions or other countries outside of Europe?

Of course, we discuss all the big issues with the Parliament, Council and the Committee of the Regions (CoR) – the partnership with the CoR is particularly important to us. In the past, their support was more general but now it is more strategic, for example in the urban agenda and smart specialisation. Integrated policy-making is taking more and more control of strategic areas, such as environmental aspects, social

“Real synergies are emerging between R&D and regional policies”
issues, small business support, and so on, particularly in cities. The Pact of Amsterdam and the Urban Agenda provide an interesting new paradigm of multi-level governance in a strategic policy field.

In Europe, the statistics show that cities, both large and medium-sized are the engines of growth and as such need integrated policy-making. But the disadvantages to city life include social issues, pollution, traffic congestion, housing shortages, etc. which is why these areas deserve special attention. Nevertheless, globally, Europe’s urban systems are seen as examples of good practice – Latin America and countries like China or Japan, with less well-balanced urban patterns – are looking to learn from us.

How has the European project changed since you joined the Commission?

When I started work in Brussels in the early 1980s we were nine Member States and we were in crisis mode – everyone was talking about ‘Eurosclerosis’, and the Werner Plan for economic and monetary union had failed. In fact, I think that in some ways crisis has always been part of the European project, but we have always progressed and overcome it.

Initially, the project was about West European integration – then came the common currency adopted by 19 Member States in 2002. Since then we have reunified the continent through the enlargement to the East and continued to make progress with almost three times as many Member States now involved in joint policy-making. But we also continue to have crises, like now – even profound crises. In the 1980s and 90s, we complained that there was no significant public political debate about European affairs, but we certainly have one now, although it is proving challenging for all those who have been working on the European project.
Finally, after such a rewarding career, how will you make the most of your retirement?

Unlike some careers, the job of Director-General is not one that you can do on a part-time basis – I think it would have been better to slow down gradually rather than stop completely from one day to the next. But I have already planned several projects to fill my time, including improving my golfing skills, hiking across the Alps with one of our daughters, teaching young people at university or perhaps trying something completely different – to be discovered! I really appreciate the privileged career I have had at the European Commission and – apart from enjoying it – would also like to give something back to the community.

“In this programming period, we have over 120 national and regional smart specialisation strategies all over Europe”
Panorama presents an exclusive interview with former Commission Vice-President Siim Kallas, chairperson of the High Level Group on Simplification.

Mr Kallas, can you briefly explain the purpose of the High Level Group

Our group’s objective is to make sure that all the available options to simplify the life of the beneficiaries are taken up by Member States. We look at positive examples of how it is already being done as well as the reasons why other countries hesitate. We also look to the future, thinking outside the box to find untapped ways to achieve simplification. We advise the European Commission on how to further reduce the administrative burden for beneficiaries of the European Structural and Investment Funds during the current programming period and reflect on the longer-term prospects, providing input for post 2020.

What motivated you to accept the position of chairman of the HLG and what challenges have you encountered in this role?

My personal interest in simplification comes from a background of carrying out reforms in Estonia, especially from ensuring the wide use of IT tools in government. In addition, I am motivated by my time as the European Commissioner responsible for the discharge of the EU budget. I would like to see that everywhere in Europe public administration always strives towards simplifying the way it communicates with citizens.

The European Structural and Investment Funds represent a significant portion of the EU budget and are greatly appreciated by citizens, regions and Member States. They are one of the very real ways that citizens can see the impact the EU makes in their own regions. Many beneficiaries complain that accessing European funds is too difficult, and even when funding is provided, managing a project through bureaucracy and audits makes them want never to try it again. This has an important impact on the reputation of the funds and we need to make sure that it does not detract from the objectives we are trying to achieve with this investment.

I believe that one of the greatest problems is that error is considered disproportionally from a political point of view. For instance, a simple mistake in following the procedure is considered to be an error. When the Court of Auditors reports that there is a three percent error, everyone jumps to the conclusion that three percent of the Cohesion money is being wasted. And because everyone is just so afraid to make an error, Member States frequently ask for clarification and more guidance. This guidance then becomes soft law, causing more restrictions and greater legal uncertainty. This all becomes an ‘unmanageable regulatory jungle’. We have to stop this vicious circle of perpetual regulation manufacturing.
What has the group achieved so far and what else does it hope to achieve?

The High Level Group has actually achieved quite a lot. In less than a year, we have met three times and have already analysed four topics: e-Governance; Simplified Cost Options (SCOs); access to EU funding for SMEs; and financial instruments. On 1 March, a first set of conclusions and recommendations on e-Governance and SCOs was sent to the Commission and made available to all interested parties. By the end of June, we hope to agree on and publish the second round of conclusions and recommendations on access to EU funding for SMEs, and financial instruments. These are interim reports, so to speak, on the different topics addressed and we will contribute to the final report on simplification in 2018. At the moment, we are focusing on those areas where we see the potential to make an impact in the current period, but later this year we will turn our full attention to consider what we think a simpler implementation framework should look like for post 2020. We intend to deliver our report on that subject before the summer of 2017 so that the Commission has time to include it in its reflection on the future of Cohesion Policy.

Can you tell us a little more on what we can expect from your next meeting which will focus on gold plating?

Administrations themselves add layers of regulations and controls to avoid errors. But more regulation simply means more complications and more errors, which is a big problem for our beneficiaries. During our next meeting, two of our members will present their report on ‘gold plating’. We will also hear evidence from the viewpoints of managing authorities, implementing bodies, local governments and, of course, the final beneficiaries. This discussion should give us a good overview of the situation so that our group can put forward concrete recommendations on how to deal better with this important issue.
As the chairperson of the HLG, how do you think simplification will be achieved?

Everybody wants results and money properly used, so simplification should ensure that the delivery system is streamlined so that the focus can remain on results. For this period, we need to maximise the possibilities that already exist – we have already made some recommendations on what we think could be achieved, such as by making it easier for managing authorities to use simplified costs.

For the future, I think this will require a more radical approach – one that reflects some of the changes in the priorities for the Funds. What I mean is that the framework would need to be more tailored to the type of investments, for example by having a more flexible approach to reflect the nature of the different financial instruments. We also need to address the issue of trust between the different layers of audits and control.

For both this period and the future, I am of the opinion that simplification will only be achieved if there is the political will and support from all actors. There is a growing appetite for simplification. Obviously, the Commission is open to finding better ways to implement the funds as it has set up the High Level Group, but I have also seen the same openness in my engagement with the European Parliament and the Committee of the Regions. I know the Member States are also ready so I am optimistic that we can find concrete solutions.

