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Cohesion Policy
2014-2020

Investing in Europe's regions

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EDITORIAL

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In October the Commission's proposals for cohesion policy after 2013 were unveiled. In this edition of *Panorama* we give you an overview of the proposals as well as comments from some of the key stakeholders.

This new approach to cohesion policy takes place at a point in time when economic growth is vitally needed across all EU Member States. More than ever Europe has to make the necessary investments at all levels that will help activate its economic potential and create jobs.

Cohesion policy manages more than EUR 350 billion – one-third of the total EU budget – and should, we believe, become a major instrument for achieving this.

The contribution that cohesion policy can make in this area has already been demonstrated. Over the period 2000-2006 some 1.4 million jobs were created through cohesion policy. Some 34 million European citizens are now better off as their regions have significantly increased their economic output.

Europe must be able to compete better with the emerging powers in the global marketplace. This is the rationale behind the Europe 2020 Strategy – a major action programme launched by the EU in 2010 to foster and promote more competitive, sustainable and inclusive growth. A key element to achieving this will be a smarter and more focused cohesion policy. We intend to turn cohesion policy post-2013 into the main investment strategy of the European Union, the central tool that will allow us to reach the objectives of the Europe 2020 Strategy.

In doing this we want to ensure that it continues to be a policy for all regions and citizens, an investment programme that generates growth and jobs for all.

Better targeting

We also want to see a quantum leap in the way this new cohesion policy performs and delivers. More than ever there is pressure on public finances and a need to spend wisely and efficiently. Public investment will therefore be aimed more than ever at a small number of growth-enhancing investment priorities. We have called this 'thematic concentration'.

It means we will prioritise investments to ensure they have maximum impact and added-value. Importantly, investments have to be appropriate for the regions where they are applied. We have therefore built flexibility into our proposals to ensure that all regions can select an investment strategy based on their own development needs and challenges. This is the underlying message of the partnership approach we are proposing between the Commission and each EU Member State.

You can read more about this in the pages that follow.

Johannes Hahn

Member of the European Commission in charge of Regional Policy

COHESION POLICY 2014-2020 – THE INVESTMENT STRATEGY FOR FUTURE EU GROWTH AND COMPETITIVENESS

Proposals for a new approach to EU cohesion policy for 2014-2020 were unveiled by the European Commission on 6 October 2011. They aim to modernise the operation of cohesion policy funds, and closely align the channelling of regional resources to job creation and smart, sustainable, inclusive growth – the objectives of the ‘Europe 2020 Strategy’.

The proposed budget for 2014-20 programmes is EUR 336 billion (compared to EUR 350 billion for the current 2007-2013 period). Investment in less developed regions will represent almost half of this amount – more than EUR 160 billion.

At least EUR 84 billion will be available from the European Social Fund (ESF) to stimulate employment opportunities, and promote lifelong learning and social inclusion.

In addition, a new ‘Connecting Europe Facility’ (CEF), will be established to accelerate the development of priority infrastructure in transport, energy and information technologies. The CEF has a proposed budget of EUR 40 billion, with an additional EUR 10 billion ring fenced inside the Cohesion Fund.

Decisive boost to the regions

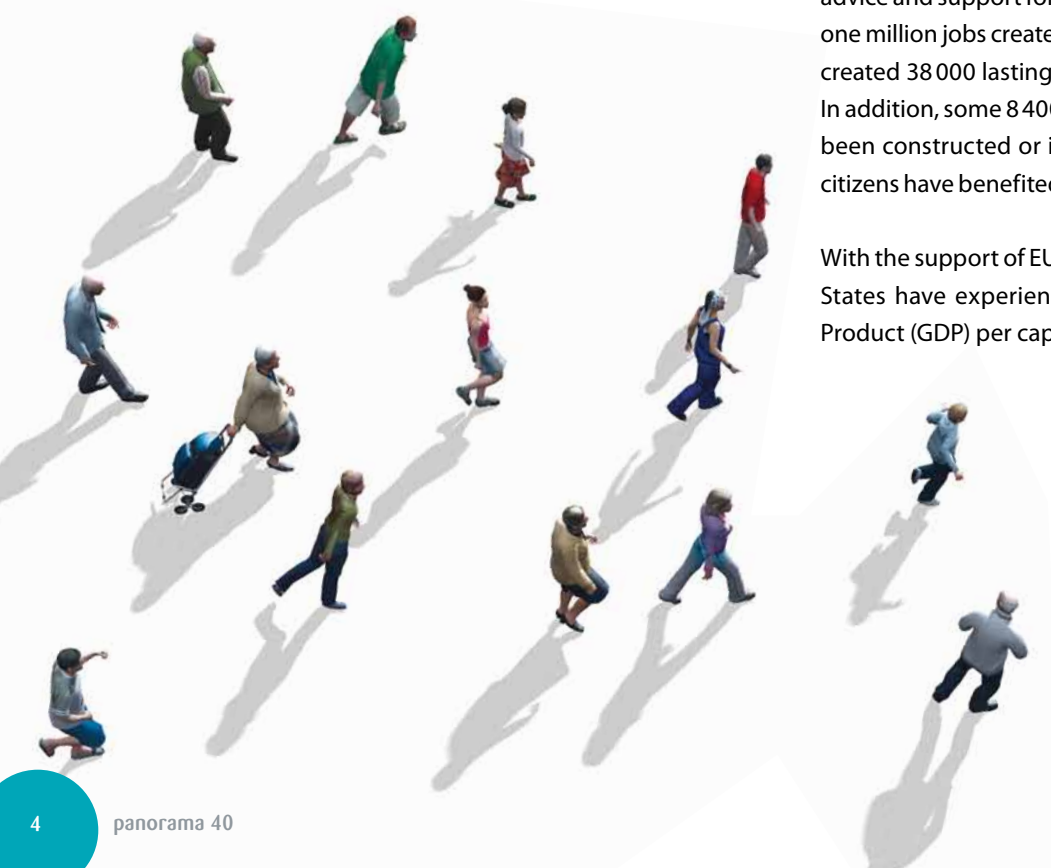
Given the scale of the resources available to cohesion policy – more than one-third of the overall EU budget – the Commission believes the policy can be a decisive factor in boosting Europe’s economic competitiveness, fostering social cohesion and creating more and better jobs.

‘We want to consolidate cohesion policy as the main investment strategy of the European Union, the key instrument for achieving Europe 2020 objectives,’ stated European Commissioner for Regional Policy, Johannes Hahn. ‘We need a quantum leap in the delivery and performance of cohesion policy, to ensure that it remains a policy for all regions and citizens – an investment which generates growth and jobs for all.’

Cohesion policy achievements

‘Ex post’ evaluations of the previous programming period, 2000-2006, have shown that the impact of cohesion policy investment has been extensive. Some 230 000 SMEs have received financial support (mainly grants but also loans and venture capital) and a further 1.1 million have received advice and support for networking, leading to an estimated one million jobs created at the EU level. Cohesion policy has created 38 000 lasting, high-end jobs in the research field. In addition, some 8 400 km of rail and 5 100 km of road have been constructed or improved, while up to 20 million EU citizens have benefited from access to clean drinking water.

With the support of EU cohesion policy, the newer Member States have experienced a 5% climb in Gross Domestic Product (GDP) per capita.





Why a new approach?

In the face of the economic crisis it is necessary to do more without increasing our budget. This means implementing ambitious policies that are more effective, with stronger governance and a streamlined delivery system to substantially reduce bureaucracy for beneficiaries.

To achieve this, resources have to be concentrated and better targeted with clearer objectives. In this way they will have more impact and even better results. By spending wisely, the cohesion policy instruments can achieve more with the same amount.

Aims and objectives

A primary objective of the new approach is to consolidate cohesion policy as the main investment strategy for the Europe 2020 Strategy.

Key changes

The Commission has proposed a number of important changes to the way cohesion policy is designed and implemented, namely:

- concentration on Europe 2020 targets;
- rewarding performance;
- supporting integrated programming (combining investments);
- focusing on results and closer monitoring of progress;
- reinforcing territorial cohesion; and
- streamlining delivery.

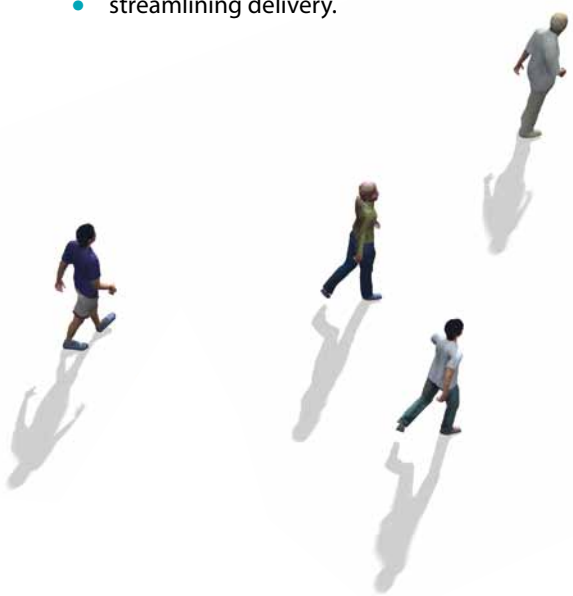
DELIVERING EUROPE 2020 – THEMATIC CONCENTRATION

Cohesion policy will help deliver Europe 2020 goals by targeting investment on:

- Research and innovation
- Information and Communication Technologies (ICTs)
- Competitiveness of Small and Medium-sized Enterprises (SMEs)
- Shift towards a low-carbon economy
- Climate change adaptation and risk prevention and management
- Environmental protection and resource efficiency
- Sustainable transport and removing bottlenecks in key network infrastructures
- Employment and support for labour mobility
- Social inclusion and combating poverty
- Education, skills and lifelong learning
- Institutional capacity building and efficient public administrations

A simplified framework: two priority goals – three regional categories

For the period 2014-2020, the Commission has proposed a simplified framework with two goals, namely 'Investment in Growth and Jobs' in Member States and regions and 'European territorial cooperation'. This reflects the alignment with Europe 2020 where all regions contribute to the overall goal of investing in jobs and growth, but the means and scope of intervention is differentiated according to the level of economic development.





Region categories

A new category of funding is envisaged for regions with a GDP per capita between 75% and 90% of the EU average. These 'transition' regions will benefit from particular support in meeting Europe 2020 targets on energy efficiency, innovation and competitiveness.

The three defined categories will be eligible for investment as follows:

- 'Less developed' regions, whose GDP per capita is below 75% of the EU average, will continue to be the top priority for the policy. The maximum co-financing rate is set at 75-85% in less developed and outermost regions;
- 'Transition' regions, whose GDP per capita is between 75% and 90% of the EU average, will have a co-financing rate of 60%; and
- 'More developed' regions, whose GDP per capita is above 90% of the average. The co-financing rate will be 50%.