FIND OUT MORE
http://bit.ly/1eYWX6J

A unique perspective
Siim Kallas has extensive experience in the challenges associated with simplifying regulations at the European level. He served two terms in the Barroso Commission, first as Commission Vice-President responsible for Administrative Affairs, Audit and Anti-fraud matters, and secondly, for Transport. He is also Estonia’s former prime minister and finance minister. His experience in reforming Estonia and observing the economic transformation brought about by a combination of EU financial support and reform has given him a unique perspective on how to best couple EU funding with progress on the ground. He has a background in economics and finance and is currently a visiting professor at the University of Tartu in Estonia.

As the chairperson of the HLG, how do you think simplification will be achieved?

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FIND OUT MORE
http://bit.ly/1eYWX6J
Showcasing projects in Greece

In the context of the EU-wide ‘Europe in my Region’ campaign organised by the Directorate-General for Regional and Urban Policy, people in Greece had the opportunity in May and June to learn more about projects co-funded by the EU in their region. Through 26 events in Athens and nine regions, the Greek participation, organised by the National NSRF Coordination Authority of the Ministry of Economy, Development and Tourism and the Managing Authorities of Regions, focused mainly on projects in the education sector, culture, transport and the urban environment.

The region of Crete invited students to demonstrations of an artificial intelligence app by researchers from the Institute for Informatics of the Foundation for Research and Technology. A series of information events took place in five schools in the region and in Chios and Tripoli which were built, extended or upgraded with NSRF 2007-2013 funding.

In the transport sector, on the initiative of the National NSRF Coordination Authority of the Ministry of Economy, Development and Tourism, a large EU co-funded project in the Greek capital hosted other projects receiving funding.

On Europe Day, the Eastern Macedonia and Thrace Region opened up the Xanthi garrison headquarters which were restored with NSRF resources and organised an exhibition about the conversion of an old tobacco warehouse into a five-star hotel in Drama using JESSICA funding. Cultural projects were also exhibited by the regions of Epirus, the Ionian Islands, Thessalia, Western Greece, the Peloponnese and Mainland Greece.

FIND OUT MORE

Successful year for EFSI

Eighteen months after President Jean-Claude Juncker launched the Investment Plan for Europe, and a year after the start of the European Fund for Strategic Investments (EFSI), the Commission has taken stock of achievements to date.

The European Fund for Strategic Investments (EFSI), managed by the EIB Group, is firmly on track to deliver on mobilising at least EUR 315 billion in additional investments in the real economy by mid-2018. The EFSI provides a first loss guarantee which means the EIB has been able to invest in more, sometimes riskier projects, and to invest sooner than it could without the EFSI. Overall, the Fund is already active in 26 Member States and is expected to trigger EUR 100 billion in investment with the approvals given so far.

In February, the Commission issued guidance on how European Structural and Investment Funds (ESI Funds) can be combined with the EFSI to enable as much investment as possible. A first set of projects is already benefiting from this combination in practice which will be further simplified.

FIND OUT MORE
http://europa.eu/!XC78YN
One for all, all for one

The Interact Programme represents an example of good practice in effective management with the development of harmonised tools for the Interreg community, including KEEP, HIT, eMS and Interreg branding. Gabriel Alvarez, Interact Communication Manager, explains.

European regions often face numerous challenges in effectively managing European Structural and Investment (ESI) Funds, in terms of avoiding financial errors whilst producing concrete results. For this reason, it is common practice for each country or even each regional administration to develop their own solutions. However, this approach can result in high administrative and financial costs.

To deal with this, the European Commission has set up a High Level Group of Independent Experts on Monitoring Simplification for Beneficiaries of the ESI Funds. Their task is to advise the Commission about simplifying and reducing the administrative burden for ESI Fund beneficiaries.

At the same time, investment priorities within the European Regional Development Fund (ERDF) include, among others, enhancing the institutional capacity of public authorities and stakeholders as well as efficient public administration. This is reflected under Thematic Objective (TO) 11 in the Common Provisions Regulation (CPR) for the 2014-2020 programming period.

A high-quality public administration makes a positive impact on the economic environment by stimulating productivity, competitiveness and growth. This backdrop certainly offers a great opportunity for Interreg programmes and Member States to maximise the synergies between the various bodies.

In its enabling role, the Interact Programme has chosen harmonisation as one of the main simplification measures to streamline the work of both Interreg programme bodies and beneficiaries. With the support of Interact as a facilitator, task forces and groups of experts from the Interreg community have been built up in order to participate in the development of common products to be used by all programmes.

Thanks to this joint approach, Interreg programmes have undoubtedly saved human and financial resources in an effort to strive for cooperation, simplification and result orientation. The outcomes of this action allowed Interact to create KEEP, HIT, eMS and a consistent brand for Interreg.

KEEP is the comprehensive and easy-to-use European database, search engine and clustering tool of Interreg, Interreg-IPA CBC and ENPI/ENI CBC projects and beneficiaries from 2000 onwards. It enhances Interreg’s visibility and cooperation and transparency in the use of EU funds as well as the analysis of cooperation gaps, successes and trends.

It offers a number of possibilities to find relevant partners, find out about similar projects in different thematic fields, and to extract data for reporting, research or statistical purposes. To date, over 17 000 territorial cooperation projects have been entered in the KEEP database, making up 73% of the projects in the 2000-2006 period and 93% of all 2007-2013 projects.
HIT comprises a set of templates, fact sheets and model forms to support and guide Interreg programme management in different fields: project selection and implementation, financial control and audit, and eligibility of expenditure.

It entails a mutually agreed set of minimum expectations regarding data collection and processing, based on the requirements of relevant EU policies. According to an Interact survey in 2015, 66% of Interreg programmes will use the HIT package in 2014-2020, while 20% of the programmes will call on it for inspiration.

eMS is a ready-to-use monitoring software for EU cooperation programmes and projects which covers the entire life cycle from project application, assessment and implementation to payment and reporting to the European Commission.

The software developed by Interact is provided free of charge to EU cooperation programmes. To date, 33 Interreg, Interreg-IPA CBC and ENI CBC programmes have joined the eMS community and many are already using the eMS for calls for applications, project assessments and reporting.

eMS makes EU cooperation programmes more accessible for applicants because it harmonises project application and reporting user interfaces across Europe. So far it has saved over EUR 10 million in taxpayers’ money. eMS has also been recognised as a best practice by DG Regio’s High Level Group on Simplification (see page 14).

Interact is an ERDF programme, part of the Interreg community, focusing on service delivery to support Interreg, Interreg IPA-CBC and ENI programmes. It deals with Thematic Objective 11 Enhancing institutional capacity and efficient administration.

Joint branding

The branding of Interreg includes initiatives such as the adoption of a joint nomenclature (Interreg) for all programmes regardless of the language, a common logo, and a communication campaign referred to as European Cooperation Day. The campaign aims to disseminate the outcome of project results from the organisation of local events every year on 21 September.

A common approach for an Interreg brand is to enhance visibility and perception. The European Commission even reintroduced the name (Interreg V) in their Decision on programme areas and budgets based on the Interreg branding initiative. Over 70% of the programmes have adopted the new Interreg logo and participated in European Cooperation Day.

FIND OUT MORE

www.interact-eu.net
The EU wants to reduce the number of road fatalities by 50% by 2020, which would mean to less than 3.1 per 100,000 inhabitants. This target has already been reached in all the cities marked in green. Although most cities in north-western Europe have low road fatality rates, those shown in purple still need to reduce their road fatality figures. This rate is high in most Romanian cities (>9) and in many cities in Bulgaria and Greece (>6). Progress is still needed in most cities in Italy, Poland, Spain and Portugal to reach the EU’s goal by 2020.
Air pollution can adversely affect people’s health and even reduce their lifespan. The EU Directive limits concentration of particulate matter of 10 µm* to less than 40 µg/m³. The cities shown in red exceeded this threshold in 2013. The World Health Organization’s guideline value is stricter at 20 µg/m³. All the cities marked in yellow and orange surpassed this value in 2013. The highest concentrations were in cities in Bulgaria, the south of Poland, Cyprus and in the Po Valley in Italy. Only a few cities, mostly in Finland and the UK and some in Spain, France and Germany respected both thresholds.
The aim of the EU Strategy for the Adriatic and Ionian Region (EUSAIR) is to help the region – which is home to 70 million people and key for Europe’s geographical continuity – to reap the benefits of closer cooperation in areas such as promoting the maritime economy, preserving the environment, enhancing transport and energy links, and boosting sustainable tourism.

One and a half years after the launch conference in Brussels in November 2014, this third EU macro-regional strategy is now in its implementation phase. The basis for the joint work of the eight participating countries (Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, Serbia and Slovenia) has been established through a stable platform to define the priorities in the strategy’s four thematic pillars: 1) blue growth; 2) connecting the region; 3) environmental quality; and 4) sustainable tourism. The Interreg ADRION Programme, adopted in December 2015 and covering the same geographic area as EUSAIR, includes a priority axis to support the strategy’s governance and management structures.

On 12 and 13 May 2016, on the occasion of the 1st EUSAIR Forum in Dubrovnik (Croatia), Commissioner for Regional Policy Corina Creţu joined the ministers of foreign affairs and of the EU funds of the eight countries involved, as well as more than 600 key stakeholders (national, regional and local administrations, academia, business sector and civil society) in the Adriatic and Ionian Region to take stock of the progress of the EU macro-regional strategy and to define the way forward.

From words to action

Opening the forum, Commissioner Creţu referred to three key elements to move from words to action: first, the need to think across borders and sectors and hence to go beyond the “comfort zone”; second, make sure all relevant partners are around the table; and third, translate political will into adequate resources. The Dubrovnik Declaration adopted by the ministers confirms their commitment to devote financial, administrative and technical resources and calls for a better alignment of the strategy and national funding priorities.

Forum participants discussed how the macro-regional approach can help the area to become more resilient by jointly tacking the complex and diverse challenges at stake, which individual countries can no longer hope to address in isolation. Another key topic was the need for an effective multi-level governance system as a key prerequisite for the sound implementation of the strategy and achieving its goals.

The forum confirmed the potential of EUSAIR, not only for increasing competitiveness and connectivity in the region, but also for supporting the path to EU integration of the four participating candidate and potential candidate countries.
The strategy supports eight countries through four pillars:

Cross-cutting aspects and horizontal principles:

- Capacity-building, including communication
- Research, innovation, small and medium-sized enterprises
- Climate change mitigation and adaptation
- Disaster risk management

On 1 June 2016, the Government of Croatia handed over the pro tempore chairmanship of the Adriatic and Ionian Initiative and the EUSAIR to the Government of Greece. Speaking during the closing session of the forum, Deputy Minister for Economy Alexis Charitsis said that the Greek chairmanship would be guided by the leitmotiv “think macro-regionally, act locally”.

A macro-regional strategy is an integrated framework which can be supported by the European Structural and Investment Funds, among others, to address common challenges faced by EU Member States and non-EU countries located in the same geographical area. They thereby benefit from strengthened cooperation contributing to achieving economic, social and territorial cohesion.

The EU Strategy for the Adriatic and Ionian Region, endorsed by the Council in 2014, is the third EU macro-regional strategy following the pioneering EU Strategy for the Baltic Sea Region (EUSBSR) and the EU Strategy for the Danube Region (EUSDR), endorsed by the Council in 2009 and 2011 respectively. A fourth macro-regional strategy for the Alpine Region was launched in January 2016 (see Panorama 56).

FIND OUT MORE
http://www.adriatic-ionian.eu/
Captured on camera

Every year, thousands of projects across Europe receive regional funding from the European Union. The ‘Europe in My Region’ photograph competition is a great opportunity to get out and about with your camera and take pictures of any project funded by the EU. Here is a just a small selection of photos snapped across Europe’s regions in recent years.

The deadline for this year’s contest is 28 August 2016. Winners will receive their prizes during the European Week of Regions and Cities in Brussels, 10–13 October.

FIND OUT MORE
https://goo.gl/t3iwcT
Arctic Smartness – exploiting the region’s potential

Lapland is the EU’s northernmost region and gateway to the Arctic region. It plays an important role not only in climate change and the sustainable development of natural resources, but also in international cooperation, global security and economic development, as mentioned in the recent Joint Communication to the European Parliament and the Council on an integrated EU policy for the Arctic.

The expression ‘Arctic region’ often brings to mind stereotypes such as snow and ice, but the region has so much more to offer: vast natural resources, good infrastructure and an innovative way of thinking. In just a few years, Lapland has turned its arctic challenges into Arctic Smartness.

So, how did it become the most advanced innovative Arctic region? Today, Lapland is a rare combination of countless small villages, urban city centres and tourist resorts, but with plenty of room for everyone. Here, there are forests, roaring rivers, a wide range of research services, and a stable investment and business environment supported by strong cross-border cooperation and collaborative networks. Here, Arctic is everyday life.