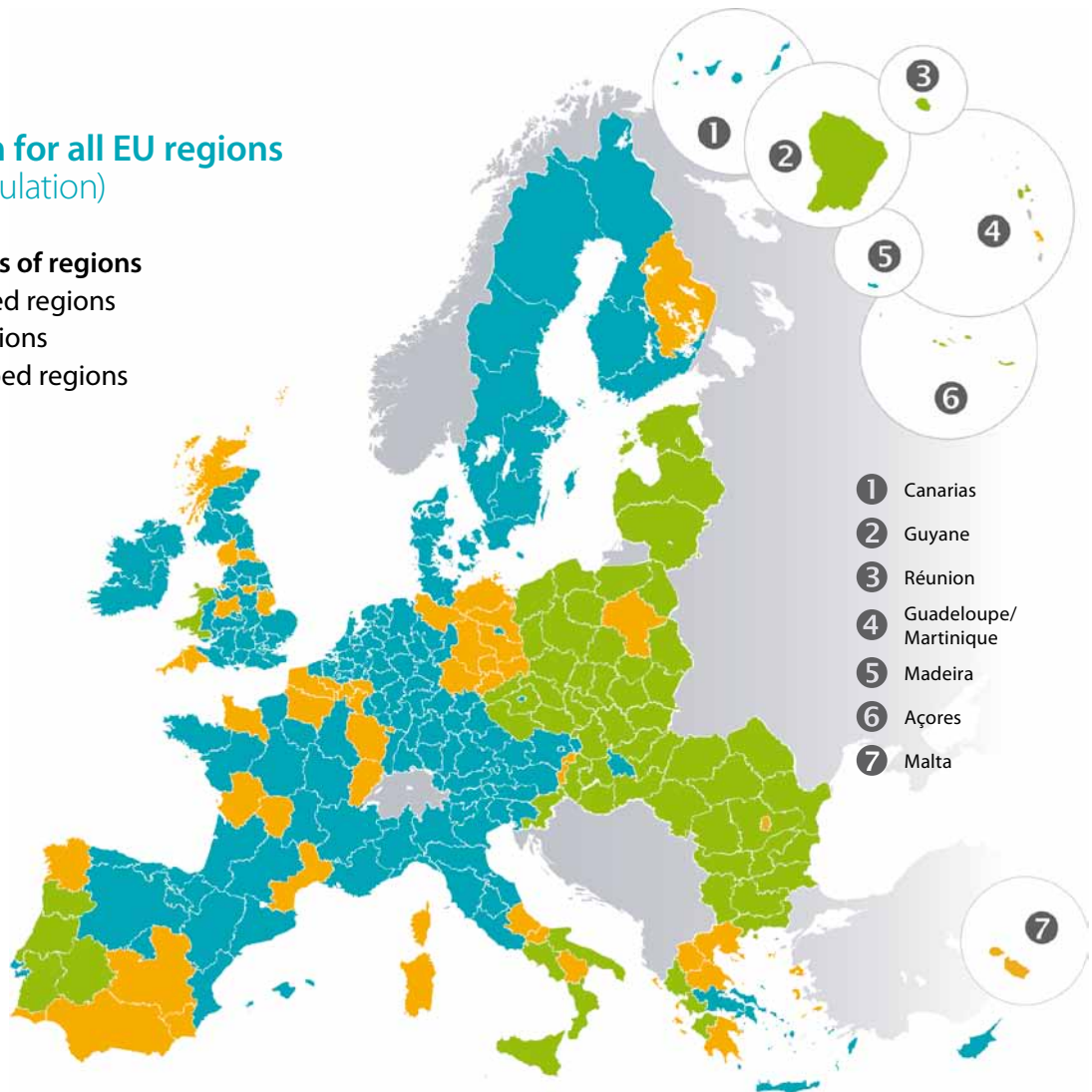
The objective of the new 'transition' category – which is expected to cover 51 regions and more than 72 million people, estimated on the basis of current data – is to give an extra boost to regions that have become more competitive in recent years, but still need targeted investment.

A fair system for all EU regions (eligibility simulation)

Three categories of regions

- Less developed regions
- Transition regions
- More developed regions

GDP/capita*
 ■ < 75% of EU average
 ■ 75-90%
 ■ > 90%
 *index EU27=100





Common rules for all Funds

A key feature of the new proposals is a set of streamlined operating rules, accompanied by conditions and rewards for performance – all with a view to increasing the effectiveness of regional investment.

Common rules are introduced for the five Funds* with structural aims; thereby reinforcing their coherence and strengthening their impact.

Three specific regulations governing the operation of the ERDF, the ESF and the Cohesion Fund are also proposed. These relate to the mission and goals of cohesion policy, the financial framework, specific programming and reporting arrangements, major projects and joint action plans. They set out project management and control requirements, as well as specific arrangements for financial management. In addition, online data entry will be introduced to accelerate the administrative process.

EUROPEAN GROUPING OF TERRITORIAL COOPERATION (EGTC)

The Commission proposes changes to the following aspects of current EGTC Regulation:

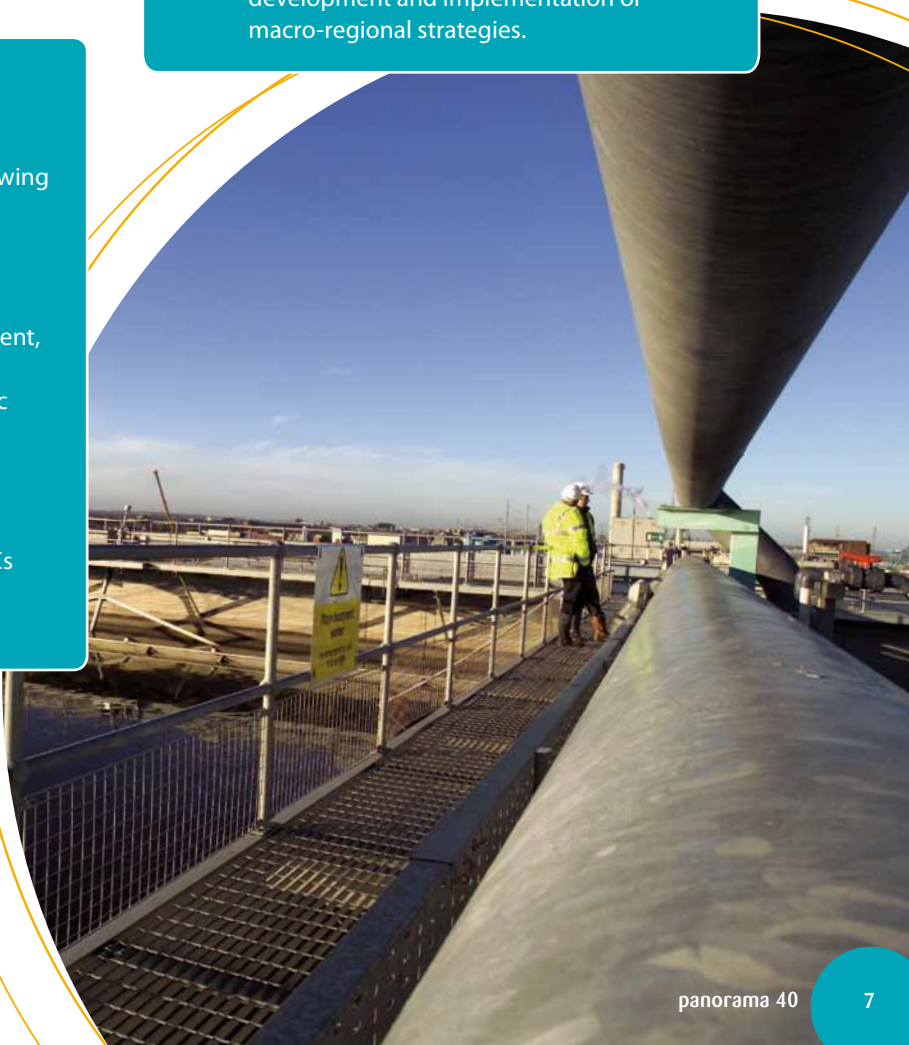
- Easier establishment of EGTCs;
- Reviewing scope of activity;
- Opening EGTCs to non-EU regions;
- Clearer operating rules on staff recruitment, spending and protecting creditors;
- Practical cooperation in providing public and local services;
- More flexibility in membership;
- Non-EU members possible;
- Simplified rules;
- Criteria for approval or rejection of EGTCs by national authorities specified; and
- Time limit for examination and decision.

A separate regulation is proposed for European territorial cooperation (cross-border, transnational and interregional) and the functioning of the European grouping of territorial cooperation (EGTC).

EUROPEAN TERRITORIAL COOPERATION

- Cohesion policy goal, allowing national, regional and local actors from different Member States to exchange experience and carry out joint actions to find common solutions to shared problems.
- Important contribution to fostering the new Lisbon Treaty objective of territorial cohesion.
- Proposed regulation takes better account of the multi-country context of programmes, making more specific provisions for cooperation.
- Simplified rules.
- Thematic concentration applies.
- Transnational cooperation can support development and implementation of macro-regional strategies.

* European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund, European Agricultural Fund for Rural Development (EAFRD), and European Maritime and Fisheries Fund (EMFF).





Smart investment

To further enhance the capacity of cohesion policy to deliver EU priorities, the Commission proposes a framework for strategic and smart investment.

This will involve the introduction of a Common Strategic Framework (CSF), Partnership Contracts and a list of thematic objectives translating the Europe 2020 targets into concrete action.

The Commission is proposing a more integrated approach to regional investment, including common eligibility rules and the introduction of the option of multi-fund programmes for ERDF, ESF and the Cohesion Fund.

Concentration on EU priorities through the ERDF is ensured by a focus on:

- energy efficiency and renewable energy;
- research and innovation; and
- competitiveness of SMEs.

Less developed regions will have a broader range of investment priorities to choose from, reflecting their wider development needs; while more developed and 'transition' regions will be expected to dedicate 80% of their ERDF resources to energy efficiency and renewables, research, innovation and SME competitiveness.

The CSF, containing the EU's top priorities, will apply to all Funds, including rural development and maritime and fisheries policies. Multi-fund programmes, combining ERDF, ESF and Cohesion Fund resources will improve coordination on the ground and integrated development.

PERFORMANCE FRAMEWORK FOR SMART INVESTMENT

- The Common Strategic Framework (replacing the Community Strategic Guidelines) – translating top EU priorities into action – will apply to all Funds, including rural development and fisheries and maritime policy, and ensure a better coordination of EU investment.
- Partnership Contracts, agreed at the outset between the Commission and Member States will set out the overall contribution, at national level, to the thematic objectives and the commitments to concrete actions to deliver Europe 2020 objectives. Clear and measurable targets will be defined in a performance framework.
- Contracts based on national assessments of the regional development needs and priorities of each Member State. Agreed performance markers or milestones will be agreed and reached to qualify for investment.