The balanced mix of industrial expertise and commitment to sustainable development are at the core of refining natural resources in the Lapland region.

Despite its remarkable industrial development – the region is home to one of the EU’s biggest industrial concentrations of forest and mineral refining – Lapland remains one of the regions with the cleanest water and air worldwide. It is also the largest certified region for harvesting natural products. “In Lapland, we decided to make brave and open-minded decisions while investing in our future. Lapland was one of the first regions in Finland to adapt to the smart specialisation (S3) concept. Smart specialisation was a milestone that helped us to recognise emerging industries arising from the region’s potential, and laid down the foundation for the region’s Arctic Smartness branding”, says Kristiina Jokelainen, manager of S3 and regional clusters development, from the Regional Council of Lapland.

From the very outset, S3 planning and implementation was based on the wide participation and regional commitment of stakeholders. Lapland Arctic Smartness is an interaction between different sectors and technologies within both regional and interregional collaboration.

The Arctic Smartness regional clusters – Arctic Industry and Circular Economy; Arctic Smart Rural Community; Arctic Design; Arctic Safety and Security; and Arctic Development Environments – are the backbone of Lapland’s sustainable development and regional innovation system. This modern, multi-sectoral synergic approach, which looks beyond boundaries, is helping us to overcome the region’s lack of critical mass and to integrate Lapland’s industries into global value chains.

Päivi Ekdahl - Development Director, Regional Council of Lapland
Cohesion Policy supporting islands

Island regions have common and specific characteristics and features that clearly distinguish them from mainland regions. EU Structural and Investment Funds are vital to help kick-start long-term investment projects in these areas and to plug funding gaps.

Article 174 of the Treaty on the Functioning of the European Union recognises that island regions face permanent handicaps which require particular attention. Everyday challenges, such as the lack of economies of scale, small markets and limited private investments in a variety of sectors, including transport, energy efficiency (with implications for energy poverty), digital connectivity, etc., all have an impact on businesses and making a living.

Cohesion Policy is the European policy best suited to address the challenges facing islands. Island regions have provided excellent examples of using European Structural and Investment Funds for investments in transport, energy efficiency, renewable energy, research, etc., which contribute to the European strategic objectives for 2020 and beyond.

However, there are also examples of failures and distortions, especially concerning the access to Cohesion Policy for those islands at NUTS 3 level or below when they form part of NUTS 2 regions on the mainland with considerably higher GDP.

Due to their remoteness and inherent characteristics, islands have been particularly vulnerable to the recent financial crisis. The latest Eurostat regional GDP figures for 2014 reveal that the highest falls in Europe – in the order of 30% – occurred in islands, which is yet another testimony to the growing development gap between Europe’s centre and its periphery. This is a challenge for the future which can be dealt with specifically by strengthening the territorial dimension of Cohesion Policy.

The Conference of Peripheral Maritime Regions (www.cpmr.org), which brings together some 160 regions representing about 200 million people, campaigns for more balanced development within the European territory. Since 1973, the CPMR and its Islands Commission have been focusing their attention and actions on ensuring that the needs and interests of their peripheral and island member regions are taken into account in those policies with a high territorial impact, such as social, economic and territorial cohesion, maritime policies and accessibility.

Mr George Hatzimarkos – President of the Islands Commission of the Conference of Peripheral Maritime Regions (CPMR) and Governor of South Aegean Region (Greece)
Pomorskie’s smart approach to urban revitalisation

Pomorskie is a Polish self-governing region running a regional European Regional Development Fund (ERDF) Operational Programme tasked, inter alia, with urban revitalisation. The OP is just one of the tools being used to implement the Pomorskie Regional Development Strategy 2020.

The Pomorskie regional Operational Programme (OP) for 2014-2020 aims to undertake the development challenges facing the region in the economy, education, vocational and social activities, potential of individual territories, the transport system, energy and the environment. Using a wide variety of themes and different implementation instruments, the key is to ensure synergy, coherence and seamless coordination.

To achieve this, Pomorskie is successfully applying a negotiating approach based on the participation and involvement of various partner institutions, entities and communities. This includes defining smart specialisations, developing the best revitalisation projects, and coordinating activities in cities and their surrounding functional areas.

The Polish region has adopted a unique bottom-up partnership process which defines smart specialisations based on proposals made in open competition by interested business and science communities. The proposals were evaluated by experts from outside the region, and abroad, with international business and research experience. As a result, the regional authorities identified four areas of smart specialisation (see page 31).

Strength in numbers

The competition procedure for selecting specialisations launched a very active process of entrepreneurial discovery, involving the cooperation of various regional partners representing business, education, business environment institutions and non-governmental organisations (NGOs). Actors central to building cooperation between science and business were able to work directly with interested partners. In total, more than 400 entities were involved, including the largest schools and colleges in the region, leading business institutions, municipalities and associations of municipalities, as well as hospitals and numerous NGOs. However, the largest group comprised around 300 companies.

The negotiation element featured strongly in the process of identifying smart specialisations in the region. Having selected the smart specialisation fields, the regional authorities negotiated agreements with each of the communities organised around them, which defined the scope and priority research areas of a given specialisation, and the principles and approach to supporting their development with public funds, including the regional OP for 2014-2020.
With the significant integration of the communities involved in building intelligent economic specialisations, strengthened by the above-mentioned agreements, the plan is to create many new and innovative ventures, projects and products which can be commercialised to help develop Pomorskie and beyond.

Given the selected specialisation areas, Pomorskie will strive for global recognition as a manufacturer of floating vehicles using alternative fuel, ‘smart homes’, technology to solve the energy storage problems, and innovative products and services used for healthcare.

From the very beginning of the procedure for selecting smart specialisations, attention was paid to the role of private capital in the ventures and projects planned by various groups. The share of private capital will not only guarantee the greater efficiency and sustainability of implemented solutions, but will also launch mechanisms that will enable the financing of economic development after 2020, when Cohesion Policy funding will be less than it is in the current programming period.

**Regeneration policy**

In the period 2014-2020, one of the Cohesion Policy priorities and part of its urban dimension is a comprehensive revitalisation of degraded areas in cities. This is also an important aspect of urban policy throughout Poland. During this period, the regeneration projects supported via Cohesion Policy will rely on a fully comprehensive and harmonious combination of social, economic and spatial actions, the primary aim of which is the social inclusion of citizens living in degraded urban areas and reducing the poverty affecting them.
A unique formula was used based on negotiations with cities of the scope and profile of their revitalisation projects, which were subsequently funded by the regional OP for 2007-2013. Pomorskie is using this ‘pilot’ negotiating approach for the large-scale generation of optimal solutions for cities and their functional areas eligible for support from public funds.

**Tried and tested**

The approach to revitalisation projects to be funded by the regional OP for 2014-2020 involves the continuation and development of the previously tested mechanism, which resulted in the realisation of eight complex regeneration projects involving over 50,000 inhabitants living in run-down areas in five cities.

Revitalisation projects follow the integrated project formula: there are two closely related projects, one co-financed by the ESF and the other by the ERDF. At the same time, intervention of a social nature will determine the shape of infrastructure projects, rather than vice versa. The implementation of such a model is facilitated by the fact that the regional OP for 2014-2020 is currently a two-fund programme.

Multi-stage negotiations between 31 cities and regional authorities concern, among other issues, the delimitation of degraded areas, urban regeneration programmes and the scope of integrated revitalisation projects. Funded projects will have to find solutions to specific problems identified in the revitalisation programmes for degraded areas, delimited on the basis of precise indicators of the social, economic and spatial situation, whereby the severity of the crisis is relatively high when compared to both the city and the region.

**Territorial investment**

The regional OP for 2014-2020 is based largely on a territorial approach. As part of the integrated territorial agreements, regional authorities negotiate with eight functional urban areas (and – separately, as part of integrated territorial investments – with the Tri-City metropolitan area) packages for coherent projects. This includes areas such as professional activation, preschool education, transport nodes, waste processing and the development of specialised health services. These projects serve to exploit development opportunities and overcome barriers that characterise these areas. Projects accepted within territorial agreements will receive preferences (additional points) to access funds from the regional OP.

The territorial approach adopted in Pomorskie is primarily based on the fact that solving urban problems in functional areas requires not only financial resources but, above all, systematic cooperation, both among neighbouring municipalities as well as public authorities and entrepreneurs, NGOs, and education and scientific research institutions. The rules for creating such synergy are designed to inspire collaboration where there was none before and to strengthen it where it already exists.

Furthermore, taking into account the experience gained from the 2007-2013 period, it should be noted that the problems must be solved through actions planned in advance, based on strategic reflection. Agreements serve to accurately identify, and carefully prepare and coordinate priority projects, thereby increasing the chance of their implementation with the most favourable outcomes.

**FIND OUT MORE**

www.pomorskie.eu
**Pomorskie Voivodship**

**Population:** 2,302,000, representing 6.0% of the Polish population. The region’s growing population is younger than Poland’s overall population, with the highest natural increase and positive migration balance.

**Labour market:** There is a growing number of workers with high labour productivity with an accompanying high growth rate/fall in unemployment to a rate below the national average.

**Economy:** 64% of average GDP per capita in PPS EU-28, above-average economic activity, high results for innovative companies, leading Polish companies present, including those with foreign capital.

**Smart specialisations:** Offshore, port and logistics technologies; interactive technologies in an information-heavy environment; eco-efficient technologies in the production, transmission, distribution and consumption of energy and fuel, and construction; medical technologies for lifestyle diseases and the ageing sector.

**Other key sectors:** Business services; pharmaceuticals and cosmetics; biotechnology; tourism.

**Strengths:** Location in TEN-T, the Gdańsk-Gdynia-Sopot metropolitan area as the Baltic’s innovative and creative metropolis; a coastal location, with large sea ports; unique natural environment and cultural heritage (including Gdańsk, a city of freedom and solidarity); and a large academic centre.

**FIND OUT MORE**

www.rpo.pomorskie.eu
How can Cohesion Policy contribute to the economic development of the Pomorskie region? Which areas would you like to prioritise?

Cohesion Policy is crucial for Pomorskie. It is mainly thanks to its resources, objectives and principles that we have learned to think and act in a philosophy oriented on results and to take a comprehensive approach to the problems identified. This is difficult, if not impossible to achieve using sectoral policies.

Cohesion Policy effectively also pushed us to focus on key problem areas, e.g. in the education sector we placed special emphasis on vocational education, and in the area of mobility we focused on public transport, including rail. Also important are the transfer of R&D achievements to the economy, attracting investment, improving energy efficiency, and building a network of tourism products.

What are the pros and cons of the new approach for combining different funds and financial instruments? How do you ensure consistency and complementarity?

We supported the idea of an Operational Programme that combines the European Social Fund and the European Regional Development Fund from the very beginning of the debate on Cohesion Policy 2014-2020. I think that further consolidation of these funds should follow in such a way that their intervention has a fully complementary character. Pomorskie does not hesitate to make use of the mechanism of integrated projects, particularly in the areas of revitalisation and vocational training.

As for financial instruments, in Poland we are pioneers. In my opinion, these instruments bring the mechanisms for the implementation of the Cohesion Policy closer to market conditions, which contributes to efficient and well-targeted public interventions, increasing the strength of their impact. Based on our experience in the field of financial

Multi-functional train station in the heart of the metropolis

This project is the first European investment implemented in a public-private partnership funded by JESSICA Joint European Support for Sustainable Investment in City Areas, the EU’s repayable instrument. It concerned the revitalisation of the railway station and the surrounding area in Sopot. A complex of buildings was created including a new railway station and commercial, office and hotel space. An interchange connecting various means of public transport was also developed.

www.sopotcentrum.com.pl
instruments, we created the Pomorskie Development Fund which after 2023 will be one of the key investment instruments in the region.

In the context of coherence and coordination, it is worth noting that our regional Operational Programme is clearly based on a territorial approach and a negotiation formula – e.g. as part of the integrated territorial agreements for urban functional areas. This means that for the main urban areas we negotiate packages of projects that seek to maximise economic and social effects in different parts of the region.

There is a general demand for the management of European funds to be simplified. How can the region contribute to this specifically?

We have never had the tendency to create complex procedures and impose unnecessary burdens on beneficiaries. In preparing our new regional Operational Programme we tried to continue this pragmatic and flexible approach, but we are now strongly limited by regulations created at the European and national level. I understand the need for coordination and I think that in certain areas it should even be improved, but it should not be based primarily on a number of specific guidelines that institutions managing programmes are required to apply. The regions have experience and do not shy away from taking responsibility for the effects of programmes. They should, however, have greater freedom to choose the best path that will achieve their objectives. In our regional Operational Programme, we treat practical procedures for the beneficiaries as a priority. We have created a tool for submitting applications via the internet, which is constantly being adapted to the specifics of successive competitions. We also have a document for beneficiaries giving all the information on how to apply for project funding, their evaluation and subsequent implementation and accounting.
What results are you expecting to achieve at the end of the 2014-2020 funding period?