Rewarding performance

To improve performance and results, new provisions will be introduced to ensure that EU investment creates strong incentives for Member States to deliver Europe 2020 objectives and targets.

These 'conditionality' measures will take the form of agreed terms that must be in place before funds are disbursed (*ex ante*) and conditions that will make the release of additional funds contingent on performance (*ex post*).





This *ex post* conditionality aims to strengthen the focus on performance and achieving milestones related to targets linked to Europe 2020, agreed in the Partnership Contract (see box).

Some 5% of the budget will be set aside and allocated to Member States for the programmes that have fully met their milestones.

PERFORMANCE FRAMEWORK

- Focus on results – Common and programme-specific indicators, reporting, monitoring and evaluation.
- Performance framework for all programmes – clear and measurable milestones and targets.
- Performance reserve – 5% of national allocations (by Member State, fund and category of region).
- *Ex ante* conditionality – ensuring conditions for effective investment are in place.
- Macro-economic conditionality – alignment with new economic governance.

Investing in education and social inclusion

In line with Europe 2020 priorities, ESF resources will focus on promoting employment and supporting labour mobility; investing in education, skills and life-long learning; combating poverty; and enhancing institutional capacity and efficient public administration.

To strengthen the social dimension, 20% of ESF expenditure will go to social inclusion measures. A greater emphasis will be placed on fighting youth unemployment and promoting gender equality and non-discrimination.

Investing in transport and environment

For Member States with a Gross National Income (GNI) per capita below 90% of the EU average, the Cohesion Fund will invest in the priority area of environment (for example in projects relating to climate change adaptation and risk prevention, water and waste management infrastructure). Investment in energy efficiency and renewables are also eligible.

In addition to supporting the development of trans-European transport networks (TEN-T), the Cohesion Fund will also help channel investment into low-carbon transport systems and urban transport.



Streamlining of rules and delivery

Eligibility rules are being streamlined to help reduce red tape and cut administrative costs.

Common provisions on delivery include standard rules on the use of financial instruments, simplified costs, and durability of operations.

Simplified costs options, such as flat rates and lump sums, will help Member States to introduce performance-oriented management at the level of individual operations.

The concept of a 'one stop shop' for final beneficiaries has also been introduced.

STREAMLINING DELIVERY

The new approach to EU cohesion policy is focused on streamlining delivery and cutting red tape.

Common rules – CSF funds

- Cohesion policy, rural development and maritime & fisheries policy
- Simplified management through better harmonisation of eligibility rules

Option of multi-fund programmes

- ERDF, ESF and Cohesion Fund

Streamlined and simplified delivery system

- Greater use of simplified costs
- Linking payments with results
- E-Cohesion: 'one stop shop' for beneficiaries
- Proportional approach to control
- Less authorities involved in implementation, with clearer roles defined
- Easier application system for 'major projects'

Sustainable territorial development

The proposals place a greater focus on sustainable urban development. Considering the role that cities can play in job creation and growth, some 5% of ERDF resources will be set aside for sustainable urban development (see box). The facilitation of networking opportunities between cities and the exchange of experience in urban policy is also foreseen through the creation of a new Urban Development Platform.

An integrated approach to community-led local development is also set out in the proposals. This facilitates the implementation of local development strategies by community groups including local authorities, NGOs, and economic and social partners, based on the LEADER approach used for rural development.

Particular attention will be paid to areas with specific natural or demographic features, such as low population density, with an additional allocation for the outermost regions.





SUSTAINABLE URBAN DEVELOPMENT

- Recognition of the role of cities in enhancing Europe's growth and employment.
- Focus on sustainable urban development: each Member State to earmark a minimum 5% of ERDF to 'integrated actions' (combining investment from different priorities and programmes, and managed by cities).
- Urban Development Platform, building on the experience of URBACT – a European programme promoting sustainable urban development – will be created to promote capacity building and exchange of experience within the EU.
- The Commission also proposes allocating part of the budget (0.2% of the ERDF allocation) to finance innovative actions in urban areas.
- Better coordination between fixed and human capital investment in cities will also be promoted.

Next steps

Current regional funding programmes will run up until 2013. A new regulatory framework must be in place for programmes beginning in 2014. Since the entry into force of the Lisbon Treaty, all cohesion policy Regulations come under the ordinary legislative procedure, giving the European Parliament a stronger role as full co-legislator for the General Regulation. The cohesion policy proposals are now being examined by the Council and Parliament, with a view to adoption by the end of 2012 and implementation in 2014.

In early 2012, the Commission will propose a draft on the CSF, fully aligned with Europe 2020 and translating its objectives into key actions. A broad consultation procedure will be launched and open to all: Member States, regions, cities, EU institutions, economic and social partners, civil society organisations, academics and citizens. The Framework will guide Member States in drawing up their operational programmes and will assist national and regional authorities in setting clear, attainable and measurable goals in priority areas.

Negotiations on the next Multi-annual Financial Framework will continue in parallel.



ALAIN ROUSSET

President of the Association of the Regions of France

Alain Rousset, President of the Association of the Regions of France gives *Panorama* his reaction to the proposals for the future of EU cohesion policy.

'The French regions believe that the close link between the future cohesion policy and the new Europe 2020 Strategy is essential to capitalise on and amplify the efforts of the current programming period,' says Alain Rousset, President of the Association of the Regions of France (ARF).

'But more than ever it is vital to decentralise the design and management of economic development policies so as to involve those who are best placed to assess the impacts,' he says. 'Closer proximity will consolidate the relationship between elected representatives and companies. This is the key to cohesion. This is also the key to the success of Europe 2020,' he stresses.



Multi-fund programmes

Though they support the establishment of new multi-fund regional programmes to promote integration between the European Regional Development Fund (ERDF) and the European Social Fund (ESF), the French regions insist that, for reasons of efficiency and effectiveness of public intervention, they should be the managing authorities.

'We believe that the regions should manage real multi-fund regional programmes directly [ERDF ⁽¹⁾, ESF ⁽²⁾ and EAFRD ⁽³⁾]. This would enable us to fund policies strictly in line with the interests of the territories concerned. Without this, European funding will just be a substitute for the funds due from the State relating to policies decided at national level to which they are increasingly less committed,' says Rousset.

'We must end this discriminatory anomaly whereby the French regions are not capable of being the managing authorities of structural funds on a par with their European counterparts,' Rousset insists.

« Today, nobody doubts that cohesion policy has proven its value in dealing with the financial crisis. »

(1) ERDF – European Regional Development Fund

(2) ESF – European Social Fund

(3) EAFRD – European Agricultural Fund for Rural Development

Tackling the crisis

Rousset, who also serves as President of the Regional Council of the Aquitaine region, says that 'smart growth', is a subject dear to his heart. The French regions are behind the Commission's main proposals to direct the implementation of structural funds, as well as the ERDF and ESF; to support the 'knowledge economy'; and to promote 'smart, inclusive and sustainable' growth for the whole of Europe.

'Today, nobody doubts that EU cohesion policy has proven its value in dealing with the financial crisis. The programming period of 2007-2013 has been a turning point for the French regions. The funding approach has truly become a vital lever in this period, permitting major investment in research, innovation or technology transfer,' he adds.

'And because it has been implemented at the regional level and has concentrated the funding on topics related to the Lisbon Strategy, it has involved all French territories – not just the big cities and industrial centres – in the diversification of economic activity, and in stimulating industrial competitiveness and the growth of SMEs.'

A key impact of this has been to amplify the policies promoted by the regions and support the creation and development of innovative companies in key industrial sectors and services.

'It has allowed us to create and strengthen a dynamic economic base, spread across French and European territory and to be less at the mercy of future financial and economic crises. It is allowing us to invest for the future and this process must continue,' Rousset stresses.

Support for transitional areas

The creation of the special category of 'transition' regions has been vigorously supported by the ARF and the organisation welcomes the fact that cohesion policy will continue across all European regions while paying special attention to the outermost regions.

☪ ...the partnership contracts should take the form of fully integrated tripartite contracts, thus ensuring the interests of local stakeholders. ☪

While the French regions support the proposal to implement partnership contracts involving precise reciprocal commitments between Member States and the European Union, they believe that the partnership contracts should take the form of fully integrated tripartite contracts, thus ensuring that the interests of local stakeholders – the key players in cohesion policy – are fully taken into account.

Macro-economic conditionality

The French regions, however, denounce the wish of some governments, including the French government, to link cohesion policy to performance under the Stability and Growth Pact.

'We categorically refuse to be taken hostage by the failures of the State regarding its Community commitments,' Rousset insists.

ARF and the French regions will be closely involved in negotiations on the financial Framework and Regulations underpinning the cohesion policy and call upon the French government to unambiguously support the 'true' cohesion policy, which the new proposals represent.

The effective application of the ERDF and ESF at local level can provide crucial leverage to achieve the goals of the regions and also those of the Europe 2020 Strategy, Rousset affirms.

ANDERS KNAPE

President of the Swedish Association of Local Authorities and Regions

Panorama talks to Anders Knape, President of the Swedish Association of Local Authorities and Regions (SALAR) about how the post-2013 EU cohesion policy will impact the regions of Sweden.

'Orientating future EU cohesion policy towards the new growth and employment strategy – the Europe 2020 Strategy – embeds within the cohesion policy a more strategic focus and an essential link to the EU's economic objectives,' says Anders Knape, President of SALAR. The Association welcomes the ambition of the European Commission to not only maintain but further develop a strong cohesion policy for all of Europe.

'All regions of Europe should continue to be included in the cohesion policy so we can jointly achieve the agreed targets on employment, education, the eradication of poverty, climate change and research,' he adds.

☪ Cohesion policy is not primarily a redistribution tool, but a way in which all regions in Europe can help realise the EU's targets for economic, social and territorial cohesion. ☪

Flexible priorities

The proposal to put greater focus on initiatives with fewer priorities within the cohesion policy is supported by SALAR. In the Association's opinion, this would make the policy more effective and appropriate.

However, these priorities must also always take into account shifting regional preconditions and needs. 'If challenges that are perceived as being the most important ones in a region cannot be tackled due to overly rigid priorities, the vital energy and interest at regional level to actually participate in development projects in the region might decrease, which would be utterly negative,' Knape cautions.

Multi-level governance

Using regional development funding as its starting point, cohesion policy should endeavour to achieve the increased coordination of sectors to further goal-oriented work promoting growth. In SALAR's view, this should also be characterised by advanced multi-level governance, where local and regional levels are afforded a recognised role, both in the design of the policy and its implementation.