Taking into account our absorption potential and the available resources, we expect that in 2014-2020 we will acquire a total of EUR 5.4 billion of EU funds. This involves, of course, the value of our regional Operational Programme, i.e. EUR 1.8 billion.

We assume that Cohesion Policy will be a catalyst for lasting change in our region. It should lead to Pomorskie companies being pushed into the global value chain, and to strengthening the export-orientation of our economy and reducing its energy intensity. We also want to better capitalise on the labour market, made up of well-educated, open-minded, courageous and enterprising citizens. We also aim to improve the living conditions of the inhabitants, including a significant increase in the quality and availability of key public services.

New rail and airport extension – Pomorskie is backing public transport

Construction of the Pomorskie Metropolitan Railway (PKM) and the extension of Gdańsk Airport are the largest and most important infrastructure investments for the development of public transport in Pomorskie. The PKM links the Tri-City metropolitan area with the airport in Gdańsk and with the Kaszuby sub-region to the west. Gdańsk airport supports an increasing number of connections between the Pomorskie region, Europe and the rest of the world. Thanks to the dynamic growth in passenger numbers which, over the last two years have increased by over 30% to 3.7 million a year, it has become the third largest airport in Poland.

www.pkm-sa.pl
www.airport.gdansk.pl
Pomorskie, and its main city, Gdańsk, are close to the Baltic Sea. How much is Pomorskie involved in the Baltic Sea Strategy and what do you expect from it?

We have been involved in the EU Strategy for the Baltic Sea Region from the beginning. We see it as an opportunity for additional development impulses resulting from better coordination of the numerous bodies from the Baltic countries. In our regional Operational Programme we have identified areas in which we will particularly promote cooperation ‘under the umbrella’ of the Baltic Sea Strategy. These are: knowledge transfer, renewable energy, and tourism and biodiversity. I hope that high-quality projects will emerge as a result of harnessing the Baltic Sea Strategy to our regional programme.

**Invest in Pomerania**

Thanks to the ‘System of Economic Promotion and Information in the Pomorskie Voivodship project, a comprehensive system of services was created for investors. Cooperation among key players serving investors in the region, brought together under the Invest in Pomerania initiative – which not only includes support for investment projects but also covers the promotion of investment – resulted in the completion of 57 successful projects in which investors announced the creation of 8,930 jobs.

[www.investinpomerania.pl](http://www.investinpomerania.pl)
When social benefit outweighs profit

COOPERATING IN THE SOCIAL ECONOMY IN GREECE

Social economy, a sector which has weathered the economic crisis in the EU better than others, has been a long-standing priority for the European Commission.

In order to promote a “highly competitive social market economy”, the Commission has placed social economy and social innovation at the heart of its Europe 2020 strategy, both in terms of territorial cohesion and in the search for new solutions to societal problems, in particular the fight against poverty and exclusion. For countries like Greece, where the economic crisis has had severe consequences for the country’s economy and social cohesion, social economy could be a viable alternative.

Social economy is not something new for Greece. In fact, the Common Company of Ampelakia (Greece) is considered to be the first modern cooperative in the world. It was founded between 1750 and 1770 as the small cotton-growing and yarn-producing fellowships in 22 villages in the Tempi area united in 1772 to avoid unnecessary rivalry and competition. It became a major enterprise, with 6,000 members, 24 factories and 17 branches throughout Europe, stretching from St Petersburg and London to Smyrna. Its members benefited from social insurance, health facilities, schools and libraries and the Free University of Ampelakia.

Since then, the country’s socio-economic conditions have changed a lot. However, the severe social effects of the crisis, disinvestment and huge increase in the unemployment rate highlights, more than ever, the need for investment in enterprises whose main objective is to make a social impact while remaining financially sustainable.

Investing in regional growth

Social economy is a sector not fully yet explored in Greece. With the support of the European Regional Development Fund (ERDF) – either concretely for social entrepreneurship (total budget EUR 6.4 million) or through mainstream entrepreneurial actions – social economy can develop during the new programming period. The earmarking of more than EUR 100 million from European Social Fund (ESF) resources for the promotion of social entrepreneurship in the 2014-2020 programming period and selection of the relevant investment priority by all 13 regions in their Operational Programmes clearly demonstrate the Greek authorities’ intention to use social economy as a new model which will contribute to the overall growth of the Greek economy. Social economy is also mentioned in the Memorandum of Understanding as one of the tools to support employment and economic activity.

With the support of the Cohesion Policy, the development of the social economy in Greece is a great opportunity to cater for social needs and create sustainable jobs in the medium term, including for vulnerable social groups.

1) COM 2011/682
2) Kalitsounakis, 1929: 224-231, as quoted in Nasioulas, 2010:64
Below are three examples of projects focusing on the social economy in Greece:

Win-win situation

**Wise Greece** is a non-profit organisation operating as a social enterprise with a double mission: they promote more than 450 top-quality Greek products through the sales of which they buy food to donate to people in need. Wise Greece selects the best Greek products and promotes them at various points of sale across the country and abroad. The Greek producers donate a percentage of their sales to Wise Greece to cover the basic food needs of those charitable institutions and non-profit organisations which support the homeless, children and the elderly.

The company has won many awards based on social responsibility, including the Award for Sustainable Enterprise and Development in the ‘Startup Greece Awards 2016’.

http://www.en.wisegreece.com/

Working on inclusion

**KoiSPE Diadromes** is a Limited Liability Social Cooperative (L.L.S.C.-KoiSPE) in Attica created by the employees of the Society of Social Psychiatry and Mental Health. Their main objective is the employment and social rehabilitation of people with psychosocial problems. To achieve that, KoiSPE runs an employment and professional advisory office which helps people with psychosocial difficulties to secure and maintain paid employment in the open labour market. Moreover, the Cooperative also operates a cleaning service, a coffee shop and has dealings with commerce – activities which contribute to the creation of sustainable jobs for those citizens who are excluded from the open labour market.

http://koispediadromes.gr

Read all about it!

**Shedia** is the only Greek street magazine and member of the International Network of Street Papers (INSP). It has been distributed in the streets of Athens and Thessaloniki since February 2013 by homeless and unemployed citizens, giving them the chance to earn a small income and progressively improve their living conditions. Shedia also supports the reintegration of the most deprived citizens by organising activities and events such as a local football team, art and theatre classes, social tours in Athens (the ‘invisible tours’) and many more.

http://www.shedia.gr/
Engaging youth to improve public transport

Across Europe, Member States are looking for better ways to create clean and efficient urban transport systems. Whereas all too often the focus falls on technology and infrastructure, the BAYinTRAP project decided to try a different approach: actively involving young citizens in developing a sustainable urban transport policy.

“Knowing that when engaged, youth can become important multipliers for the sustainable transport message, our project sought out their creativity, enthusiasm and ‘thinking outside the box’ and applied it to addressing such challenges as road safety, accessibility and urban traffic management,” explains Piotrowski.

The result is a lesson in participatory democracy – a project that brought together youth and public officials from Poland, Germany and Lithuania to revisit old problems and find new approaches to cleaner urban transportation.

From idea to reality

The project was inspired by an earlier European-wide initiative on public transportation (the CIVITAS initiative, www.civitas.eu). Having been involved in that project, Piotrowski and his colleagues from the Self Government Agency for Promotion of Culture in Szczecinek (SAPIK) wanted to try something similar – albeit on a smaller scale – for their own city.

With the support of their local transport authorities, they approached the European Commission via its South Baltic Cross-border Co-operation Programme (2007-2013). Along with Greifswald in Germany and Klaipédava Lithuania – also actively involved in sustainable transport – the cities received support from the European Regional Development Fund (ERDF).

The summer camp concept was born during an initial meeting of representatives from SAPIK, consortium partners ATI errg GmbH, the Technology Centre Vorpommern and Klaipédava Public Transport Authority.

Off camping

It was agreed that each city would host a summer camp and welcome groups from the other two. “By sending students from Greifswald to Szczecinek, for example, we felt we could bring a fresh set of eyes and ideas to the table,” says Piotrowski. However, he adds that participants may have benefited from receiving more in-depth information on public transport at the outset to better focus their observations during camp activities.

Each city developed its own competition and participant selection criteria. Candidates were asked to propose improvements to mobility in their city. Besides taking part in the BAYinTRAP project, the 60 winners, aged 16 to 19, also received prizes such as public transport passes and cinema tickets.
Initially, participants were introduced to public transport via presentations and urban study tours where they had to get from one point in the city to another using public transport. In Szczecinek, for example, they used smart phones to find the way; in Klaipėda it was geocaching; and in Greifswald they plotted routes from written instructions.

**Straight to the top**

Next, participants discussed positive and negative aspects of public transport based on their initial observations. “Armed with a list of the main issues, each group proposed possible improvements,” explains Piotrowski. “Then they presented their findings personally to local politicians, public administration and other stakeholders.”

Piotrowski says the students were able to decide independently how to present their recommendations: in Szczecinek, they prepared a PowerPoint presentation, while in Klaipeda they discussed each recommendation individually.

The camps also offered educational activities on topics relating to sustainable mobility, traffic safety and citizenship. “Participants were taught about best practice and filled in best-practice registers,” adds Piotrowski. “If they noted something worth importing into their own city, they would register the details to bring positive experiences back home.”

**Positive moves**

As a result, in Szczecinek and Klaipeda the ideas presented were directly incorporated into each city’s transport policy. Piotrowski notes that it would have been beneficial for project organisers to have encouraged city administrations to buy into the project before the participants presented their ideas.

“We assumed that because the Szczecinek authorities were enthusiastic and engaged, the same would be true elsewhere. Unfortunately, this was not the case – getting everyone more involved at project planning stage would have helped.”

Nevertheless, although Greifswald’s authorities were less enthusiastic, as a direct result of one student’s suggestion, the public transport operator in Szczecinek later developed a mobile app providing real-time arrival information about a bus at a specified stop.

Other recommendations for future discussion include more bus lines, city maps on bus stops, bike lanes in parks, better access to buses for wheelchairs and strollers, improved bike crossings, multiple payment methods for renting bikes, shelters and benches at public transport stations, and more.

Many of the lessons learned will be incorporated into future regional transport planning. For example, policy officials realised it is difficult to change attitudes and behaviours without directly engaging the public in policy development. “But perhaps the most important outcome was confirmation of the importance of direct democracy and the strength of feeling among young people about being actively involved in their local governments. Such an outcome can easily be replicated in numerous other projects, sectors and regions,” concludes Piotrowski.
Centre of excellence attracts high performers

Located in one of the UK’s newest science parks, the National Composites Centre is the hub of cutting-edge composite research and technology being pursued by some of the world’s most innovative companies.

The National Composites Centre is a purpose-built research and development facility which was opened in 2011 and co-funded by the European Regional Development Fund (ERDF). The NCC gathers together dynamic companies and the best scientific, academic and commercial expertise to develop technologies supporting the design and manufacture of composite products and to fully exploit opportunities within this sector across the UK and beyond. More than half of its members come from countries other than the UK.

Advanced composites are lightweight, high-performance materials which are transforming the design and manufacture of a wide range of products from those used in the aerospace and automotive industries to marine and renewable technologies and sports and leisure. By lowering the weight of products, significant reductions can be made in manufacturing costs and carbon emissions and huge commercial opportunities and technological advantages created.

The importance of being at the centre of such cutting-edge research and development is underlined by the current membership of the NCC which includes market leaders such as Airbus Group, GE, Rolls-Royce, GKN Aerospace, BAE Systems, Shell, Vestas and 3M, as well as small and medium-sized enterprises. The Centre gives its members the opportunity to develop, adapt, scale up and validate new and current processes and technologies while benefiting from working with other leading equipment manufacturers and suppliers.

Launching pad

The NCC is also part of the High Value Manufacturing Catapult, a strategic initiative comprising seven technology and innovation centres acting as a catalyst to revitalise the UK’s manufacturing industry. The programme gives scientists, engineers and entrepreneurs access to a pool of expertise and experience within academia, research, industry and government. By accelerating new concepts to commercial reality, it is bridging the gap between early innovation and industrial-scale manufacturing.

The NCC – which boasts roof-mounted solar photovoltaic panels to power the facility and offset its carbon emissions – has been widely acknowledged as an international leader in the composite field that is helping to make the composites industry more economically competitive and environmentally responsible. In 2014, the building was expanded to twice the size to include a high-volume manufacturing cell (to address the needs of the automotive industry), a training facility and a range of small-scale equipment to cater for SMEs.

The NCC has created around 200 jobs directly and expects this number to grow significantly over the next few years. Perhaps more notable, it is developing a range of high-performance, cost-effective innovative products which will contribute to future European wealth creation.

FIND OUT MORE
http://nccuk.com

TOTAL COST OF PHASE 1: £25000000 (EUR 32406250)
EU CONTRIBUTION: £9 000 000 (EUR 11666250)
Positive response to passive housing

Thanks to the use of innovative environmental technologies, the Weissenseer timber construction company is now producing high-quality passive houses – in a high-quality passive house.