The Association therefore welcomes the Commission's recent proposal to coordinate the relevant funds under one Common Strategic Framework. In this way, the regional dimension of the Social Fund and its link to the work relating to regional growth can be strengthened.

The Swedish Association is, however, critical of the view of the Swedish government, which argues that funds for cohesion policy should be decreased and mainly oriented to the less developed European regions.

'Cohesion policy is not primarily a redistribution tool, but a way in which all regions in Europe can help realise the EU's targets for economic, social and territorial cohesion,' says Knape.

‘The growth and competitiveness of urban areas represent a precondition not only for the growth and development of surrounding regions, but also for the nation as a whole.’



‘We welcome the proposal made by the Commission for a development and investment Partnership Contract between the EU and the Member States. However, this presumes that this Contract will be designed in close cooperation at the local and regional level,’ says Knappe. ‘Will such cooperation be required by the Commission?’ he asks.

Urban dimension of growth

Anders Knappe stresses that the programmes must take special account of the role of urban areas in growth and development as well as of the introduction of the third dimension of cohesion – the territorial dimension.

The growth and competitiveness of urban areas represent a precondition not only for the growth and development of surrounding regions, but also for the nation as a whole, he says.

‘Urban areas constitute hubs in labour market regions, for product and service markets and for knowledge, information and decision making. We therefore welcome the proposal for an Urban Platform. But special attention must also be paid to the links between urban and rural areas.’

Knappe highlights the importance of properly defining the term ‘urban area’, which must be adapted to the preconditions in each respective Member State. Municipal authorities in Sweden, for example, are responsible for a far greater proportion of public services than is the case in other countries, he points out.

Rural development must, in his view, be regarded as an integrated part of regional development and should accordingly be the responsibility of regional authorities.

Risk of dependency

Knappe cautions that the proposal for a new category of ‘transition’ regions for regions with between 75 % and 90 % of average GNP in the EU countries might contribute to preserving dependency on EU funding in the formerly less developed regions concerned.

‘At the end of the day we may also find that this new category might leave insufficient funds for both the less and the more developed regions. Instead of introducing such a new costly permanent category, more flexible phasing-out tools could be used to the benefit of these regions.’

REACTIONS TO PROPOSALS FOR FUTURE COHESION POLICY

In developing the proposals for EU cohesion policy post-2013, the Commission has consulted widely. At the beginning of 2011 more than 440 organisations gave their detailed opinions during a Consultation on the conclusions of the Commission's 5th Report on Economic, Social and Territorial Cohesion, providing valuable insights and positive suggestions for the new proposals.

Alongside the official views of Member States, these included 225 contributions from regional and local authorities, 66 from economic and social partners and 37 contributions from European interest organisations on territorial issues.

Following the publication of the Commission's proposals in October, *Panorama* asked a cross-section of stakeholders for their reactions to the new legislative package.

MED PROGRAMME

'Is thematic concentration a necessity in the area of transnational cooperation?'

The Transnational Cooperation Programmes welcomes the positive changes taken into account by the Commission in its proposals from all the consultations made by key actors involved in this strand.

The Transnational Cooperation Joint Team, which brings together 13 programmes from all across Europe, from the northern periphery to the MED Programme, points out that it is widely recognised that Strand B of cohesion policy has been very effective. Using very little money (0.5% of the total cohesion policy budget) many actions have been implemented to achieve a higher level of territorial integration and improve people's quality of life.

Probably one of the most appreciated differences in the European Commission's proposal is a higher financial allocation for the 2014-2020 period rising from the current EUR 1.8 billion to EUR 2.4 billion.

Moreover, third country regions covered by ENPI and IPA can also be covered by programme funding from external instruments to be available. This is excellent news, now we need to find the way how to do it.



Many Programmes, however, question whether thematic concentration and the need to choose four objectives from eleven is a necessity in the area of transnational cooperation.

These and others issues will be taken up in the negotiations with the European Parliament and Council. This is important since transnational cooperation allows regions of different countries to work towards the development of a common and agreed approach to issues affecting the same area, whether a river basin, mountain range or stretch of coastal waters.

Mercedes Acitores Franzón

Liaison Officer MED-ENPI MB

Liaison Office MED-ENPI MB

www.programmemed.eu

Transnational Cooperation

www.transnational-cooperation.eu



EUROPEAN WOMEN'S LOBBY

Cohesion policy for a gender-equal Europe?



EUROPEAN WOMEN'S
LOBBY
EUROPEEN DES FEMMES

Cohesion policy has the potential to address gender inequalities at home and in the labour market in all EU Member States. Currently, though, it is not up to the task. Targeted funding for gender equality is decreasing, and gender mainstreaming is not duly implemented. The Commission's proposal for the future cohesion policy is a step in the right direction.

The proposed General Regulations include stronger gender mainstreaming clauses and require Member States to draft and implement gender equality strategies. The European Social Fund is given a clearer mandate to promote equality between women and men, and Member States are obliged to take action in this field. The full implementation of these new possibilities must be ensured.

However, the proposal neglects a crucial issue: care. Europe needs a strong and valued care sector to meet demographic challenges, reach the Europe 2020 strategy targets and create a gender-equal society. Creating a 'care economy' should be a priority of the future cohesion policy.

Anna Elomäki

Policy Officer
European Women's Lobby
www.womenlobby.org

UEAPME

Structural funds, small and micro enterprises: towards real opportunities?



According to the members of UEAPME, the European craft and SME employers' organisation, less than 5% of small businesses in Europe have benefited from the Structural Funds, while they represent more than 95% of EU companies and are key players in the activity economic and social stability in the regions.

Red tape, a lack of coherence between the European, national and local levels, payment difficulties and repetitive controls, contradictory information, etc., have led small businesses and their organisations to lose interest in the Structural Funds. Yet the results are there: in many areas, EUR 20 000 of funds invested in a micro-enterprise have led to the creation of two or three jobs and the utilisation of the local potential.

With the new proposals, notably the governance partnership, the principle of *ex-ante* conditions, simplification, priorities given to SMEs' competitiveness and employment, support for adaptation of small businesses to the new community challenges, the national and regional small business organisations want to reinvest in the Structural Funds.

However, the success of this new policy will depend on three basic criteria:

- the ability of the authorities to establish an effective governance partnership;
- the willingness to utilise intermediary organisations to support and assist businesses, especially the small ones; and
- the appropriation of the Small Business Act and its priorities as the basis for strategies at European, national and local levels.

Andrea Benassi

Secretary General
European Association of Craft, Small and
Medium-sized Enterprises
www.ueapme.com



EUROPEAN ANTI POVERTY NETWORK

EAPN

'...in favour of a binding partnership principle'

The European Anti-Poverty Network (EAPN) welcomes the strengthened role given to the European Social Fund in delivering the poverty reduction target with an increased budget and a ring-fenced allocation of 20% to poverty reduction. A further positive move is the promotion of a more bottom-up approach in the delivery of the Structural Funds through community-led initiatives and simplified and more NGO-friendly delivery mechanisms.

EAPN is however concerned by some strategic changes that could seriously endanger the delivery on the poverty reduction target such as:

- the 5% cut in the Structural Funds' budget;
- how the Food Aid Scheme will be integrated into the ESF;

- the introduction of macro-economic conditionality, doubly punishing weaker regions and vulnerable people; and
- the scant effort to mainstream social inclusion through all Structural Funds.

To make Structural Funds accessible for small NGOs in practice, EAPN argues in favour of a binding partnership principle (based on the good narrative of the draft General Regulation), greater access to global grants, technical assistance and capacity-building as well as transnational projects.

Fintan Farrell

Director

European Anti-Poverty Network

www.eapn.eu/en

AER

'...supports the further simplification of the implementation rules and procedures...'

The Assembly of European Regions (AER) sees the proposed legislative package as a first step and a good basis for negotiation. It does however highlight a number of contentious elements which will require further thinking, notably the macro-economic conditionality and the attempt to combine thematic focus with territorial priorities.

AER insists that the regions should be fully involved so that their knowledge, expertise and willingness to contribute to this future policy are fully integrated in all decision-making and implementation processes. This is the only way that cohesion policy can have a real impact on European territorial development and help the EU emerge stronger from the crisis.

During the negotiation phase it wants EU ministers to firmly commit to implementing partnership and multi-level governance at all policy stages. It also strongly supports the further simplification of the implementation rules and procedures of Structural Funds. It also wants decisive steps to be taken towards the full implementation of an integrated territorial approach to EU policies, beyond cohesion policy on its own.

Francine Huhardeaux

Head of Press and Communications

Assembly of European Regions

www.aer.eu





RSA

'The effectiveness of cohesion policy depends on a "bottom up" approach...'

The European Commission's proposals for the future of cohesion policy represent a serious attempt to improve the effectiveness and efficiency of Structural and Cohesion Funds. Regional studies research and evaluation have noted the need to take a more strategic approach to spending EU funds, to reduce the fragmentation of spending across a wide range of interventions, and to ensure that there is a supportive policy and institutional environment for Structural Funds projects. The proposals for a CSF, thematic concentration, partnership contracts, conditionalities, and results-oriented spending address these issues.

However, a key issue is how to ensure that the territoriality of Structural Funds is maintained. The more strategic and thematic approach proposed by the Commission should not downgrade the use of territorial programmes that can implement EU funding in line with regional and local challenges and with the involvement of sub-national partners. The effectiveness of cohesion policy depends on a 'bottom up' approach to identifying priorities and implementation arrangements, and also a rationalisation of administration, especially for smaller programmes.

Sally Hardy
Chief Executive
Regional Studies Association
www.regional-studies-assoc.ac.uk



EUROCITIES

'...new ways of working can strengthen the role of cities in delivering integrated development...'

In EURO CITIES' view, the Commission proposals for the future cohesion policy are a strong starting point for achieving an ambitious urban agenda. These new ways of working can strengthen the role of cities delivering integrated development on the ground. Metropolitan Europe is capable of driving smart, sustainable and inclusive growth that benefits everyone, not just city-dwellers.

But if we are to build the Commission's Cities of Tomorrow we must invest ambitiously. Europe's economic development, mobility and climate actions should have a predominantly urban focus. We also welcome the 5% (minimum) for integrated urban development and greater delegation of funds to cities.

In order for strategies to be coherent and spending efficient, the leaders of Europe's major cities must be involved at all stages in drawing up, delivering and evaluating partnership contracts and operational programmes.

As the political platform for Europe's major cities, we know there is value in a meaningful dialogue between the Commission and those cities delivering the Europe 2020 Strategy with the new instruments. We will bring our experience to help shape the new urban development platform.

Paul Bevan
Secretary General
Eurocities
www.eurocities.eu

COMMON STRATEGIC FRAMEWORK 2014-2020

The Europe 2020 Strategy calls for all common policies, including cohesion policy, to contribute to the achievement of the Strategy in a complementary and mutually supportive manner. This contribution will ensure synergies between the policy's own aims and those of European structural policy.

The Common Strategic Framework (CSF) responds to this fundamental need for policy synergies and translates the objectives of EU priorities for smart, sustainable and inclusive growth into key actions for the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the future European Maritime and Fisheries Fund (EMFF). This will ensure the integrated use of the CSF Funds to deliver common objectives. With their integrated framework for investment, a tried and tested delivery system, ownership on the ground, and progressive partnership and cross-sectoral approaches, the CSF Funds can contribute to Europe 2020's success by strengthening collaboration with local and regional stakeholders.

The added value of the CSF is threefold.

Compared with the current Community Strategic Guidelines, the CSF also covers thematic objectives and investment priorities, but also includes other elements such as:

- more effective coordination between the Funds as well as with other EU financial instruments and policies;
- greater emphasis on an integrated territorial approach; and
- coherence and consistency with National Reform Programmes.

Furthermore, the added value of the CSF is to provide guidance to Member States and bring all the strategic elements – i.e. Europe 2020 headline targets and flagship initiatives, the territorial dimension, horizontal principles, coordination between the Funds, etc. – of the programming process together.

Another novelty in building this more strategic and integrated approach is related to the Partnership Contract. The regulatory proposals foresee that, on the basis of the Common Strategic Framework, each Member State should prepare a Partnership Contract, in cooperation with its partners and in dialogue with the Commission. The Partnership Contract (and subsequently, the Operational Programmes) should translate the elements set out in the Common Strategic Framework into the national context. The Contract should also outline firm commitments to the achievement of EU objectives through the programming of the CSF Funds.

In terms of content, the CSF establishes:

- key areas of support;
- the territorial challenges to be addressed;
- policy objectives;
- priority areas for cooperation activities; and
- coordination mechanisms, as well as mechanisms to ensure coherence and consistency with the economic policies of Member States and the EU.

Next Steps

In terms of next steps, the Commission will propose a draft on the Common Strategic Framework in early 2012. Extensive discussion and consultation with the Council and European Parliament will follow. The CSF will be formally adopted only after the adoption of the General Regulation by the Council and the Parliament.

RESPONDING MORE EFFECTIVELY TO MAJOR NATURAL DISASTERS

On 6 October 2011 the European Commission adopted a Communication on the Future of the EU Solidarity Fund (EUSF). It is presented with a view to improving the functioning of the Fund, in particular by making it more responsive in the face of disasters, more visible and its operational criteria clearer.

In 2005, the Commission undertook to improve the Solidarity Fund Regulation by proposing, among other elements, a widened scope of intervention and a lowering of the thresholds that trigger intervention in the face of the damages caused by a natural disaster. These amendments proved to be unacceptable to the majority of EU Member States, reflecting, in particular, concerns regarding possible additional budgetary requirements. This proposal will therefore now be withdrawn.

Instead, the recently adopted Communication is intended to serve as a basis for discussion with Member States, the European Parliament and other stakeholders. To this end, it reviews the operation of the EUSF since its creation in 2002, highlights a number of key issues identified, and proposes solutions to problems where appropriate.

The Commission considers that important improvements to the operation of the Fund could be achieved with only a minimum of adjustment to the current Regulation, thus maintaining its scope, rationale and character, and without touching on matters of finance and the volume of permitted

spending. The proposed adjustments would not lead to any change in the eligible operations financed from the Fund, such as the immediate repair of vital infrastructures and the costs of deploying response assets. In particular, the suggested adjustments include:

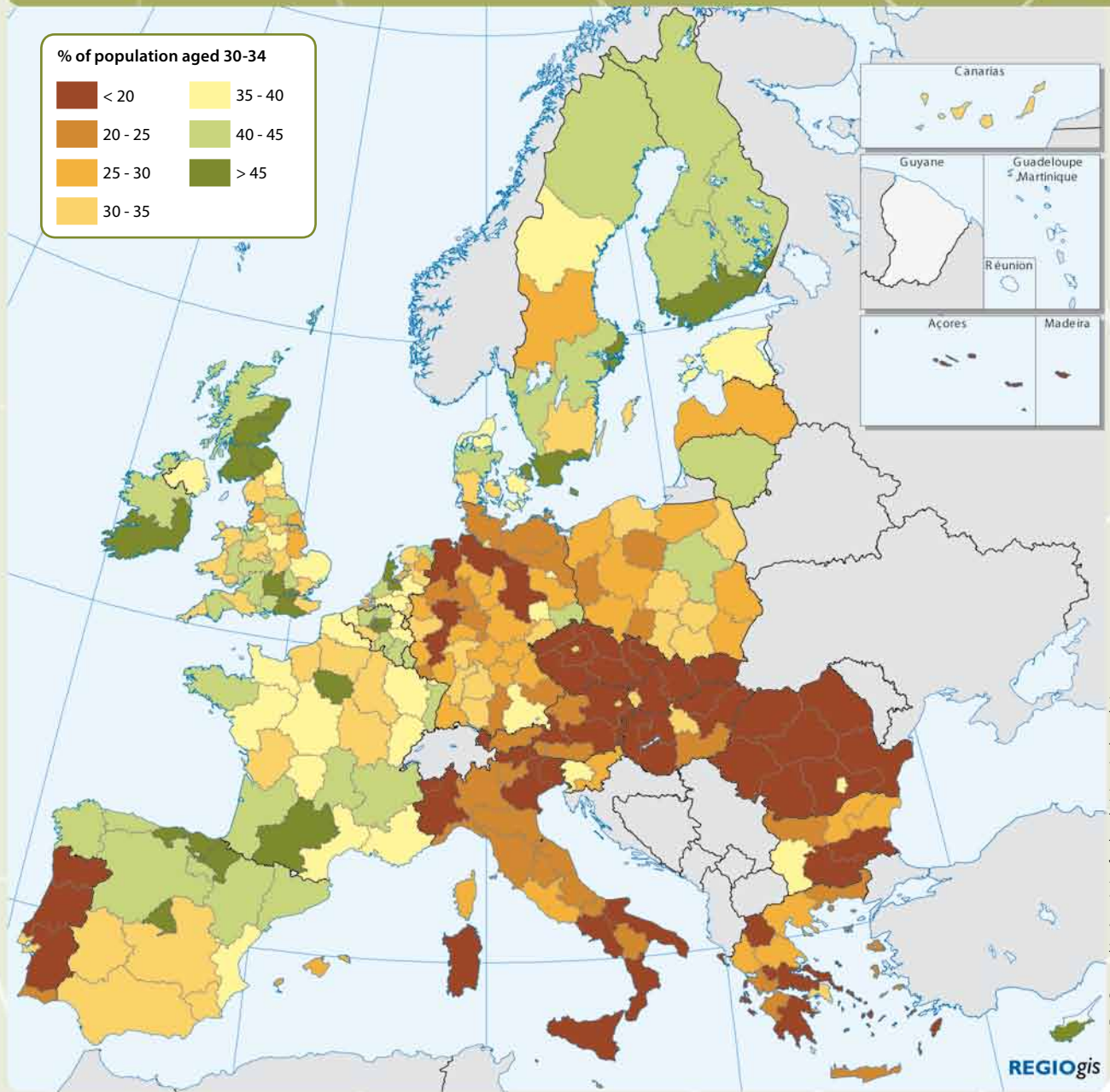
- a more clearly defined scope for the EUSF limited to natural disasters occurring in Member States and countries negotiating accession to the EU;
- a new, more simple definition of regional disasters based on a damage threshold in relation to regional GDP;
- an introduction of advance payments, and speeding up payments to make the Fund more responsive;
- a clearer framework for responding to slowly unfolding disasters such as droughts; and
- simplified administration, by merging grant decisions and the implementation agreement with the beneficiary country, thus also speeding up payments.

Depending on the outcome of the discussions, the Communication could then be followed by a new legislative proposal in the course of 2012.

2009, earthquake, L'Aquila, Italy



TERTIARY EDUCATION RATES IN THE EU AMONG THOSE AGED 30-34, 2007-2010



© EuroGeographics Association for the administrative boundaries

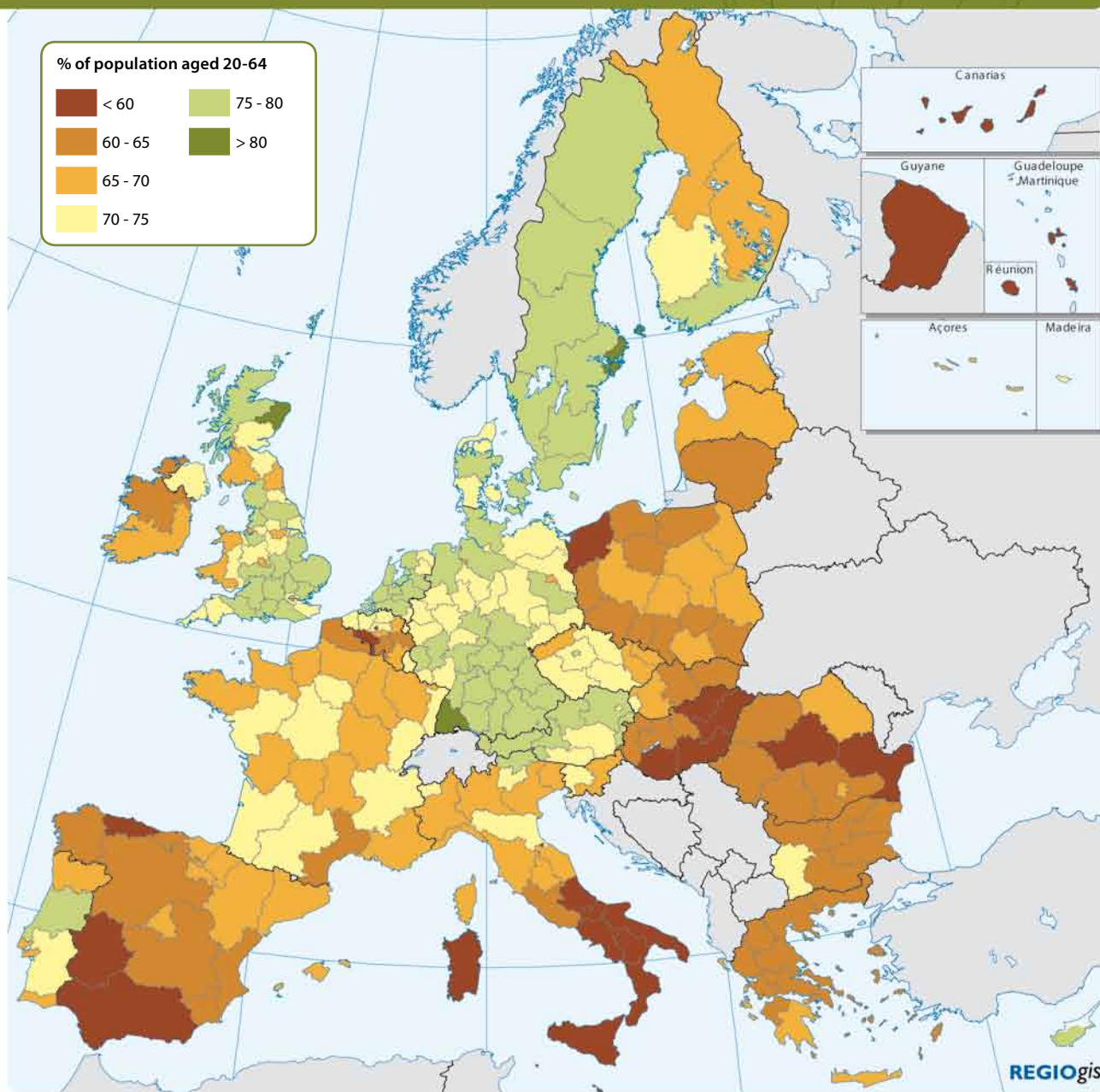
EU-27 = 31.8 | The European 2020 target for the share of population aged 30-34 with a tertiary education is 40% | Source: Eurostat

This map shows the distribution of the 30-34 age group with tertiary education in the EU's 27 Member States.

Educational attainment of the population is one of the most important factors contributing to economic growth. People with tertiary education are more likely to get a job, have a higher income and have higher life expectancy. The Europe 2020 Strategy for smart, sustainable and inclusive growth has set the target for the share of population aged 30-34 with tertiary education at 40%. The EU share in 2010 was 34%.

The share of tertiary education varies widely in Europe. Considering the average levels for the years 2007-2010, the regions with the highest shares are mostly capital regions or are adjacent to capital regions. Scotland, southern Cyprus and regions located in northern Spain also perform well. The regions with the lowest shares are located in the Czech Republic, Italy, Portugal and Romania. Other regions lagging behind the European average are located in Bulgaria, Germany, Greece, Hungary, Austria and Slovakia.

EMPLOYMENT RATES IN THE EU AMONG THOSE AGED 20-64, 2010



EU-27 = 68.5 | The Europe 2020 employment rate target is 75% | Source: Eurostat

© EuroGeographics Association for the administrative boundaries

This map shows the employment rates of the 20-64 age group in the EU (persons aged 20-64 in employment divided by the total population of the same age group). The Europe 2020 Strategy aims to increase the employment rate of people aged 20-64 to an average of at least 75% by 2020. In the EU, the average rate was 68.5% in 2010. Increasing the employment rate will help to reduce poverty and social exclusion. It will also help to address the cost of ageing, in particular in countries with a pay-as-you-go pension system.

The regions with the highest employment rates are all from the north-west of the EU. Their employment rates are unlikely to increase much more. In particular, Denmark, Germany, the Netherlands, Sweden and the United Kingdom have reached high levels of employment. The regions with employment rates below 60% are almost all southern, eastern or outermost regions. But some regions in the north-west score low too, for example West Wales and the Valleys in the UK, Border, Midland and Western in Ireland or Hainaut and Brussels-Capital Region in Belgium.

ANALYSIS OF ERRORS IN COHESION POLICY

Cohesion policy accounts for approximately one-third of the overall EU budget, with total payments in 2010 amounting to almost EUR 40 billion. Member States and the European Commission share responsibility for proper financial management; however, despite careful programme management, errors do occur and, where needed, corrective action is taken.

A working paper released in October 2011 by the Commission presents an analysis of errors in cohesion policy detected by the Commission itself and the European Court of Auditors from 2006-2009; as well as the remedial action taken and a framework for future controls.

The European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF) make up the vast majority of cohesion policy spending. As cohesion programmes are delivered by numerous organisations in a wide range of projects, there is an inherent risk of error. The European Commission and EU Member States have therefore put controls in place to ensure compliance with rules and to achieve policy objectives.

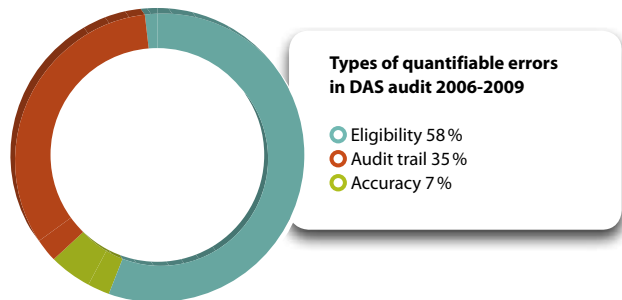
When irregularities do occur, payments are interrupted, and errors corrected before they are resumed. It is important to note that an error does not mean funds have been lost or wasted or that fraud has been committed.

Where do errors occur?

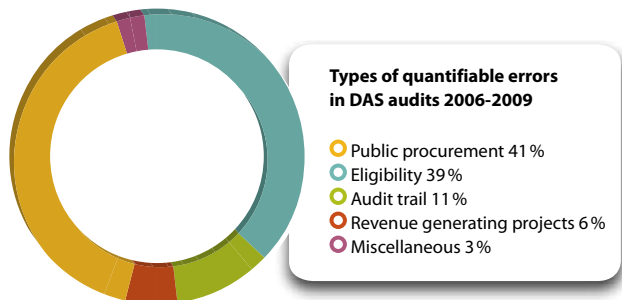
Errors generally fall into one of four categories: public procurement, eligibility, audit trail and revenue-generating projects. They include the inadequate assessment of offers to tender services, errors in selection of projects, and failure to retain documents.

The analysis has shown that public procurement (41 %) and eligibility (39 %) together account for the majority of ERDF and Cohesion Fund errors 2006-2009. Errors in the ESF are mainly concerned with eligibility (58 %).

ERRORS IN THE EUROPEAN SOCIAL FUND ARE CONCENTRATED IN ELIGIBILITY



ERRORS IN THE EUROPEAN REGIONAL DEVELOPMENT FUND AND THE COHESION FUND ARE CONCENTRATED IN PUBLIC PROCUREMENT AND ELIGIBILITY



Across the four-year testing period, these errors were concentrated in three Member States (almost 60 %), suggesting that in the majority of Member States, systems are reliable.

There are specific procedures in place for the Member States with the highest incident of error and the situation is expected to improve. The EU Commission is giving continuous guidance to the national authorities and is providing training on public procurement, while eligibility rules have been simplified. During the 2014-2020 financial term, the Commission will build on these actions and will continue to focus audits on the weaker performing authorities.

FIND OUT MORE

http://ec.europa.eu/regional_policy/sources/docoffic/working/doc/errors_analysis_2011_en.pdf

SUCCESSFUL INVESTMENTS IN TOURISM

Tourism is a vital contributor to economic growth and employment in Europe's regions. An audit carried out by the European Court of Auditors has revealed that investments in tourism under the European Regional Development Fund (ERDF) have delivered positive results.

In September 2011, the European Court of Auditors published a report on the findings of an audit which examined the effectiveness of co-financed tourism projects during the 2000-2006 programme period. The audit focused on physical investments in tourism, for example, information centres, tourist accommodation and catering facilities. It was based on a random sample of 206 co-financed tourism projects in nine Member States encompassing 26 regions, and judged whether the projects delivered the results expected; produced sustainable results; and were undertaken as a result of EU support.

The report findings included a number of successes, with 58 % of projects creating or maintaining jobs, 73 % creating tourism capacity and 74 % creating tourism activity. Almost half (44 %) succeeded in all three categories. At the time of the audit, 98 % of completed projects were still operational and 94 % of jobs created or maintained still existed.

ERDF funding allowed 74 % of projects to be undertaken, 20 % were modified due to grants, and only 6 % would have gone ahead without this financial support. However, though 92 % of promoters felt the grant was recognition of their project's quality, 42 % said it had increased their administrative burden.

TOURISM IN FIGURES

- The tourism sector generates more than 5% of EU GDP.
- 1.8 million businesses provide 9.7 million jobs.
- EUR 4.623 billion was allocated under ERDF for physical investments in tourism 2000-2006.

The report contains a series of recommendations to enhance the effectiveness of ERDF funding. Among them is that the European Commission should encourage Member States' managing authorities to ensure appropriate objectives, targets and indicators are established at the application and decision stages.

Read the report 'Were ERDF co-financed tourism projects effective?' at:

<http://eca.europa.eu/portal/pls/portal/docs/1/8746728.PDF>

NEW LIFE FOR DISUSED RAILWAY THANKS TO EU FUNDING

A public project in Brittany (France) involved modifying an old, disused railway to create 26 km of pathways for walkers and cyclists. The number of users rose from zero in 2003 to 23 000 in 2008. An electronic counting system registers use and usage statistics are regularly submitted to the local tourism office. The total cost of the project was EUR 1.6 million with 39 % of this amount coming from the ERDF.

EXPANDING BROADBAND INTERNET IN THE RHÔNE-ALPES

A digital-age project in some less developed parts of the Rhône-Alpes Region of south-east France has helped build 2 000 km of fibre optic cable infrastructure allowing 360 000 homes and 96 % of people in the Ardèche and Drôme départements to connect to broadband Internet.

The Ardèche Drôme Numérique (ADN) project is helping to promote the creation and growth of businesses in the knowledge economy field and supports long-term job creation. Broadband also permits the introduction of new organisational approaches such as teleworking from home, which offers businesses and employees added flexibility and options.

'Being wired to high speed Internet will make the Ardèche and Drôme départements more attractive for businesses by offering a more innovative and competitive business environment,' comments Bernard Soulage, Vice-President Europe and International Relations at the Rhône-Alpes Region's general delegation in Brussels, Belgium.

'The new infrastructure provides high-quality Internet services, access to general online services, and better public services for all,' he continues.

'ARDÈCHE DRÔME NUMÉRIQUE' (ADN)

Programme

ERDF for the 2007-2013 programming period

Total cost

EUR 123 000 000

EU contribution

EUR 14 000 000



Some 360 000 homes are now connected to broadband Internet and it is available to 2 000 businesses and 11 000 social housing centres.

The ADN project stemmed from the need to combat Internet access discrimination, particularly in less densely populated areas where profits are lower for service providers. Such areas often have little or no access to Internet services or have to pay much higher costs for access.

'Some 360 000 homes are now connected to broadband Internet and it is available to 2 000 businesses and 11 000 social housing centres,' explains Soulage.

Behind this project is the ADN Joint Syndicate, made up of the Ardèche General Council and the Drôme General Council, with support from the Rhône-Alpes Region.

The project is making a significant contribution to territorial and social cohesion in the region, providing greater access for those living or working in isolated areas to new services, notably health, culture, education, training, security, public services and social networking.

FIND OUT MORE

www.ardechedromenumerique.fr

SCOTTISH CENTRE PROMOTES PAN-EUROPEAN APPROACH TO **DEPLOYING GREEN ENERGY SOLUTIONS**

The Scottish European Green Energy Centre – SEGEC – works to facilitate the deployment of innovative, collaborative, low-carbon energy infrastructure projects that will, with the support of EU funding, deliver real benefits for Scotland, the UK and Europe.

With particular focuses on carbon capture storage (CCS); marine energy; smart and super grids; renewable heat; and offshore wind and energy efficiency; SEGEC has, since its launch in 2009, helped deliver more than EUR 110 million of EU funding for low carbon energy projects.

‘SEGEC is not a funding agency, but a support mechanism that has helped secure European funding (EUR 40 million) for the European Offshore Wind Deployment Centre to be located off the coast of Aberdeen as well as funding (EUR 74.1 million) for the new Moray Firth Offshore HVDC hub, which will provide a better solution for connecting offshore and onshore renewables in far north east Scotland,’ explains Chris Bronsdon, CEO of SEGEC.

SEGEC identifies collaborative projects and works to secure investments from a range of public grants and private sector funds, including EU funding streams that have been allocated to support market and technology development.

‘Ultimately, we support projects that will be successful in attracting such funding, and that will drive down costs and pave the way for the commercial deployment of technologies in their respective industries,’ Bronsdon asserts.

‘These projects and the many others we support will create many local jobs [...] and contribute significantly towards Europe’s green energy ambitions.’



‘With support and funding from the EU, the early technology advances from Member States can be turned into a self-sustaining industry that can contribute to Europe 2020 targets and provide economic development,’ he adds.

‘These projects and the many others we support will create many local jobs, build up local supply chains, help disseminate valuable knowledge gained from project delivery, and contribute significantly towards Europe’s green energy ambitions,’ Bronsdon concludes.

SEGEC actively works with institutions, networks and technology platforms to identify niche opportunities for collaboration across different industry sectors. So far SEGEC has generated support for 17 renewable energy research projects, 28 network collaborations under the Fifth RTD Framework Programme and 43 enterprises involving UK and European partners.

Projects such as these are helping the EU to become a smart, sustainable and inclusive economy as set out in the Europe 2020 Strategy.

SCOTTISH EUROPEAN GREEN ENERGY CENTRE

Programme

ERDF Lowlands and Uplands Scotland Programme 2007-2013

Total cost

EUR 2 895 900

EU contribution

EUR 1 303 100

FIND OUT MORE
www.segrec.org.uk

HIGH TECH MATERIALS RESEARCH 'POLE' ESTABLISHED IN ROMANIA

Research into high tech materials is advancing rapidly in Romania following the creation of CEUREMAVSU, a Euro-regional Centre for studies of advanced materials, surfaces and interfaces. The Centre is a European pioneer in an area of materials research with outstanding potential.

'The Centre focuses on research conducted at the deepest level, i.e. atomic level, sub-Angstrom scale, in novel materials for advanced technologies,' explains senior scientist and project leader Dr Cristian-Mihail Teodorescu.



‘The project is creating the principal centre of expertise in this specialist area in the whole South-Eastern European area...’

'CEUREMAVSU'

Programme

ERDF for the 2007-2013 programming period

Total cost

EUR 10 239 200

EU contribution

EUR 7 849 700

The Centre, set up under the CEUREMAVSU project, consists of two newly established and five modernised laboratories. The research centre operates under the wing of the National Institute of Materials Physics.

The Centre's main piece of specialist equipment is an analytical atomic resolution multipurpose transmission electron microscope (0.8 Angstrom resolution, with simultaneous resolution to different chemical elements), which, purchased together with the most advanced sample preparation set-up available today, was an investment of some EUR 2.8 million.

As part of the project, 23 pieces of specialist equipment have been acquired and 24 new positions created for highly qualified specialists, including physicists, chemists and engineers.

'The surface and interface science laboratory is highly productive,' says Dr Teodorescu. 'Since the creation of the first complete surface science cluster at the end of October 2009, more than 30 articles have been published in major sector journals such as *Angewandte Chemie* and the *Journal of the American Chemical Society*.'

Cooperation is now being extended to research centres, universities and private sector organisations in Romania and abroad. The researchers are already involved in 10 international projects.

'The project is creating the principal centre of expertise in this specialist area in the whole South-Eastern European area, being fully compatible with the most advanced similar size organisations from the Western European Area,' asserts Dr Teodorescu.

FIND OUT MORE

www.infim.ro

LIFE-SAVING UPGRADE TO ESTONIAN MEDICAL CENTRE

A major expansion and reconstruction of the North Estonia Medical Centre (NEMC) in Tallinn has been undertaken that will centralise the key buildings while substantially upgrading the medical facilities provided.

NEMC is Estonia's largest hospital. It caters to the medical needs of some 800 000 people (60 % of Estonia's population) across nine counties, yet until recently the Centre had been located in rundown buildings scattered around the city.

'The construction work of the new buildings (29 807 m²) and the renovation of existing buildings (28 175 m²) are bringing resources together and optimising the services provided. At the same time it is making NEMC a more attractive institution for educational and scientific research,' says Tõnis Allik, Chairman of the Management Board of North Estonia Medical Centre. 'The main beneficiaries of new and reconstructed infrastructure are first of all patients with oncological and cardiovascular pathology and emergency situation. Improved capacity of infrastructure and relevant equipment will allow improved access to lifesaving technologies such as radiotherapy and interventional cardiology,' he asserts.

In addition to providing care, the hospital is also a major research institution, partnering up with several universities and medical research centres.

FIND OUT MORE

www.regionaalhaigla.ee



Improved capacity of infrastructure and relevant equipment will allow improved access to lifesaving technologies such as radiotherapy and interventional cardiology.

EXTENSION AND RECONSTRUCTION OF THE NORTH ESTONIAN MEDICAL CENTRE (NEMC)

Programme

ERDF for the 2007-2013 programming period

Total cost

EUR 151 400 000

EU contribution

EUR 66 800 000



THE COMMISSION SUPPORTS SUSTAINABLE URBAN DEVELOPMENT...

With the Lisbon Treaty, territorial cohesion has become a new and important objective of the European Union. This is reflected in the strong territorial and urban dimension of the Commission's proposals for a cohesion policy regulation post-2013, which is fully aligned to the Europe 2020 Strategy for smart, sustainable and inclusive growth. To increase its effectiveness, investments will be concentrated on issues that can make a significant contribution to achieving the Strategy's goals.

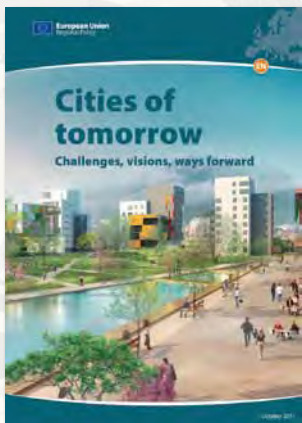
As centres of business and entrepreneurship, research and innovation, education and training, social inclusion and cultural interaction, cities can make an important contribution to achieving the goals of the Europe 2020 Strategy. However, many urban areas show high rates of poverty, unemployment and crime, low-quality and energy-inefficient housing, and environmental degradation. Therefore, the Commission proposes specific investment priorities for urban areas that will concentrate the funding in cities on the core strategic priorities of smart, sustainable and inclusive growth and will contribute to sustainable urban development. These investment priorities include low-carbon strategies for urban areas, sustainable urban transport, actions to improve the urban environment, and the physical and economic regeneration of deprived urban areas, including housing.

...through an integrated approach

The past URBAN Community Initiatives – tackling some of the issues facing towns and cities in Member States – and the URBAN mainstreaming in the current programming period have demonstrated the value of an integrated approach to urban development. Cities need to adopt holistic approaches to tackle the economic, environmental, climatic and social challenges they face and implement urban development actions through integrated strategies.

The Commission proposes to make available for cities a dedicated allocation of at least 5% of the European Regional Development Fund (ERDF) resources of each EU Member State, which should be earmarked for integrated actions for sustainable urban development. To ensure that these resources coming from different priorities are coordinated in an integrated manner at the appropriate level, they should be carried out through Integrated Territorial Investments (see text box), with its management delegated to cities.

The resources for such integrated actions should be clearly identified in the operational programmes. To make sure that the cities concerned are properly involved in the programming process and in the implementation of the operational programmes, the Commission proposes that Member States identify those cities carrying out integrated actions for sustainable urban development by establishing a list of cities in the Partnership Contract. Moreover, the indicative annual allocation for these actions at national level should be identified.



CITIES OF TOMORROW

In 2010, the Commission launched the Cities of Tomorrow reflection process on future challenges for European cities. The process was built on a combination of workshops, consultations and focused studies. It directly involved more than 60 academics, practitioners and stakeholders from across Europe. The synthesis report 'Cities of Tomorrow – Challenges, visions, ways forward' raises awareness of possible future impacts of a range of trends, such as demographic decline and social polarisation, and the vulnerability of different types of cities. It also highlights opportunities and the key role cities can play

in achieving EU objectives – especially in the implementation of the Europe 2020 Strategy – and presents some inspirational models and visions. The report confirms the importance of an integrated approach to urban development. It also emphasises the need for new flexible governance systems adapted to functional areas, and the scales of challenges and interventions, as well as the need to engage citizens, and the value of participatory approaches.

This report is also available in French, German, Polish, Spanish and Portuguese.



...through exchange and learning

Challenges faced by cities increasingly cut across national and regional boundaries and require joint, cooperative actions. This is why the Commission proposes not only to continue with the cooperation programme for cities, but to enlarge its scope by establishing an urban development platform for a limited number of cities that implement integrated actions and undertake innovative actions at the initiative of the Commission.

The purpose of the future networking programme for cities (currently called URBACT) under the inter-regional cooperation is to continue to provide for direct exchange of experience between cities. This concerns the identification, transfer and dissemination of good practice on sustainable urban and rural development, based on the methodology developed under the current URBACT programme.

The Commission will establish an urban development platform in order to stimulate a more policy-oriented dialogue on urban development between the cities at European level, to make the contribution of cities to the Europe 2020 Strategy more visible, and to capitalise on the results of integrated and innovative actions that cities undertake at the initiative of the Commission. The urban development platform is innovative in the sense that the Commission will play a more active role than before: it will establish and operate the platform, adopt the list of participating cities on the basis of the list established in the Partnership Contract where integrated urban development actions are to be implemented, stimulate a more policy-oriented dialogue on urban development in direct contact with the cities, and provide specific expertise at EU level.

...and through enhancing innovation and supporting operational tools for cities

In order to foster innovation at a local level, the Commission may initiate support for cities to implement actions in the field of sustainable urban development. The Innovative Actions will identify and test new solutions and approaches to urban challenges of relevance at the EU level. The Innovative Actions will be managed directly by the Commission and the main beneficiaries will be local authorities (for example, cities, associations of cities, and metropolitan authorities). Cities undertaking Innovative Actions will also participate in the urban development platform in order to communicate and disseminate the results of their actions.

Finally, the Commission is contributing to a joint European initiative of Member States, cities, city associations and networks aimed at developing an operational tool that can help cities to implement sustainable urban development strategies and to prepare integrated actions. The Reference Framework for Sustainable Cities (RFSC) is a web-based instrument that provides cities with tools, applications and checklists to develop strategies and projects and to set up a monitoring system in line with the so-called *Urban Acquis*, a set of common principles that underpin successful urban policies. The RFSC will be available from April 2012 to all European cities for voluntary and free use.



Integrated investments for sustainable urban development

The urban dimension of cohesion policy aims to ensure that urban interventions are carried out efficiently. This can only be achieved through integrated strategies. As a matter of principle, urban investments should therefore be carried out within the framework of an integrated strategy for sustainable urban development. According to the Commission's proposals, there are several ways to support sustainable urban development with the Structural Funds:

First, sustainable urban development can be promoted through operational programmes with a priority axis that includes an urban-related investment priority (for example, to promote social inclusion through the physical and economic regeneration of deprived urban areas – see Article 5 of the proposed ERDF Regulation).

Secondly, sustainable urban development can be supported through Integrated Territorial Investment (ITI). An ITI is an instrument to bundle funding from several priority axes of one or more programmes for multi-dimensional and cross-sectoral interventions. An ITI is an ideal instrument to support integrated actions in urban areas as it offers the possibility to combine funding from multiple sources. As an integrated investment strategy (or 'mini-programme'), an ITI can cover different types of functional urban areas ranging from the neighbourhood or district level to larger functional urban areas such as city-regions, or metropolitan areas including neighbouring rural areas. To ensure that the investments of an ITI are undertaken in a complementary manner, the management and implementation should (partly or fully) be delegated to a single body, for example a local authority. The Commission proposes that at least 5% of the ERDF resources allocated to each Member State

shall be allocated for urban development actions implemented through ITI, with its management delegated to cities (see Article 99 of the draft General Regulation).

Thirdly, community-led local development can be used as a tool to implement sustainable urban development. Integrated area-based strategies designed and implemented by local action groups composed of actors from public and private sectors, and civil society, including citizens, can mobilise internal potential and create local ownership of interventions (see Articles 28 to 31 of the draft General Regulation).

Finally, sustainable urban development can be supported through financial instruments (see Articles 32 to 40 of the proposed General Regulation). Complementary to the grant support, financial instruments can offer a series of advantages, particularly in the context of scarce public resources that are insufficient compared to the increased investment needs in cities, such as recycling funds over the long term, leverage by attracting additional funding, pooling expertise, and incentivising more efficient use of resources.



FIVE YEARS OF **REGIOSTARS** – GOING FROM STRENGTH TO STRENGTH



Since 2008, RegioStars – the Awards for Innovative Projects – have targeted the identification, communication and dissemination of good, innovative practices funded through the European Union’s cohesion policy.

An impressive 377 nominees have applied for the different award categories in the first five editions of this annual awards scheme. In terms of coverage, 286 applications were in various thematic fields including environmental technologies and economic competitiveness, with 91 in the category of information and communication.

Over time, the European Commission’s Regional Policy Directorate-General (DG Regio) has taken different approaches to setting the thematic categories. The latest development reflected in the 2012 and 2013 competitions is to have categories linked to specific issues under the Europe 2020 Strategy objectives of smart, sustainable and inclusive growth.

Each year, to ensure the quality of the projects selected, DG Regio has recruited independent experts on the different themes and placed an emphasis in the award criteria on the impact of the projects.

Looking more closely at the **2012 RegioStars** Awards, DG Regio has received a record number of 107 applications. The jury’s first task is to shortlist the finalists. For DG Regio, the shortlist is the most important step, as it produces an adjudicated list of projects that reflect the different policy responses that can be made to a specific challenge. It also allows the jury to then focus more searching questions on a smaller number of projects, which invariably helps in their final choice of the award winners. For the 2012 competition the jury will hear public presentations from the finalists on 14 January 2012 before they announce the winners in June 2012.

Unusually, the **2013 RegioStars** Awards have already been launched by the Commission, during OPEN DAYS 2011, an annual event allowing cities and regions to showcase their capacity for creating growth and jobs, and implementing EU cohesion policy. This stems from a decision to change the annual timetable in order to fully exploit the Awards and make them even more attractive to the regions and programmes by inviting the finalists to present their projects during the following edition of the OPEN DAYS.

The deadline for sending 2013 RegioStars Awards applications is 20 April 2012 and the categories are as follows:

1. SMART GROWTH:

Connecting universities to regional growth

2. SUSTAINABLE GROWTH:

Supporting resource efficiency in SMEs

3. INCLUSIVE GROWTH:

Social innovation: creative responses to societal challenges

4. CITYSTAR CATEGORY:

Integrated approaches to sustainable urban development

5. INFORMATION AND COMMUNICATION CATEGORY:

Promoting EU regional policy using short videos

For further information please visit the RegioStars web page:

http://ec.europa.eu/regional_policy/cooperate/regions_for_economic_change/regiostars_en.cfm

Or engage in interactive exchange on Regio Network 2020, an online collaboration platform for representatives of European regions and others interested in the EU’s regional policy:

<https://webgate.ec.europa.eu/regionetwork2020/node/9315> (search under ‘forums’)

SOCIAL MEDIA AND EU COHESION POLICY

The emergence of social media such as YouTube, Facebook and Twitter has radically changed the communication landscape over the past five to ten years.

The Internet has already overtaken the printed press in most EU Member States as the second most important source of information about current affairs, with television still coming first but audiences increasingly fragmented due to the growing diversity of channels.

Whereas traditional media have often treated audiences as passive consumers of information, social media allow people to interact by 'liking', commenting and sharing. Social media have also dramatically lowered the barriers to publishing, allowing anyone to make the news by blogging, tweeting, and posting eyewitness accounts of events as they happen.

Governments, companies and international organisations are increasingly turning to social media to connect with new audiences, gather intelligence and gain feedback on their activities, products and services. Social networking and collaboration tools are also increasingly being introduced in the workplace, with a view to improving internal communication, boosting employee satisfaction, and raising productivity.

Many regions and cities are today using social media as part of their communication mix, in order to share up-to-the-minute information about local services, gather feedback and suggestions from local people, and attract tourists and investors.

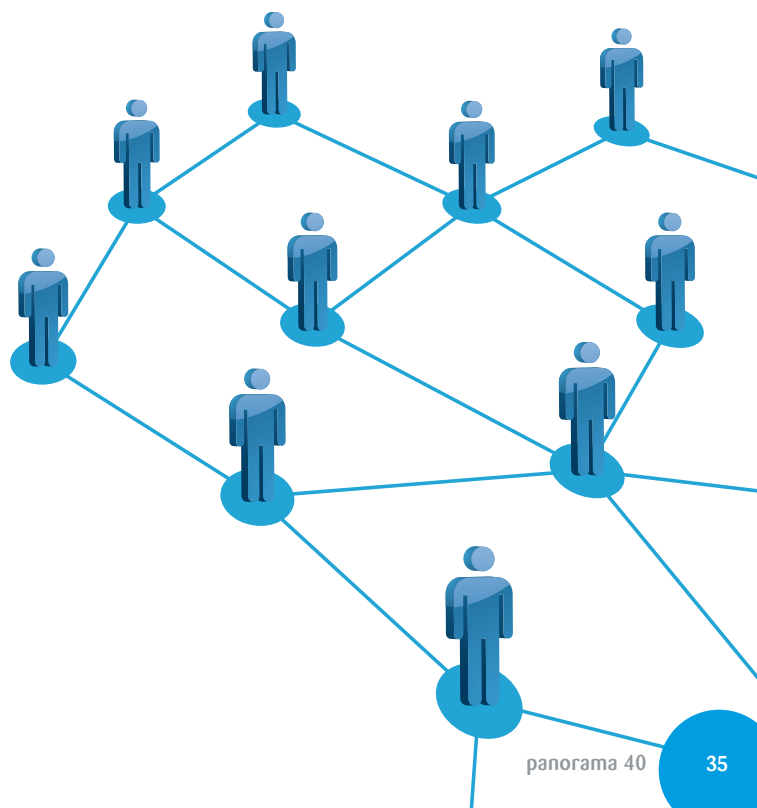
The European Union is no exception to this trend. EU institutions, political representatives, campaigns and services are today present on most of the major social media platforms, including YouTube, Facebook and Twitter.

In the area of EU regional policy, the European Commission has set up its own professional networking platform called RegioNetwork 2020 (www.regionetwork2020.eu). The platform allows users to join or create thematic groups, participate in discussions and live web chats, and share best practice examples, videos and photos.

The Commission is using Twitter (@EU_Regional) to provide regular information about events, news, project examples, and policy developments. Photos from the OPEN DAYS 2011 were shared on Flickr, with more than 1 000 images uploaded and viewed more than 40 000 times.

The Commission is also cooperating, through the INFORM network, with communication officers in regions and managing authorities from across the EU. This network aims to serve as a meeting point for communication officers, project managers, and all those interested in providing information on cohesion policy. By working with its partners in the regions, the Commission hopes to harness the full potential of social media to reinforce communication on the impact of EU regional funding.

For a full list of the EU's social media accounts, see: www.europa.eu/take-part/social-media/



DIARY DATES

16 FEBRUARY 2012

European Urban Forum
Brussels (BE)

14 JUNE 2012

RegioStars Awards
Brussels (BE)

14-15 JUNE 2012

Regions for Economic Change Conference
Brussels (BE)

2-3 JULY 2012

2nd Forum for Outermost Regions
Brussels (BE)

8-11 OCTOBER 2012

OPEN DAYS
European Week of Regions and Cities
Brussels (BE)

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

**[http://ec.europa.eu/regional_policy/conferences/
agenda/index_en.cfm](http://ec.europa.eu/regional_policy/conferences/agenda/index_en.cfm)**

MAKE YOUR VOICE HEARD

In *Panorama 40* you have read a lot
about the Commission's proposals
for future cohesion policy post-2013.

If you would like to share your views on
how these plans will impact your region
or area of interest, or wish to ask some
pertinent questions, contact us at:

regio-panorama@ec.europa.eu

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■ Publications Office

European Commission, Directorate-General for Regional Policy
Communication, Information and Relations with Third Countries
Raphaël Goulet
Avenue de Tervuren 41, B-1040 Brussels
E-mail: regio-info@ec.europa.eu
Internet: http://ec.europa.eu/regional_policy/index_en.htm