Originally a traditional carpentry business, the Weissenseer Holz-System-Bau GmbH company, located in the Austrian town of Greifenburg, has become a specialist in the production of stylish wooden passive houses. The production of these environmentally-friendly dwellings now makes up almost 90% of the company’s overall activities.

First, the company had to create a novel production process for its new product portfolio. The ‘Smallest factory in the world’ project did just that. It developed a brand new production line capable of manufacturing according to strict passive-housing standards which also streamlined and automated the construction process.

The standard for passive housing for central Europe requires, among other criteria, that the final building must be designed to have a total primary energy consumption of no more than 120 kWh/m² per year.

The project was partially financed by the European Union’s European Regional Development Fund (ERDF) through the ‘Kärnten’ Operational Programme during 2008 and 2009. Thanks to this project, the time taken to manufacture a passive house at Weissenseer, from the initial delivery of the raw materials to the final shipping of the components to customers, has been radically reduced from an average of 20 working days to just two to four days!

This significant boost to productivity was achieved by developing a highly efficient production chain, which is largely automated and optimised with respect to various time and space criteria. The ‘smallest factory in the world’ now has the capacity to produce a total of 150 to 170 standard passive houses each year.

Environmental leader

As well as being an efficient production facility, the smallest factory in the world is also a passive house itself. It requires very little supplementary heating as the heat generated by the production machinery is sufficient to keep the factory warm. Furthermore, about one-sixth of the building is made up of office space, including recreation areas and a café. Thanks to an optimised building structure with internal heating sources and large glass windows, the office building also conforms to passive-house standards.

The new factory now serves as a ‘show house’ for a range of utility buildings that Weissenseer is proposing to produce in the near future. These include office and commercial buildings, schools and other public buildings.

In addition to a welcome knock-on effect for the Kärnten region’s economy, the project has already created several new jobs within the company.

FIND OUT MORE
Hungarian company’s prospects light up!

Hungarian lighting and plastic-processing company IBV Hungária Kft. has significantly expanded its manufacturing base, creating 50 jobs and helping to increase the region’s competitiveness thanks to funding from the European Regional Development Fund.

During 2012 and 2013, the project supported the construction of a 5,659m² warehouse and a 965m² tool-assembly workshop at the company’s headquarters in Kiskunfélegyháza in the Hungarian region of Magyarország. This extension of the company’s facilities has not only safeguarded the existing 436 jobs in the business but has created another 49. The surrounding region has also benefited as a result of this investment.

As well as constructing the two new buildings, over 4.6 km of roads were built to enable the smooth transportation of raw materials and finished products to and from the plant. In addition, 485 metres of fencing were erected around the two new structures and a new water storage tank was also built to conform to fire safety regulations.

More space, lower cost

The new facilities now provide a modern production space for pre- and final assembly, shipment completion and finished goods storage. In turn, the construction of the buildings has freed up an area for new manufacturing equipment. Crucially, the new warehouse has helped speed up material flow allowing for a significant expansion in the company’s product range. And the cost of production has also been cut thanks to the project.

“IBV has been able to invest in the expansion much faster than if it had used other sources of finance,” comments Krisztina Rácz, the company’s chief financial officer. “The investment ensures a better position for the company and an even better position for its employees.”

Despite its complexity, the project was completed in just 18 months without any significant complications. European Union funding for the project came from the ERDF Operational Programme ‘South Great Plain’.

TOTAL INVESTMENT: EUR 2,163,400
EU INVESTMENT: EUR 1,005,200

FIND OUT MORE
http://www.ibv.hu/
www.kwf.at
The project was funded by the Operational Programme ‘France-Spain-Andorra’ for the 2007 to 2013 programming period. In 2012, it set out to find innovative solutions to some of the problems experienced by farmers in the mountains on both sides of the French-Spanish border. As a first step, the Agripir network was created involving 150 organisations and over 300 people from the agricultural industry, research institutions, high-tech SMEs and local development agencies.

Businesses from the IT, electronics and space sectors worked with researchers, clusters and development agencies to find practical measures that could change the approach to upland farming in the Pyrenees. The main aim was to pool resources and funding from the European Regional Development Fund (ERDF) to identify and support R&D projects with genuine economic potential.

The Agripir network driving the three-year initiative eventually settled on five different innovation projects to take their ambition forward. By the end of 2015, the projects had completed the R&D stage and were preparing to market their products, processes and services.

**High-five**

The E-PASTO project developed a prototype geo-location device which enables farmers to locate and manage herds grazing on high summer pastures. The cattle wear high-tech collars housing a robust device which allows the farmer to monitor their position and feeding habits, to define security zones and to prevent thefts. The low-frequency communication network can work autonomously for six to nine months, give a position every 60 to 90 minutes, and alert a farmer directly via a smartphone, tablet or PC if security is breached.

As the name suggests, the COWMON initiative is also working on a continuous surveillance system for livestock roaming over large and remote upland areas. The goal here is to develop an end product which is cost-effective and self-sufficient in terms of energy use.

Likewise, the HY-POWERBOX project is seeking to help farmers become self-sufficient in the energy they require to carry out their daily tasks in areas which are difficult to access.

The aim of LIVE-PRE-LIFE is to create a comprehensive system that can improve cohabitation between large predators and livestock in mountain areas. The final package will include systems for animal enclosure, the early detection of predator attacks and their active exclusion.

Finally, the MASTECH project is developing a system including nuclear thematic resonance and thermography for the early detection of mastitis in sheep, goats and cattle.

During the course of the project, the Agripir team also organised a Mountain Pasture Festival day which introduced around 600 visitors, including tourists and agricultural representatives, to the network and initial project results. Other events were a conference on wolves, networking workshops and a round-table meeting on the future challenges of mountain farming which, thanks to Agripir, is no longer facing such an uphill battle.

The project received its final accolade in summer 2015 when it was chosen as a RegioStars Awards finalist in the category ‘Smart growth: unleashing SME growth potential for a digital economy’.

**FIND OUT MORE**

http://www.agripir.com/fr/
AGENDA

25 SEPTEMBER - 1 OCTOBER
Izola (SI)
EU Strategy for the Alpine Region (EUSALP)

2 SEPTEMBER
Krakow (PL)
Conference on Investment Plan

10-13 OCTOBER
Brussels (BE)
European Week of Regions and Cities (incl. RegioStars Ceremony)

More information on these events can be found in the Agenda section of the Inforegio website: