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# panorama

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## ► Towards innovation and green growth

How cohesion policy is driving EU investment

- Interview with Johannes Hahn, Commissioner for Regional Policy
- Integrating urban issues into EU policy making
- Support for SMEs from financial instruments
- OPEN DAYS 2014: Growing together – Smart investment for people

Regional and  
Urban Policy

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Solucar, located near Seville, Spain, is the largest solar complex in Europe and a catalyst for technological investment in the region.



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## ▶ EDITORIAL

### Walter Deffaa

*Director-General,  
Regional and Urban Policy,  
European Commission*

The recently published 6th Cohesion Report gives us a good portrait of how cohesion policy is evolving from a programme to promote regional development into an instrument for driving investment, innovation and green growth across the European Union.

During the difficult economic conditions since 2008, the policy clearly helped alleviate the worst effects of the economic crisis, sustaining public investment and stimulating business start-ups.

Cohesion policy during the 2007-2013 period created almost 600 000 jobs and supported close to 80 000 start-ups. It invested in 25 800 km of roads and 2 700 km railway lines. It helped 5.7 million people find employment and 8.6 million to obtain qualifications.

But cohesion policy has also evolved into the primary pan-European instrument for boosting investment in energy efficiency, job creation and SME support. It is now closely aligned with the overall strategy of the EU. In the new 2014-2020 programming period, cohesion policy will be an integral part of the Europe 2020 strategy with a strong focus on employment, innovation, sustainability and reducing poverty and social exclusion.

### Urban Agenda

A further feature of our evolving cohesion policy is the changing priority accorded to urban centres, which are being brought closer to the centre of EU policy-making.

More than two thirds of EU citizens now live in cities and towns which are affected, directly or indirectly, by numerous EU

policies in areas such as transport, energy and environment. The Commission has set in train plans to develop an Urban Agenda that will promote a more integrated approach to policy development and greater consistency. The aim is to raise the profile of cities in policy debates and improve coordination.

### Partnership Agreements

To date (09/09) 16 out of 28 Partnership Agreements have been adopted by the European Commission and proposed Agreements from the other Member States are currently being analysed.

The Partnership Agreements set down the strategy for the optimal use of European Structural and Investment Funds throughout these countries. They are accompanied by proposed operational programmes outlining countries' and regions' investment plans for the 2014-2020 programming period.

### Open Days

Against the backdrop of Europe's efforts to drive economic recovery through cohesion policy investment and the development of Partnership Agreements by Member States, OPEN DAYS 2014 will be a forum for lively debate and discussion across a wide range of issues.

Alongside the keynote speeches and debates, there will be more than 100 working sessions featuring 'workshops' for the exchange of good practices and training between practitioners, and 'debates' bringing together groups of experts to focus on a specific topic.

# ▶ AN INVESTMENT TOOL TO DELIVER THE EU'S GOALS

## THE NEW APPROACH TO COHESION POLICY



‘Cohesion policy has now been radically transformed into an EU-wide investment strategy. Today it is a powerful tool, re-configured to engineer economic development and transformation at the regional level.’

JOHANNES HAHN –  
EUROPEAN COMMISSIONER  
FOR REGIONAL POLICY

As *Panorama* celebrates the publishing of its 50th edition, we talk to Johannes Hahn, Commissioner for Regional Policy, about the achievements and transformation of cohesion policy during his period of office.

One of the important developments that has happened in recent times is the change we have brought about to the image and standing of cohesion policy, says Commissioner for Regional Policy, Johannes Hahn.

‘In the early years cohesion policy was focused on the poorer regions and on reducing disparities. We haven’t abandoned this traditional role but it has now been radically transformed into an EU-wide investment strategy. Today it is a powerful tool, re-configured to engineer economic development and transformation at the regional level. And importantly to support change in any region, whether under-developed or advanced – as is appropriate.’

Behind this strategy stands a new approach and philosophy, geared to supporting and driving economic growth and jobs via the regions and cities, he explains.

The Commissioner points to the new buzzwords that are now closely associated with the reformed cohesion policy, such as results-orientation, performance, targets, objectives, deliverables, etc.

‘This is not just jargon but reflects the way the cohesion policy now has to operate. Since it now accounts for one third of the EU budget – some EUR 350 billion – its resources have to be properly directed and wisely used.’

### Changing the mind-set

A key objective of the new approach to cohesion policy is to make it smarter and more focused, he says. In this way it can function as the main investment strategy of the European Union and a central tool for achieving the goals of the Europe 2020 Strategy.

‘Importantly we have changed the “mind-set” surrounding cohesion policy, the Commissioner stresses. ‘The strict process we have introduced with the Partnership Agreements and operational programmes obliges Member States to effectively draw up a pragmatic and realisable “business plan” or economic development strategy which is appropriate for their economy and regions.

‘The plan has to be in line with the priority objectives set down in the Europe 2020 Strategy. It has to be agreed with us here in Brussels.’

The days of unconditional money – grants and ‘blank cheques’ – for regional projects are over, he explains. Every euro spent has to be justified. A plan is required beforehand, and the proper implementation has to be justified, just like any other type of professional investment.

## Change management

In a curious way the economic crisis has helped facilitate the introduction of the new cohesion policy mind-set,’ he explains.

‘Due to the financial constraints authorities at all levels in Member States have had to focus hard on budgets and think about their priorities. Most have realised that things couldn’t go on as before.

‘This is exactly the approach and discipline that is now required in cohesion policy where Member States have to take a hard look at their objectives and priorities and decide where resources can best be invested.’

## Clear and measurable targets

The new approach has been central to the development of the Partnership Agreements (PAs) for the 2014-2020 programming period.

The PAs are vital documents to guide the strategic investment by Member States and regions for the next seven years and set clear targets for investment which are in line with the key priorities of Europe 2020 Strategy.

‘The new approach will help us see quantifiable results and allow us to continuously assess whether these public investments are achieving maximum impact in terms of stimulating growth and jobs across Europe,’ the Commissioner says.

‘How can we invest in research for example if there is no research strategy? It is like trying to drive a car with no steering wheel.’

## The financial instrument for Europe 2020

Much has been learned from the failure of the Lisbon Strategy, he says. ‘While the objectives of the 2000 strategy were good, the plan for change and reform did not have a financial instrument to drive it forward. This was a major weakness. With no legal commitment and no real budget it relied too much on political will which at the end of the day was not there.’

The problems that the Lisbon Strategy addressed – low productivity, stagnant economic growth in the EU – have, however, not gone away, Hahn stresses. And the 2008 economic crisis has exposed deep flaws in an economy already under strain from globalisation, pressures on resources and an ageing population.

The European Union’s response has been its blueprint for future economic growth: the Europe 2020 Strategy. This strategy aims at creating jobs and reducing poverty by investing smartly in energy-efficiency, research and innovation, and modern and sustainable production methods.

‘One of the “innovations” of the reformed cohesion policy is its alignment with these Europe 2020 priorities and focus on a limited number of agreed strategic goals so as to build up a critical mass of investment in the selected area,’ he explains.

‘With targeted regional investments in support to SMEs, innovation and the low carbon economy, we are a key part of the implementation plan to realise the Europe 2020 Strategy. For example one of the best messages I can pass at the end of my mandate is that we already know that more than EUR 38 billion will be spent on energy efficiency and renewables. Member States have got the message – they have gone even further than what we asked. This will help the EU both meet its climate change goals and enhance its energy security.’

## Smart specialisation

The reformed cohesion policy for 2014-2020 is underpinned by the belief that each region can achieve the greatest impact if it first identifies its core strengths. This is the rationale behind the ‘smart specialisation’ strategy.

Smart specialisation is an innovative approach to regional economic transformation that will allow the regions to focus investment in their areas of expertise or competitive advantage, and maximise their growth potential.

'To underpin smart specialisation, we are putting in place tools, institutions and experts to help the regions find their own industrial and technological niche in the global marketplace.

'This strategy is now a key part of Europe's efforts to help its regions work their way out of recession,' he says.

## Public investment

Cohesion policy funding together with the co-financing provided by Member States, now accounts for a very significant proportion of public investment in Europe. In Member States such as Slovakia, Hungary, Bulgaria, Lithuania, Estonia, Malta, Latvia and Poland, it amounted to more than half of all public investment between 2010 and 2012.

While the economic crisis was a major setback for all economies, EU cohesion policy played a great role in alleviating some of the worst effects and helped many countries and their regions weather the storm, the Commissioner points out.

In the case of Greece, for example, cohesion policy has also supported the country's efforts for structural reform and will build on this momentum in 2014-2020 when Greece will get EUR 15.5 billion under EU cohesion policy.

'I believe it is imperative that the money is used well and directed primarily at the real economy,' Hahn stresses.

'The regions hold the key to recovery in Greece. That is why I resolved to visit all 13 of them and being there confirmed my faith in the Greek regions' potential. The Partnership Agreement for Greece for 2014-2020 foresees a programme for every one of the 13 regions.'

## Macro-regional strategies

The development of macro-regional strategies represents a broadening of the focus of regional policy to include both Member and non-Member States to resolve common regional challenges.

'The novelty of the macro-regional method is the way it brings countries together to cooperate on joint issues by



setting goals, aligning funding, and working together to achieve their objectives. Macro-regional strategies provide a sharper focus on how existing funds are allocated, ensuring "joined-up thinking" between different sectors.

'With strategies now in place for the Baltic Sea region, the Danube region and the Adriatic and Ionian region, and others in the planning stage we are proving that the macro-regional strategies can provide a framework to identify coherent solutions that are meaningful to our regions.'

The Commissioner stresses, however, that it is up to Member States to identify the needs and priorities of the territory concerned. It is their responsibility to provide the logistical resources, make recommendations and follow up on decisions.

The Commission will always be there to support the group of countries or regions, but it will not be running the show. It is the local political leaders who have to guide the strategy.

## Northern Ireland PEACE Programme

The opening of the Peace Bridge across the river Foyle in Derry/Londonderry in 2011 was highly symbolic of the progress being made toward peace and reconciliation in Northern Ireland.

A model of the bridge was presented to Commissioner Hahn on that occasion and sits proudly on his desk in Brussels.

Indeed the EU has made a massive contribution to reinforce progress towards reconciliation and a peaceful and stable society in Northern Ireland. Some EUR 1.3 billion of EU funds have been invested alongside national funding in more than 20 000 projects over 18 years.

Impressed by the progress being made in the peace process, Hahn initiated a conference in 2013 which provided an international platform to disseminate the experiences of the EU



▶ LEFT: Commissioner Hahn crosses the new Vidin-Calafat Bridge over the Danube river. The Danube macro-regional strategy (EUSDR) combines regional, research, transport and environmental policies, as well as security, tourism and growth to make the Danube region a better place to live and work.

▶ RIGHT: Johannes Hahn visiting the flood-devastated municipality of Obrenovac, Serbia.

PEACE programme and stimulate a debate on whether these experiences could be adapted to other relevant situations throughout Europe and beyond. The event specifically helped to promote Northern Ireland's expertise in peace-building to an international audience. The testimonies of speakers at the event showed the value of the support given by the EU.

'It was a pleasure for me to listen to two former adversaries speaking in friendship at our "Bringing Divided Communities Together" conference,' Hahn says.

'They are now the First Minister and Deputy First Minister of Northern Ireland. They fully recognise the importance of the support received from Europe and its constructive approach to rebuilding their community and promoting long-term peace.'

Attending the conference, the Commissioner points out, were many representatives from other troubled areas of Europe, all paying close attention to the lessons learned, the projects that succeeded and how the wounds are slowly being healed and communities brought together.

## Disaster relief

Helping Europe's regions also means providing aid in times of crisis. For a decade the EU has been a major source of support during natural disasters which have occurred across the European continent, ranging from floods to earthquakes and forest fires.

This has been achieved through the EU Solidarity Fund which helps rebuild damage caused after the disaster itself is over. Over EUR 3.6 billion have been drawn from the EU Solidarity Fund to help millions of people in 23 Member States, in addition to about EUR 6.5 billion allocated to disaster prevention.

The Fund was, for example, actively involved after the earthquake in Abruzzo, Italy, which destroyed the region's infrastructure, public buildings, homes and businesses.

The Fund has recently been engaged in providing support to the flood-stricken areas of the Balkans. Money from the EU Solidarity Fund is being used to help cover part of the costs to rebuild parts of Serbia after the disaster.

'Though Serbia is only a candidate for EU membership, the country is already being treated like a full Member State,' Hahn says. Under Commissioner Hahn's leadership the fund has been reformed too. Those reforms, agreed by Member States and the European Parliament, came into force this June and make the Fund far easier, quicker and more responsive to the needs of a Member State or region hit by disaster.

## Challenges for the future

'More than two thirds of EU citizens now live in cities and towns and it is now important to give the role of urban centres a more central place in cohesion policy thinking over the coming years,' the Commissioner says. 'We are starting to develop an Urban Agenda to address this.'

A further area for new thinking is that of healthcare, health funding and pensions which, the Commissioner stresses, will be serious challenges in the future.

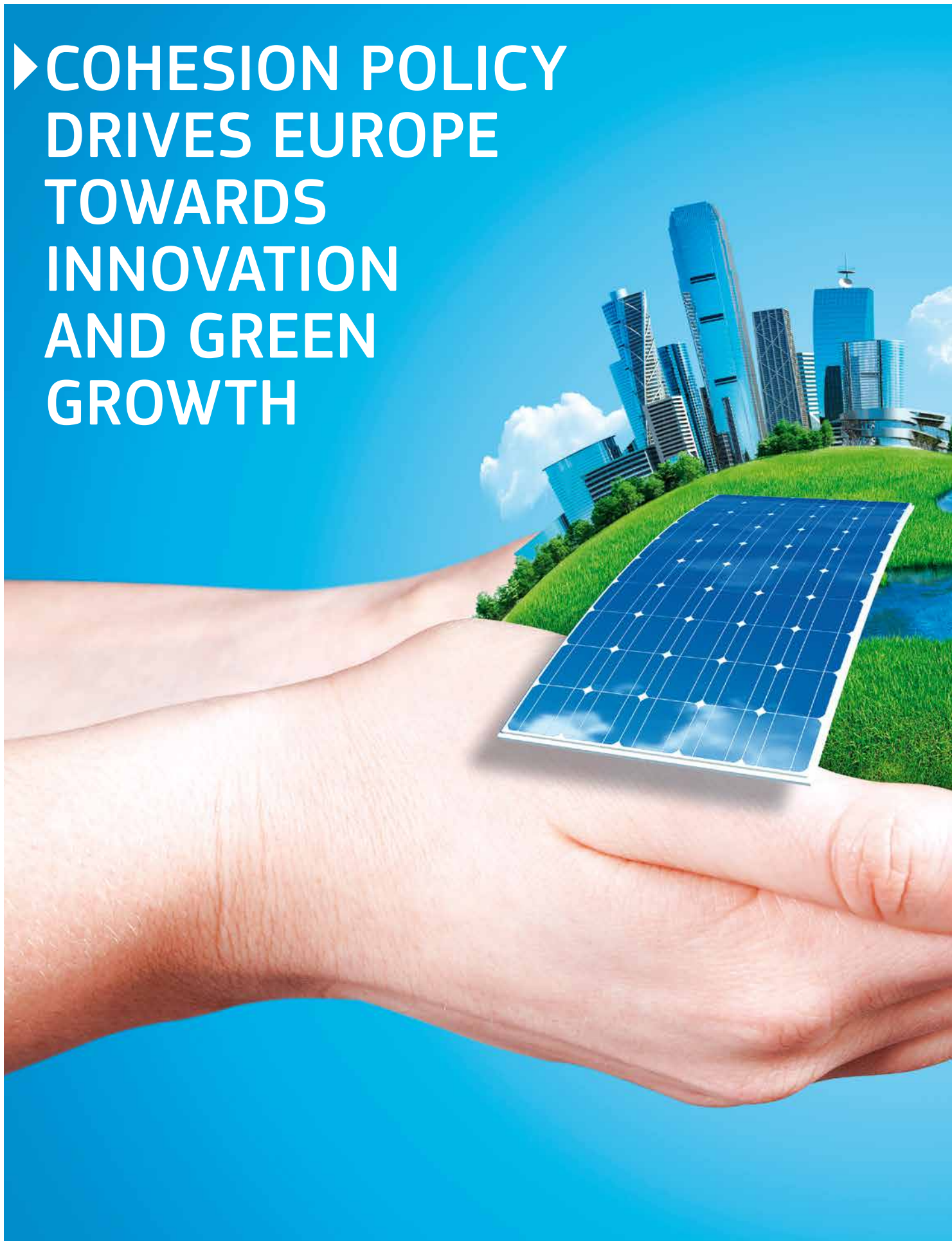
'With an ageing population, the pressure on public budgets will increase. It is however an area where strategic investment through the EU's cohesion policy could be valuable,' he suggests.

'New technologies and the widespread diffusion of telemedicine and treatment outside of hospitals can reduce the burden on medical infrastructure.

'Such approaches, supported by cohesion policy funding could help reduce the growing financial burden of health-care,' he says.

Regional funding has over the years has brought big benefits to the European economy. It has created millions of new jobs, opened up entire regions by constructing motorways, railway lines and ports and invested in new, small companies. The new reform has made it much more than a source of subsidies – an investment tool that can bring about Europe 2020. But clearly, the policy will continue to evolve with the needs of the times.

# ▶ COHESION POLICY DRIVES EUROPE TOWARDS INNOVATION AND GREEN GROWTH







**The Commission's latest analysis of the performance of cohesion policy published in its 6th Cohesion Report shows the policy clearly alleviating the effects of the economic crisis, sustaining public investment and stimulating business start-ups. Cohesion policy has also evolved into the primary pan-European instrument for boosting investment in energy efficiency, job creation and SME support.**

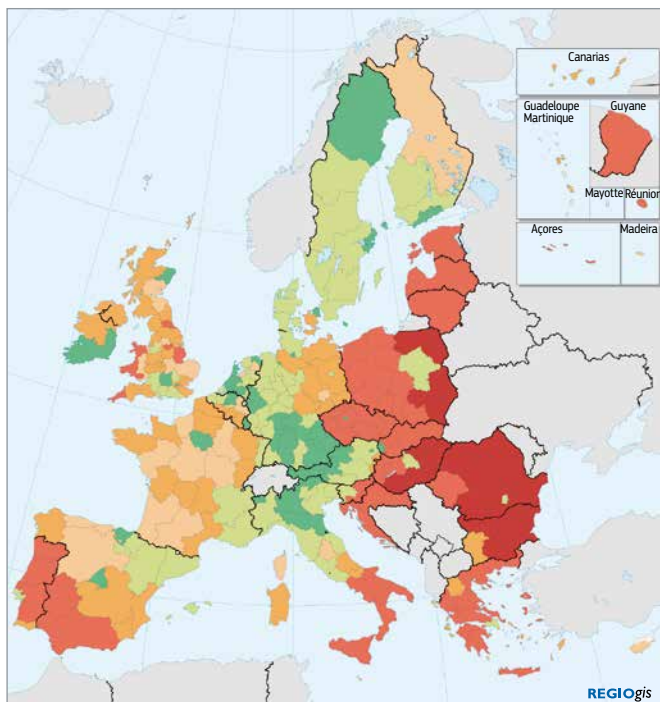
Financial support through cohesion policy has historically focused on less developed regions but is now shifting away from investment in hard infrastructure towards business support and innovation, employment and social inclusion. Geographical coverage has been simplified, with all regions being eligible for a measure of support.

In addition to reducing economic disparities between EU regions, the policy has become more closely aligned with the overall strategy of the EU. In the new 2014-2020 programming period, cohesion policy is an integral part of the Europe 2020 strategy with a strong focus on innovation, employment, sustainability and reducing poverty and social exclusion.

### Changed economic backdrop

The report comes out at the start of a new 7-year programming period for cohesion policy, when the situation in the EU is dramatically different from the launch of the previous programming period in 2007.

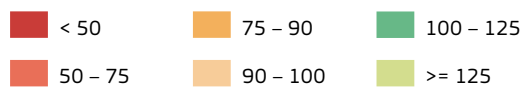
At this time the EU was still enjoying a sustained period of economic growth. Income levels were rising, as were employment rates and public investment, poverty and social exclusion were diminishing and regional disparities were shrinking. Since 2008 the economic crisis has reversed much of the good work and driven up public debt and increased unemployment while personal income has declined for many. At the same time poverty and social exclusion have become more widespread.



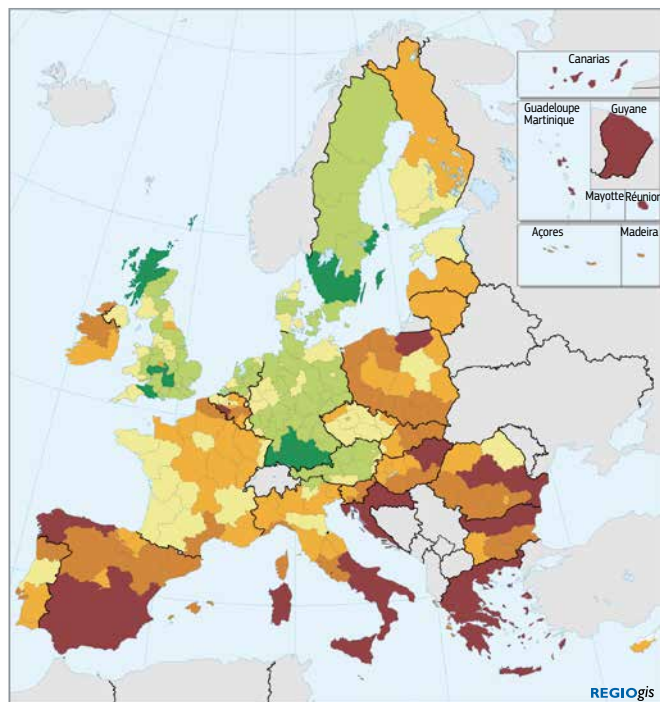
▶GDP PER HEAD (PPS), 2011

THE GROSS DOMESTIC PRODUCT (GDP) PER HEAD IN PURCHASING POWER STANDARDS (PPS) IS THE TOTAL VALUE OF GOODS AND SERVICES PRODUCED PER INHABITANT.

Index EU-28 = 100

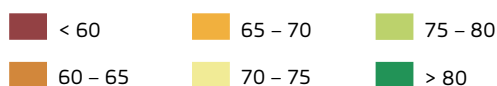


Source: Eurostat



▶EMPLOYMENT RATE (20-64), 2013

% OF POPULATION, AGED 20-64



Note: EU-28 = 68.3  
The Europe 2020 target is 75%.  
Source: Eurostat

Track record 2007-2013

Cohesion policy in the 2007-2013 period nevertheless made a substantial contribution to growth and jobs. According to the most recent figures, cohesion policy created almost 600 000 jobs and supported close to 80 000 start-ups. It invested in 25 800 km of roads and 2 700 km railway lines. It helped 5.7 million people find employment and 8.6 million to obtain qualifications.

It is estimated that cohesion policy investment increased GDP by 2.1% a year on average in Latvia, 1.8% a year in Lithuania and 1.7% a year in Poland. It is also estimated to have increased the level of employment, by 1% a year in Poland, 0.6% in Hungary, and 0.4% in Slovakia and Lithuania.

It has had a longer-term effect on the development potential of these economies. In both Lithuania and Poland, GDP for 2020 is estimated to be over 4% above what it would be without the investment concerned and in Latvia, 5% higher.

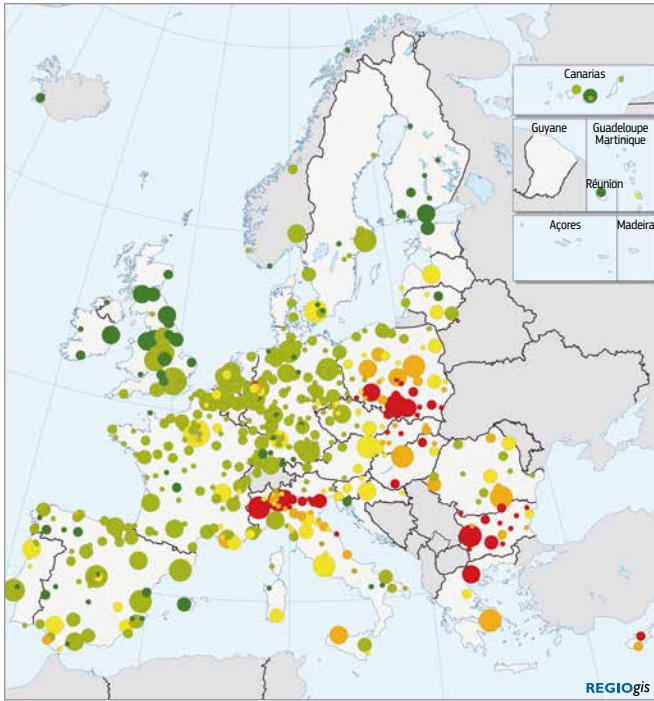
Sustaining public investment

Cohesion policy has cushioned the dramatic decline of public investment in Europe. It has been important in sustaining public expenditure in vital areas, such as R&D, support for SMEs, sustainable energy, human resource development and social inclusion.

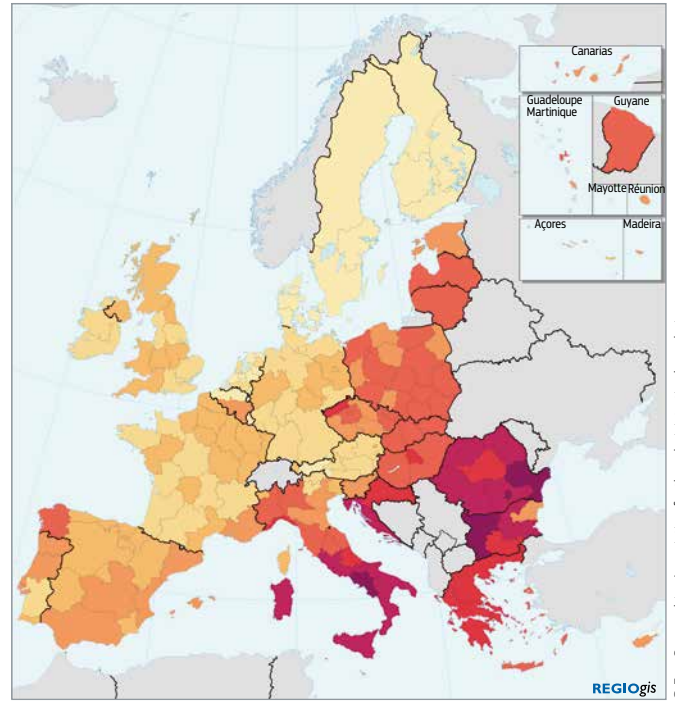
In most Member States, government budgets have been in significant deficit over the crisis period and public debt levels have risen dramatically, in some cases well above 100% of GDP. The deterioration in public finances has led to the widespread budget cutbacks (fiscal consolidation) and many governments have reduced public investment markedly.

On average, public investment in the EU declined by 20% in real terms between 2008 and 2013, and in Greece, Spain and Ireland by over 60%. In the EU-12 countries (1), where

(1) The countries which joined the EU in 2004 and 2007.



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► CONCENTRATION OF AIRBORNE POLLUTION (PARTICULATE MATTER – PM<sub>10</sub>), 2011

DAILY AVERAGE CONCENTRATION (µg/m<sup>3</sup>)

- < 21
- 21 – 31
- 31 – 44
- 44 – 67
- > 67

CITY POPULATION

- < 100000
- 100001 – 250000
- 250001 – 500000
- 500001 – 1000000
- 1000001 – 5000000
- > 5000000

Note: Average recorded by measuring stations within city boundaries.  
Source: EEA, European Commission

► EUROPEAN QUALITY OF GOVERNMENT INDEX, 2013

STANDARD DEVIATION, RANGE FROM POOR QUALITY (NEGATIVE) TO HIGH QUALITY (POSITIVE)

- |                 |                 |               |
|-----------------|-----------------|---------------|
| ■ < -1.75       | ■ -0.75 – -0.25 | ■ 0.75 – 1.25 |
| ■ -1.75 – -1.25 | ■ -0.25 – 0.25  | ■ < 1.25      |
| ■ -1.25 – -0.75 | ■ 0.25 – 0.75   |               |

Source: ANTICORRP, based on World Bank data and a regional quality of government survey, Charron, N. *et al.* (2014)

cohesion policy funding is particularly important, it fell by 32%. And given that local and regional governments in the EU are responsible for almost two thirds of all public investment, the impact on them has been substantial.

These cut-backs have led to increased reliance on cohesion policy to finance growth-enhancing investment. Between 2010 and 2012, cohesion policy funding was equivalent to 21% of public investment in the EU as a whole. In the Cohesion countries taken together it represented 57% and more than 75% in Slovakia, Hungary, Bulgaria and Lithuania. Without this funding, public investment in the less developed Member States would have declined even further.

**Support for jobs and business**

There is clear evidence that cohesion policy funding has produced tangible results in many important areas. Support had been provided to over 60 000 R&D projects by the end

of 2012, and to more than 21 500 cooperation ventures between enterprises and research centres.

Between 2007 and 2012, the policy has helped up to 68 million individuals participate in labour market programmes, 35 million of them involving women, 21 million young people, 22 million unemployed and nearly 27 million of those with low levels of education (compulsory schooling or below). The policy helped 5.7 million people find employment and almost 8.6 million to obtain qualifications.

In addition, the funds had provided over 5 million more people with access to broadband, 3.3 million with an improved supply of drinking water and 5.5 million with main drainage and a connection to waste water treatment facilities. And major results can still be expected from the 2007-2013 programmes over the remaining months up to the end of 2015.



► The Sixth Cohesion Forum took place in Brussels in September, under the theme 'Investment for jobs and growth: promoting development and good governance in EU regions and cities'.

“ The Report clearly shows that cohesion policy has become a modern and flexible tool to target the different challenges Europeans face. It is now Europe’s investment arm: responsive in crisis but strategic as far as creating growth and much-needed jobs. Indeed the days of huge subsidies for roads and bridges are becoming a thing of the past as many Member States are closing their infrastructure gap. Investments focusing on innovation and green growth will create good lasting jobs and boost the competitiveness of our regions. ”

JOHANNES HAHN – EUROPEAN COMMISSIONER FOR REGIONAL POLICY

## Growing disparities

Despite these positive impacts and trends, disparities between regions of many different kinds remain wide. Over the past five years regional disparities in employment and unemployment rates have widened and disparities in GDP per head have stopped narrowing. These developments mean that the Europe 2020 employment and poverty targets are now significantly further away than anticipated and it will require a substantial effort over the coming years to achieve them against a backdrop of significant budgetary constraints.

## Impact of the economic crisis

The first impacts of the economic crisis were felt in construction and manufacturing where employment fell markedly as a result of the collapse of a real estate bubble in some Member States and in manufacturing due to a decline in global demand.

More recently, world markets have expanded and exports have increased giving rise to some growth of manufacturing. This is particularly important for many of the Central and Eastern European Member States where manufacturing accounts for a larger share of employment and value-added.

The territorial impact of the crisis has been mixed. In most parts of the EU, metropolitan regions have been shown to be more prone to booms and busts, while rural regions have overall proved to be more resilient.

In the EU-15 <sup>(2)</sup>, second-tier metropolitan regions showed average performance, while in the EU-13 <sup>(3)</sup> they outperformed the other regions. Rural regions in the EU-15 had a smaller contraction of GDP than the other regions between 2008 and 2011 due to higher productivity growth. Also in the EU-13, higher productivity growth meant that the growth gap with the other regions narrowed.

## R&D investment sustained

During the economic crisis R&D did not decline relative to GDP and has even started to increase slightly in the past year or two, though not by enough to reach the 3% target set for 2020. Innovation, however, remains highly concentrated in spatial terms and shows no sign of spreading to lagging regions.

<sup>(2)</sup> The pre-2004 EU Member States.

<sup>(3)</sup> The EU-12 plus Croatia.

Investment in transport and digital infrastructure has reduced the deficiencies in these networks in many rural areas and less developed regions. Access to the Internet using next generation technology, however, creates new challenges for rural areas where this technology is almost non-existent.

The economic crisis led to major reductions across the EU in trade and foreign direct investment, which are important sources of growth for the less developed Member States. Fortunately, exports of the EU-13 to other EU countries have shown significant recovery and now account for a larger share of their GDP than before the crisis, while Foreign Direct Investment has also picked up.

The crisis wiped out half of the employment gains made between 2000 and the onset of the recession, particularly in the southern Member States. As a result, in the transition and less developed regions, employment rates are around 10% below the national target as compared to only 3% below in the more developed regions. Unemployment increases have also been greater in these regions, averaging 5% between 2008 and 2013 as against 3% in more developed regions.

## Poverty and social exclusion

Higher risk of poverty and social exclusion is another legacy of the economic crisis. Between 2009 and 2012, the number of people at risk of poverty or exclusion grew by 9 million, the increase being particularly pronounced in Greece, Spain, Italy and Ireland. The risk of poverty tends to be much lower in cities than in the rest of the country in less developed Member States, while in cities in the more developed Member States, the reverse is the case.

The crisis has had mixed effects on the environment. The reduction in economic activity and income has made it easier to reduce greenhouse gas emissions, though energy efficiency has not increased greatly so that this reduction may well be reversed when demand picks up. As a result, more investments will be needed to reach the 2020 targets.

## Urban impact

While cities are identified as engines of innovation and growth, they have suffered more during the crisis than other regions in terms of employment losses. City dwellers are also at a higher risk of poverty and social exclusion in many Member States.

The urban dimension of sustainable growth has many contrasts. On the one hand, air quality is poor in many cities, made worse by traffic congestion, and cities are more vulnerable to heat waves, due to the 'heat island' effect, as well as to flooding because of their proximity, in many cases, to rivers and the sea.

On the other hand, cities offer major advantages in terms of eco-efficiency, since the close proximity of different locations reduces the need to travel long distances. Public transport is also more available in cities, offering a more energy-efficient means of travel, and people living in cities on average use less energy to heat their housing.

## Governance

While countries in the north of Europe score well in surveys of governance and ease of doing business, there are still too many Member States where the standard of public authorities is perceived to be low and significant numbers of people report paying bribes. New research has revealed that the ease of doing business and the quality of institutions also vary in many cases within countries, which implies that more targeted interventions may be needed to bring the situation in lagging regions up to standard. Research has also indicated that governance problems can act as a brake on social and economic development and limit the impact of cohesion policy investment.

## Europe 2020 focus

The previous Cohesion Report published in 2010 emphasised the need for investments to be more in line with the Europe 2020 Strategy, with stricter pre-conditions and more traceable results. Today's reformed cohesion policy for 2014-2020 with its highly strategic approach has built on these recommendations. New rules and pre-conditions for funding will ensure that the right regulatory and macro-economic framework is in place so the policy has an even greater impact.

The 6th Report shows that while the recent economic crisis has served to widen regional growth disparities, national figures and projections indicate a reversal in this trend, in part thanks to more targeted cohesion policy investments.

▶ FIND OUT MORE  
[http://ec.europa.eu/regional\\_policy/cohesion\\_report](http://ec.europa.eu/regional_policy/cohesion_report)

# ▶ OPEN DATA AND COHESION POLICY

## BOOSTING TRANSPARENCY AND PERFORMANCE

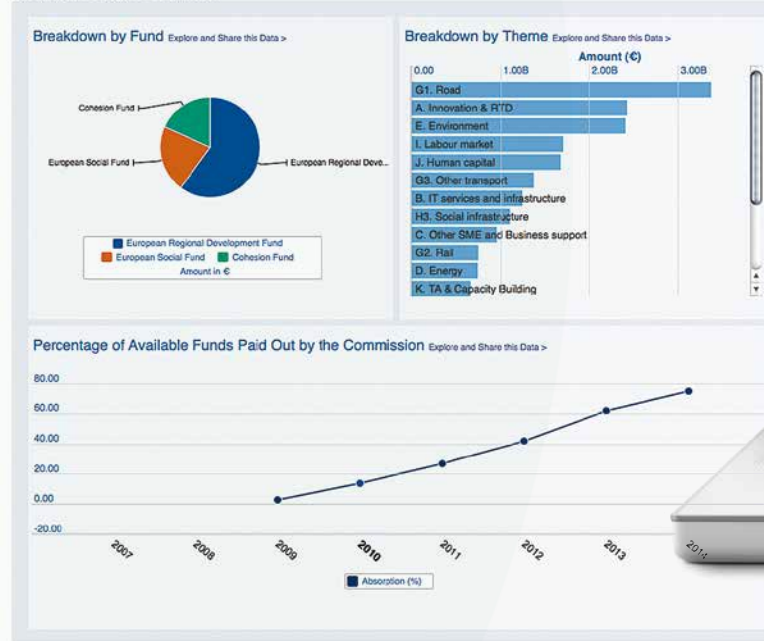
**What is open data? Public authorities around the world produce and collect huge quantities of data. Examples include government statistics, budget information, parliamentary records, geographical data, laws and data about various policies. In recent years, many public bodies have taken initiatives to open up the data they hold in order to promote transparency and accountability, as well as generating new kinds of economic activity.**

### EU cohesion policy and open data

The information and communication provisions for the 2014-2020 funding period include a requirement that managing authorities publish details of the beneficiaries of EU funding in open and accessible formats <sup>(1)</sup>.

In addition, the reinforced focus on results in the reformed EU cohesion policy and the performance framework for the new operational programmes rely heavily on the collection and publication of data concerning progress towards agreed targets.

Available Budget 2007-2013



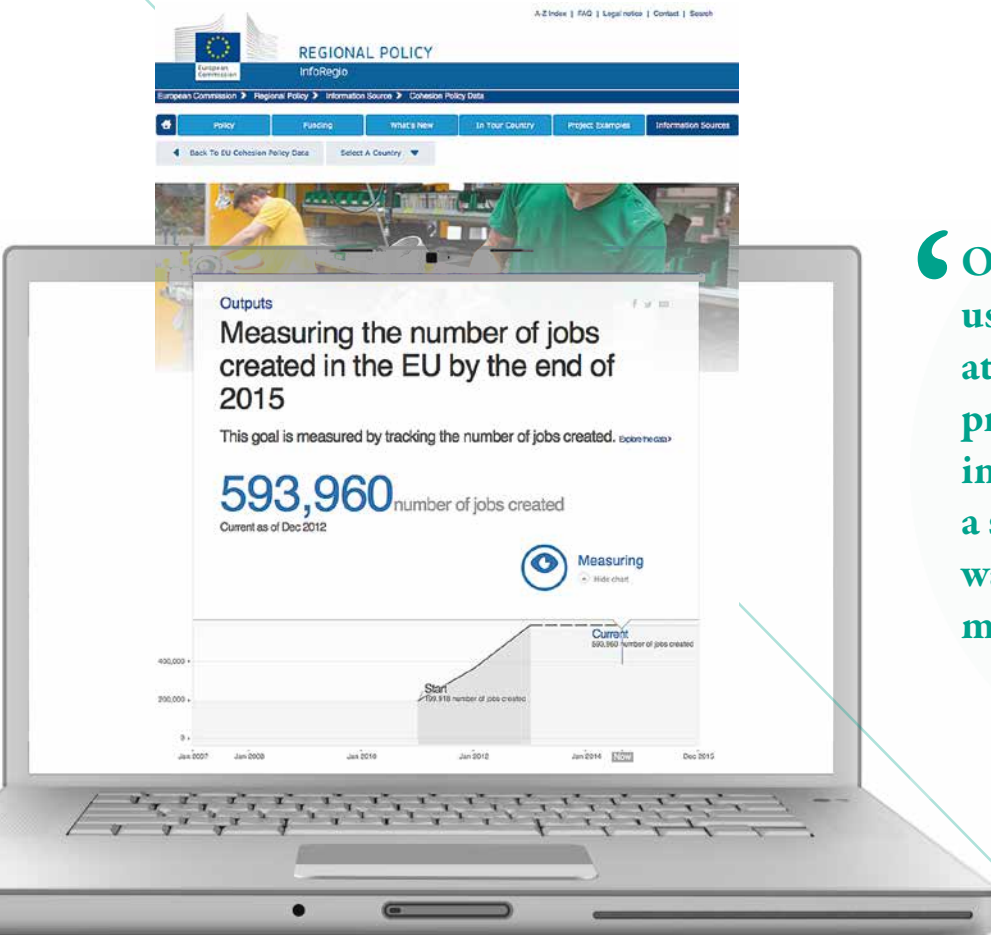
### The new EU cohesion policy open data platform

In July 2014, the European Commission launched an open data platform which offers a new window onto the performance of cohesion policy.

The platform provides information about the results achieved in each Member State, based on the reports submitted to the Commission by national authorities. It shows how the funding is distributed between countries, categories of regions, the different funds and the breakdown by thematic objective. The platform includes a series of interactive maps with data on the socio-economic context and the specific challenges faced by European regions, based on the figures from the Commission's *Sixth Report on Economic, Social and Territorial Cohesion* (see article on page 8).

The EU cohesion policy open data platform aims to provide an interactive experience and to promote engagement. Users can explore the data using a variety of maps and charts, create their own visualisations, download datasets in different formats, comment and discuss the data presented on

(1) Article 115(2) of Regulation (EU) No 1303/2013, the Common Provisions Regulation.



Our reform ... will allow us to put together results at the European level and provide us with the necessary information to explain in a simple and convincing way how the policy is making a difference.

JOHANNES HAHN – EUROPEAN COMMISSIONER FOR REGIONAL POLICY

the platform, and provide feedback. They can also share datasets via social media, as well as embedding graphs and charts on their own blogs or websites. The platform offers users the possibility to subscribe to updates when fresh data are uploaded.

## What's next?

The cohesion policy open data platform is intended to promote debate on the performance of operational programmes.

The platform was presented during the Sixth Cohesion Forum on 8-9 September in Brussels, which was an important opportunity for decision-makers and stakeholders to discuss how cohesion policy funding can improve economic prospects and quality of life for people in Europe. The 2014 edition of OPEN DAYS, the European Week of Regions and Cities, will also include a strong focus on regional statistics, including a specific workshop on cohesion policy and open data.

This workshop will also look at how regions and cities are using open data to improve the provision of local services, as well as promoting engagement with citizens in policy-making.

New figures on the results reported by Member States in their 2013 Annual Implementation Reports will be made available via the cohesion policy open data platform in AUTUMN 2014. The Commission will also use the platform to make available data relating to the 2014-2020 programming process (financial allocations, targets and indicators, etc.) as and when the new operational programmes are approved.

Watch this space, and please use the interactive features on the platform to share, comment and provide feedback!

► FIND OUT MORE  
<https://cohesiondata.ec.europa.eu/>

# ▶ ECONOMIC FOCUS FOR GREEK PARTNERSHIP AGREEMENT

COHESION POLICY TO SUPPORT  
ECONOMIC RESTRUCTURING  
AND HELP GENERATE PRIVATE  
INVESTMENT



**Greece was third in line, following Denmark and Germany, to have its ESIF-partnership agreement (PA) approved by the Commission on 23 May 2014. *Panorama* talked to George Yannoussis, General Secretary for Public Investments and ESIF since August 2012, based at the Ministry of Development**

**and Competitiveness in Athens. The procedures for the preparation and submission of the draft PA were coordinated by Mr Yannoussis under the direction of the former Minister of Development Mr Hatzidakis.**

▶ **When did Greece begin preparing its PA? How was the preparation process organised, and what were the main strengths and weaknesses of the system?**

The Ministry for Development and Competitiveness, and particularly the General Secretariat for Public Investments-NSRF (GSPI-NSRF) as the competent authority for coordinating the preparation of the new PA, initiated and coordinated the consultation process together with national and regional policy decision makers, and also partners and stakeholders in their own territorial and thematic fields.

The Ministry sent Circulars (April 2012, March 2013) in order to coordinate the consultation process and the drafting of the PA. The competent bodies and all relevant stakeholders, at national, sectoral and regional level, have worked and decided on the main strategic proposals for the development of our country during the new programming period. At the same time a National Development Conference, 13 Regional Conferences, and workshops for Research and Innovation Strategies for Smart Specialisation (RIS3) in each region were organised. Other relevant ministries have also organised their own Development Conferences.

During an intense and fruitful consultation period, the key issues taken into account were to do with identifying the development needs at sectoral/regional level, the analysis of the thematic priorities, the territorial challenges, and the application of horizontal principles. In parallel with the whole consultation process, expert reports were assigned and used where appropriate.

▶ **How far is the Greek PA the result of a partnership between the main actors involved (ministries, regions, cities, businesses, academics, NGOs, etc.)?**

Beyond the participation of the ministries, regions and municipalities, there is a long list of entities, bodies and organisations that participated in the consultation. In addition to that, we must take into consideration that consultation was



▶ Rehabilitation of the seafront at Thessaloniki, the second largest city in Greece.



▶ The Foundation for Research and Technology-Hellas (FORTH) located at Heraklion is one of the largest research centres in Greece.



carried out in parallel by the competent ministries and regions, and across a much broader range of actors, including entities supervised by ministries and regions, NGOs, local development organisations, environment agencies, social partners, educational institutions, business sector representatives, associations, research organisations, etc.

The final product of the consultation process at this level (e.g. using questionnaires, drawing up specific information and consultation websites, organising consultation meetings and thematic groups, setting out working groups on planning the new OPs, organising information days, etc.) were the proposals submitted to the Ministry for Development and Competitiveness on behalf of the ministries and regions, in accordance with the instructions given through Ministerial Circulars.

We consider consultation to be a non-stop and on-going process that is expected to have significant results also in the fields of implementation, monitoring and evaluation of the new operational programmes.

#### ▶ How would you evaluate the input of the Commission services during your country's negotiations?

The Commission has deployed its services to face the challenges and complexity of PA preparation. The Position Paper issued in November 2013 gave an impulse to the thinking for organising the priorities in consistent groups of objectives

and broad lines of action. The assistance supplied by Commission staff and experts to embed the principles and methodology for 'smart specialisation' and 'entrepreneurial discovery' at national and regional levels has been very valuable and is still continuing. The remarks and observations of the Commission staff on unofficial versions of the PA were also very helpful. Finally, the 24-hour negotiations during the last week before official approval of the PA between national authorities and the competent staff from the DG for Regional and Urban Policy demonstrated the mutual will to produce a commonly acceptable document compatible with the strategies of both parties.

On the other hand, we cannot disregard the dysfunctions emerging from the cumulated complexities of the ESIF Regulations, the State aid regulations, the 'templates' to use in the submission of the draft PA or OPs and other rules and Directives issued by the Commission.

#### ▶ To what extent was the work developing the PA and the OPs a joint exercise?

The PA was prepared by the central Special Unit for Strategic Planning and Evaluation of Development Programmes under the direction of the General Secretary and the Minister, with the assistance of some external experts and advisors from the Minister's Cabinet. The OPs are prepared by the managing authorities: the seven national OPs are entrusted to the

▶The 'New Knowledge' initiative has funded 27 research and innovation projects in the areas of ICT, agriculture, fisheries, livestock, food biotechnology, environment, energy, water resources, transport, health and cultural heritage.



managing authorities of the competent ministries, depending on the intervention area of each OP; the 13 regional OPs are entrusted to the managing authorities of the corresponding regions. The preparation of the OPs started in parallel to the PA, but intensified after the clarification of the main guidelines and priorities. The dialogue between the central and regional planning authorities is continuous, while the Commission is participating in discussions on specific issues such as the RIS3, social policy or environment-related works.

**▶What is your experience of closely coordinating the development of four funds? How did you establish a coherent approach?**

The need to combine financial resources from more than one fund for developmental projects is paramount. For example, investment (ERDF) and training (ESF) would be productively combined for supporting firms' innovation and diversification plans. The support to agri-food companies requires the combination of funding from ERDF and EARDF. Nevertheless, the Regulation and the 'template' indicate that this combination has to be used in exceptional cases and duly justified. Demarcation arguments are as strong as in the past. Moreover, the Commission staff, as well as the national staff of the competent policy-making bodies, favour separate projects for each funding source for reasons of administrative effectiveness. In practice the authorities refrain from using such combinations for managerial reasons.

In addition to these practices, the Commission is advising the combination of ERDF funding with that from Horizon 2020 and COSME. We do not believe that, if such a project is decided, its operation will run smoothly. Stronger integration of procedures at EU level has to be thoroughly thought out.

**▶To what extent may cohesion policy contribute to the economic development of Greece?**

The Greek economy, in financial crisis since 2008, has been driven to radically reduce public expenditure, including funding of investments. Nearly all the public funds invested in this period and in the years to come are of European origin. Private funding, which was low compared to the EU average before the crisis, is also reduced to unacceptable levels. Therefore, the ESIF become very significant for wealth creation in Greece.

The challenge has multiple facets: while in the past, Structural Funding has contributed a lot to the increase in demand, in the new period the target points to supply, including export growth. Restructuring the economy is necessary to achieve such a goal, and the ESIF are expected to contribute to this endeavour. Moreover, as estimated by international experts, in order for the Greek per capita income in 2020 to equal that of 2008, the total investment in the country has to be rather up to six times the volume of ESIF (see table). This means that the ESIF need to play the role of catalysers of private investment. This also means that spending

## COHESION POLICY FOR GREECE IN NUMBERS

Overall financial allocation to Greece from cohesion policy and other ESIF for the 2014-2020 programming period

► EUR (current prices)

ERDF	► €	8 165 716 613
ESF	► €	3 690 994 020
Cohesion Fund	► €	3 247 019 502
Cohesion Fund transferred to Connecting Europe Facility (CEF)	► €	580 038 571
European Territorial Cooperation	► €	231 634 557
Youth Employment Initiative (YEI)	► €	171 517 029
Fund for European Aid to the most Deprived (FEAD)	► €	280 972 531
EAFRD	► €	4 223 960 793
EMFF	► €	388 777 914
<b>TOTAL</b>	<b>► €</b>	<b>20 980 631 530</b>

Structural money has to follow a serious improvement of the business climate.

### ►What results do you expect for Greece at the end of the seven year period?

The results expected are expressed in the approved PA document and will be further specified in the outcome and result indicators of the OPs. They may be summarised in a few words: **Firstly**, to face poverty caused by the crisis (ESF mainly for retraining, social entrepreneurship, etc.) and create the basis for healthy productive investment in sectors of high impact on GDP and employment (i.e. agri-food, tourism, renewable energy).

**Secondly**, support private initiatives in the prominent industries of the economy, while preparing interventions in high growth innovation and knowledge driven industries.

**Thirdly**, give emphasis to support for innovative, export oriented entrepreneurship (i.e. cosmetics and generic pharmaceuticals, ICT, contract research). Specialisation in innovation promotion has to be combined with support to bottom-up entrepreneurial initiatives, both from local innovators and international investors. To address the State aid regulatory framework, the GSPI-NSRF is studying at present the most appropriate financial instruments for the different circumstances of investors.

### ►To what extent have you been in contact with other Member States drafting their own PA?

Greece held the Presidency of the European Union during the first semester of 2014, and had the opportunity to exchange general information with other MS. However, time pressure and particular features of the national economy did not allow for much consultation with other countries on specific issues. The Commission, in its efforts to contribute to drafting the PA, has supplied information on good practices from other countries, particularly in the area of fulfilling the 'conditionalities' tables.

### ►What lessons have you learned from this exercise and what would you do differently, knowing what you know today?

Planning for a new period must be organised as a continuous process, including the genuine evaluations and assessments of various types, and not concentrated in the last 1-2 years from the end of the programming period. In particular, evaluation practices need to be revisited and evaluators acquire know-how on the modern techniques, such as benchmarking, counterfactual evaluations, econometric models, etc. The civil servants, preparing the terms of reference for these studies and in charge of using their results and recommendations, need training in these methodologies and techniques.

At the same time, other services and research entities (i.e. observatories) have to collect information and quantitative data on the evolution of global competition in the sectors of national or regional interest that might help SMEs to make genuine decisions. The dialogue between the stakeholders, experts and relevant civil servants also has to be continuous and based on hard data from past performances and of future trends or expected discontinuities. A balance between flexibility and precision in defining objectives is essential, but for this to be achieved emphasis has to be transferred from financial monitoring to project monitoring.

►FIND OUT MORE  
[www.ggea.gr/index\\_en.htm](http://www.ggea.gr/index_en.htm)



# ▶ GROWING TOGETHER – SMART INVESTMENT FOR PEOPLE

OPEN DAYS 2014 – THE 12TH EUROPEAN WEEK  
OF REGIONS AND CITIES

The 2014 edition of OPEN DAYS, the annual forum jointly organised by the Directorate General for Regional and Urban Policy and the Committee of the Regions, takes place in Brussels from 6 to 9 October under the slogan ‘Growing together – Smart investment for people.’

Against the backdrop of Europe’s efforts to drive economic recovery through the investment policy of cohesion policy and the development of Partnership Agreements and operational programmes by Member States, OPEN DAYS 2014 will be a forum for lively debate and discussion across a wide range of issues.

## Main themes

OPEN DAYS 2014 will focus on three overriding themes.

‘Connecting regional strategies’ highlights the many issues which underpin the economic recovery of Europe’s regions in particular: smart specialisation, the digital agenda, SME support, low-carbon economy, training and social inclusion, boosting innovation, modernisation, social inclusion and urban development.

The ‘Building capacity’ segment focuses attention on the exchange of good practices and instruments in programme management, in particular financial engineering, public procurement procedures, performance and impact evaluation.

In the area of ‘Territorial cooperation’ a close look is taken at the new generation of pan-European programmes: INTERREG, URBACT, ESPON, INTERACT, as well as efforts at international cooperation.

## High-level speakers

The opening session on 6 October will feature a number of keynote speeches from high-level speakers including Johannes Hahn, European Commissioner for Regional Policy and Michel Lebrun, President of the Committee of the Regions. Martin Schulz, President of the European Parliament, and Graziano Delrio, Deputy-Prime Minister of Italy, on behalf of the Presidency of the Council of the EU, are also expected to take part.

This session analyses challenges and opportunities related to the launch of a new cohesion policy cycle. Guest-speaker Angel Gurría, Secretary-General of the OECD, will present two flagship publications: The *Regional Outlook*, which will be launched at the event, and a report on *Regional Well-Being*.

## REGI-COTER meeting

The opening session is followed by a joint meeting of the European Parliament’s Committee on Regional Development (REGI) and the Committee of the Regions’ Commission on Territorial Cohesion Policy (COTER). This provides an opportunity for discussion surrounding the uptake of the cohesion policy package 2014-2020 and its new instruments such as Integrated Territorial Investment (ITI) and Community-led Local Development (CLLD). The focus will be on the key question of how to ensure that the local and regional authorities have the necessary capacity to implement the new European Structural and Investment (ESI) Funds.

This is followed over the following three days by some 100 working sessions featuring either ‘workshops’, for the exchange of good practices and training between practitioners, and ‘debates’ bringing together groups of experts to focus on a specific topic.

## University programme

The very successful OPEN DAYS University programme presents new research on regional and urban development. It will enable academics, practitioners, EU officials and other interested participants to exchange views and test new academic concepts in the field of regional and urban policies.

This format facilitates the creation of networking links between students, academics, EU institutions and regional partners and raises awareness, attracting students and young researchers to the topic of EU cohesion policy.

Eight workshops have been organised with the support from a selected number of renowned academics and researchers in the field of EU cohesion policy and related policy fields from different European countries.

## Master class

The OPEN DAYS University again hosts this year a Master Class for PhD students and early career researchers in the field of regional and urban policy. Organised by the Directorate General for Regional and Urban Policy and the Committee of the Regions in partnership with the Regional Studies Association, its aim is to improve the understanding of EU cohesion policy and its research potential among 30 selected students and researchers coming from both EU and non-EU countries.

## Europe in my region/city

In an effort to bring the OPEN DAYS event closer to local and regional stakeholders, local events are organised across Europe around the OPEN DAYS 2014 thematic priorities under the heading 'Europe in my region/city.'

Aimed at the general public, potential beneficiaries of EU regional policy, expert audiences, academics and the media, they take a variety of formats such as conferences, workshops, radio/TV broadcasts or exhibitions, as decided by the organisers in the local region or city.

More than 300 local events are expected to be held between September and November all over Europe attracting 80-90 000 citizens and experts.

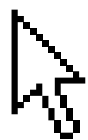
## OPEN DAYS cinema

A novel feature this year is the 'OPEN DAYS Cinema' which will enable participants to watch short video-clips which showcase excellent projects funded by the ESI Funds and good practices in regional and urban development from around Europe.

A number of reports are also being presented during OPEN DAYS, among which are the European Commission's *6th Report on Economic, Social and Territorial Cohesion*, Eurostat's 2014 edition of the *Regional Yearbook* and the OECD's Report on *Regional Well-Being*.



**FOLLOW OPEN DAYS ONLINE**  
A NUMBER OF WORKSHOPS WILL BE WEB STREAMED



▶ FIND OUT MORE ON  
THE OPEN DAYS WEBSITE  
[www.opendays.europa.eu](http://www.opendays.europa.eu)



# ▶ TOWARDS AN EU URBAN AGENDA

## TAKING STEPS TO BETTER INTEGRATE URBAN ISSUES INTO EU POLICY MAKING

More than two thirds of EU citizens live in cities and towns. These urban centres are affected by EU policies and initiatives in a growing number of areas, such as social affairs, culture, transport, energy and environment. The Commission has embarked on the development of an Urban Agenda with the aim of integrating these many policies more closely. The CITIES Forum organised in Brussels in February 2014 raised the questions of the 'why?', the 'what?' and the 'how?' of an EU urban agenda.



### Why an urban agenda?

Some 72% of the total EU population – nearly 360 million people – live in cities, towns and suburbs and this is expected to rise to over 80% by 2050. These urban areas are paradoxical: they are the environment where the economy grows, but also places with the highest unemployment rates; density allows for more energy-efficient forms of housing and transport, but it also generates congestion and pollution. An integrated approach is called for to tackle these intricate challenges.

Progress has already been made integrating a strong urban dimension into the reformed cohesion policy. More than half of the cohesion policy budget for 2014-2020 is expected to be invested in urban areas and some EUR 330 million has been specifically earmarked for urban innovative actions to meet the challenges of sustainable urban development.

An estimated two-thirds of EU policies have an impact on cities and it is essential that these approaches are well coordinated and effectively supported by the relevant actors at European, national, regional and local levels.

An urban agenda, it is recognised, could help bring about a more joined-up approach to urban development – for example, by ensuring that the various policies which have an urban dimension are not considered separately. It could also improve multi-level governance and cooperation across administrative borders. Furthermore, achieving the core goals of the Europe 2020 strategy – smart, sustainable and

inclusive growth – cannot be achieved without the active involvement of Europe's cities.

Virtually all stakeholders agreed that a European urban agenda is needed, including the European Parliament, the Committee of the Regions and the European Economic and Social Committee, as well as city associations. The key question is what this agenda will actually look like.

### What should the EU agenda be?

Some stakeholders see an EU urban agenda as a framework for guiding action – that is, to bring coherence to a diversity of initiatives and policies; to give clear roles for European, national, regional and local authorities, as well as to be used by cities in implementing their local policies and plans.

Others stress that an EU urban agenda should primarily be an instrument to involve cities and their political leaders in EU policymaking and policy implementation – 'an agenda for, with and between cities' – with a special emphasis on Europe 2020.

It is crucial that the agenda is not seen as the EU overriding governments at a national level, but more as a strengthening of the urban focus within the various urban development initiatives at Member State level. Europe's cities have different potentials and face different challenges. An urban agenda has to recognise and foster these unique assets.



► Open air public library in Magdeburg, Germany.

## URBAN DIMENSION OF EU POLICIES

Many EU policies include initiatives targeting either cities as key actors or urban areas as places for their implementation, such as energy and climate action (**The Covenant of Mayors**), transport and the digital agenda (**Smart Cities and Communities Initiative**). There are also high profile examples in the fields of culture and environment. Launched by the Commission in 2008, the **European Green Capital Award** promotes cities that have a consistent record of achieving high environmental standards. It provides a role model to inspire other cities and promote best practice and experiences. More than 25 years after its creation, the **European Capital of Culture** programme stands out as one of the EU's most well-known urban initiatives.

► FIND OUT MORE ABOUT **THE URBAN DIMENSION OF EU POLICIES**:  
[http://ec.europa.eu/regional\\_policy/urban/portal/index\\_en.cfm?smenu\\_mapping\\_id=1](http://ec.europa.eu/regional_policy/urban/portal/index_en.cfm?smenu_mapping_id=1)



► Plans for the restoration of the River Batán as an urban ecological corridor, Vitoria-Gasteiz, Spain.

‘From pollution to poverty, from unemployment to energy, we cannot confront Europe’s challenges or achieve its goals unless we tackle these issues in Europe’s cities. An EU urban agenda must respect subsidiarity – but where we can improve EU policies, by strengthening the urban dimension, we should do this, as well as giving Europe’s cities a bigger role as partners for the EU.’

JOHANNES HAHN – EUROPEAN COMMISSIONER FOR REGIONAL POLICY

### An EU urban agenda: How?

The 2014 CITIES Forum – ‘Cities of Tomorrow: Investing in Europe’ – proposed several possible ways in which a future EU urban agenda could be implemented, such as:

- strengthened coordination of EU policies directly or indirectly impacting on cities – e.g., an urban Europe 2020 coordination platform, urban impact assessment, etc.;
- better articulation and coherence between EU, national and local level policy making – e.g., a strengthened role given to the intergovernmental cooperation on urban development;
- strengthened and more coordinated knowledge-base, networking and learning.

In order to further open the discussion on these topics, the Commission issued a Communication entitled *The Urban Dimension of EU Policies – key features of an EU Urban Agenda*. This Communication sought feedback on six key questions.

In September, the Commission presented an initial summary of this feedback at a conference in Rome organised by the Italian Presidency of the Council of the European Union. The discussion initiated is paving the way to shaping an EU urban agenda.

► FIND OUT MORE  
[http://ec.europa.eu/regional\\_policy/activity/urban/index\\_en.cfm](http://ec.europa.eu/regional_policy/activity/urban/index_en.cfm)

# ▶ MAJOR PROJECTS HAVING A MAJOR IMPACT

## VIDIN/BULGARIA – CALAFAT/ROMANIA Calafat Bridge linking Bulgaria and Romania

Carrying road and rail traffic between Vidin, Bulgaria, and Calafat, Romania, since being opened in 2013, the bridge provides a vital link on a key priority route of the trans-European transport network. The new bridge is 1.4 km in length and promotes combined and environment-friendly river-road-rail logistic solutions. It removes a major bottleneck for international long-distance transport to Romania and Central Europe, and ensures better integration of the Bulgarian road and rail networks with pan-European transport networks – linking Germany with both Greece and Turkey.

Total cost:  
EUR 226 000 000  
EU contribution:  
EUR 70 000 000

Did you ever wonder what a bridge on the Danube River, a research laboratory in France, a wind energy farm in Poland, and an electronic ticketing on public transport in Greece have in common? All of them are ‘major projects’ co-funded by EU regional funds – the European Regional Development Fund and the Cohesion Fund.

Major projects comprise large-scale infrastructure projects in transport, environment and other sectors such as culture, education, energy or information and communication technology (ICT). They also concern big productive investments, and research and development (R&D) projects. Major projects are an important tool to improve the lives of Europe’s citizens and the four projects mentioned below are good examples. They will continue to be a key delivery mechanism for operational programmes in the 2014-2020 period.

### Fewer major projects 2014-2020

The thresholds for major projects will be linked to eligible costs and set at EUR 50 million in non-transport sectors, and have been raised to EUR 75 million for transport/energy infrastructure projects. This will result in fewer major projects and will thus allow the Commission to focus on the financially most important projects which consume the largest EU funds’ contributions.



Total cost:  
EUR 96 500 000  
EU contribution:  
EUR 28 000 000

## NANCY/FRANCE A centre of excellence in new materials and nanotechnologies in Lorraine

The Jean Lamour Institute (JLI) in Nancy houses up to 450 professional researchers and 180 students in 16 500 m<sup>2</sup> of research and laboratory space, working on materials and nanotechnologies. The JLI both caters for basic research (increasing potential and visibility, training, technology transfer) and aims to promote links between basic and applied research, the public and the private sectors and laboratories and business. The project should create 185 full-time jobs and lead to the creation of six start-ups.



**ATHENS/GREECE****Electronic ticketing on public transport in the Athens metropolitan area**

Approved in 2013, the project was identified by the Greek authorities – in cooperation with the Commission – as vital for the quality of life and well-being of its citizens, providing them with more efficient and modern urban travel conditions. The funding will establish an Integrated Automatic Fare Collection System which includes metro, urban/suburban railway, bus and tram networks. The investment will also provide new validation and inspection equipment, modern entry/exit gates in the metro system, and improve operational efficiency and management systems. The modernisation programme will facilitate the use of public transport by the Athens residents, its visitors and tourists.

**GOLICE/POLAND****Poland's First Wind Energy Farm**

The first wind farm in Poland – situated in the Lubuskie region – helps the country meet its climate change goals and benefit more than one million citizens. The project involves the construction of 19 turbines, tailored to work with low-intensity winds, and the adjustable rotor blades, depending on wind conditions, allow for a balance between maximum power production and minimum noise levels. This should bring an improved electricity supply as well as less air pollution for people living in the area. The project should also help create around 600 direct and indirect jobs.

**Streamlined appraisal**

With the help of the Joint Assistance to Support Projects in European Regions (JASPERS) initiative, the Commission will continue to engage experts on the ground to support Member States and beneficiaries, in order to ensure projects are prepared appropriately so that they respond in the best way to areas of need.

Member States can choose between two procedures for submitting a major project to the Commission:

- ▶ notify the Commission when a project is positively reviewed by independent experts (JASPERS), on the basis of which the Commission carries out a lighter quality check;
- ▶ submit the project directly to the Commission who appraise it to determine whether the requested financial contribution is justified.

Timely delivery of projects was always a matter of concern; therefore the Commission's approval will be conditional on the works starting within 3 years of the decision. This will reduce the problem of 'ghost projects' that have great difficulties in getting off the ground.

**Better strategic focus**

Major projects will be linked more to strategies and the list of major projects in operational programmes (OPs) should reflect a real project pipeline. The list can be amended by OP monitoring committees, to allow for flexible adjustments, while maintaining the strategic focus of each project. In many areas (such as transport) major projects will be strongly linked to *ex ante* conditionalities (e.g. comprehensive transport masterplan).

By June 2014, the Commission had approved some 707 major projects for the whole 2007-2013 programming period, which amounts to a total investment of EUR 151.7 billion. These projects represent a total EU contribution of EUR 74.4 billion, which means that EUR 1 of EU financing has generated an additional EUR 1 of co-financing from other public and private sources.

**▶ FIND OUT MORE**

[http://ec.europa.eu/regional\\_policy/projects/major\\_projects/index\\_en.cfm](http://ec.europa.eu/regional_policy/projects/major_projects/index_en.cfm)

# ▶ USING FINANCIAL INSTRUMENTS TO DELIVER COHESION POLICY

**The increasing use of financial instruments (FI) in cohesion policy has provided support mainly to small and medium-sized enterprises (SMEs). This delivery mode has been shown to foster economic development, growth and employment.**

Financial instruments come in a number of different forms, including loans, loan guarantees, equity, venture capital and micro-finance. During 2007-2013, there was a significant shift towards the use of FI in cohesion policy programmes. The estimated amount allocated from Structural Funds to venture capital, loan and guarantee funds rose from EUR 0.57 billion in 1994-1999 up to EUR 8.36 billion in 2007-2013.

A key objective for 2014-2020 is to leverage extra investment by making more use of FI. Both the policy frameworks of the Multi-annual Financial Framework (MFF) and the European Structural Investment Funds (ESIF) emphasise

## BENEFITS OF FINANCIAL INSTRUMENTS

- ▶ Leverage of public sector resources and increased impact of ESIF programmes.
- ▶ Gains in efficiency and effectiveness due to revolving nature of funds, which stay in the programme area for future use and for similar objectives.
- ▶ Better quality of projects as investments must be repaid.
- ▶ Access to a wider spectrum of financial tools for policy delivery and private sector involvement and expertise.
- ▶ Move away from 'grant dependency' culture.
- ▶ Attract private sector support (and financing) to achieve public policy objectives more efficiently.



## THE SME INITIATIVE

Using part-ERDF and part-European Agricultural Fund for Rural Development contributions together with some of the COSME and Horizon 2020 allocations, the SME initiative offers two main products:

- ▶ uncapped guarantees, providing capital relief for portfolios of new loans to SMEs;
- ▶ securitisation of existing or new portfolios of debt finance.

All necessary elements for its implementation are now in place, including an *ex ante* assessment, carried out by the EC, in close cooperation with the EIB Group. Currently only Spain and Malta have confirmed their participation but other MS may still decide to join once the initiative is up and running.

the need for more use of FI, particularly in a context of fiscal retrenchment. Exact figures for 2014-2020 are still to be determined – but an overall increase in the amount of ESIF contributions to FI can be expected.

## A flexible legislative framework

Experience shows the need for a comprehensive legislative framework and capacity-building for those working with FI to deliver cohesion policy. Balancing private sector objectives of maximising financial returns on investment, with cohesion policy objectives of contributing to growth and jobs in specific Member States and regions, can be a challenge!

The cohesion policy legislation for 2014-2020 therefore includes a dedicated section on FI and offers flexibility for Member States and regions. It broadens the scope of FI to all thematic objectives and offers a range of implementation options.

## FI-TAP – TWO TYPES OF ADVISORY SERVICES

- ▶ **HORIZONTAL:** available to all Member States (MS) and for all types of financial instruments. They will be initiated and financed by the Commission (top-down). Activities will typically include the exchange of good practice and networking across MS, as well as training on common themes, such as *ex ante* assessment, public procurement, regulatory aspects concerning ESIF's policies, and State aid.
- ▶ **MULTI-REGION:** initiated by stakeholders for the benefit of more than two managing authorities, in a minimum number of two MS (bottom up). It will be paid by the EC, on the basis of calls for proposals. Activities will typically include support for the development of FIs targeting development objectives or market failure(s) that are shared by the applying regions (e.g. energy efficiency interventions in housing in Central and Eastern European countries or cross-border initiatives).

▶ The assembling hall at Binder and Co. AG., Eco World Styria Green Tech Valley, Austria.

### Optimising the delivery of FI

Particular attention has been paid to the scope for using cohesion policy funding in support of SMEs. One option for improving SME access to finance is provided through shared management instruments and the new legislative framework offers a range of options for managing authorities. In addition to the tailor-made instruments already possible in 2007-2013, managing authorities will be able to make use of the so-called off-the-shelf instruments: sets of standard conditions for different products including a risk-sharing loan instrument for SMEs, a guarantee instrument for SMEs and an equity instrument for SMEs. Another possibility is for managing authorities to implement loans or guarantees directly, or through an intermediate body.

The Commission, in cooperation with the European Investment Bank (EIB) Group and some national financial institutions, is developing FI for the implementation of EU budget resources managed centrally by the Commission (e.g. COSME, CEF), including for SME support. One of these is the SME Initiative, designed for rapid roll-out to improve access to finance for SMEs. Where managing authorities of ESIF programmes contribute to such EU-level instruments, the ESIF would finance 100% of such contributions.

### Cooperation with the EIB Group and other international financial institutions

This cooperation will help optimise the delivery of FI, and assistance and advisory services will be delivered as a consolidated service covering all ESI Funds.

The **Financial Instruments-Technical Advisory Platform (FI-TAP)** will be a consolidated tool to provide support to managing authorities and other stakeholders, covering all ESI Funds and thematic objectives (see box).

FI-TAP is a joint initiative by the Directorate Generals for Regional & Urban Policy, Agriculture, Employment, Social Affairs & Inclusion and Maritime Affairs & Fisheries. Its implementation will involve the EIB Group and international and national financial institutions. A conference on FI-TAP and ESIF-supported financial instruments will take place in January 2015 with around 400 participants from managing authorities and other stakeholders.

#### ▶ FIND OUT MORE

[http://ec.europa.eu/regional\\_policy/thefunds/fin\\_inst/index\\_en.cfm](http://ec.europa.eu/regional_policy/thefunds/fin_inst/index_en.cfm)



# ▶ EUROPEAN SOCIAL FUND 2014-2020

MORE THAN JUST THE SOCIAL DIMENSION OF COHESION POLICY

In this edition, *Panorama* focuses on the European Social Fund (ESF), one of the five European Structural and Investment (ESI) Funds alongside the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD), and the European Maritime and Fisheries Fund (EMFF). The ESI Funds are the main EU funds for the 2014-2020 period for supporting jobs and growth across the EU.

The European Social Fund (ESF) plays a fundamental role in supporting EU Member States' investment in human capital and thereby in strengthening the competitiveness of the European economy as it emerges from the crisis. Every year the ESF assists over 15 million people by helping them to upgrade their skills, facilitating their integration into the labour market, but also by combating social exclusion and poverty, and improving the efficiency of public administrations.

## MAKING A DIFFERENCE FOR MILLIONS OF PEOPLE

During 2007-2012 alone, over 68 million EU citizens and residents participated in ESF-supported initiatives. In particular:

- ▶ one in five persons found work within six months after completing their participation;
- ▶ around 8.6 million qualifications were gained;
- ▶ close to 550 000 people have set up a business, either in new start-ups or in self-employment;
- ▶ women make up 52% of the overall participation in these initiatives, young people over 31% (21 million), older people (aged 55-64) over 4 million and the unemployed over 22 million.

When considering such results, one should bear in mind that the start of the programming period was a time of growing employment, unfilled vacancies and rising prosperity, while the economic crisis has changed this environment to one of unemployment, social exclusion and reduced public expenditure. The adaptability and flexibility of ESF programming in many Member States has allowed more resources to flow to the areas where they can make the largest contribution to mitigating the impacts of the crisis and supporting recovery – for example, in boosting the number of new enterprises and the new jobs they bring. ESF funding has proved a valuable complement to national funding and programmes, allowing them to do more and to enhance their intensity and quality.



During the 2014-2020 period, the ESF will be instrumental in helping Member States to implement structural reforms in their policies addressing the labour market, social inclusion, education and employment, institutional capacity and public administration reform. These reforms follow the EU's priorities and recommendations in this area. The investments will contribute to the Europe 2020 objectives by improving the skills-base of the European workforce and helping millions of citizens to improve their chances in the labour market, to find a job or to stay in employment. Most importantly, ESF-supported projects often target those that are most difficult to reach and sometimes not sufficiently supported by national systems.

For these reasons, a minimum share for the ESF has been set for the first time in the history of cohesion policy. During 2014-2020, ESF allocations will amount to at least 23.1% (more than EUR 80 billion) of the cohesion policy budget, effectively putting an end to the gradual decrease of the ESF share over the past 25 years.

Concentrating funding for achieving results will be crucial in the 2014-2020 period: the ESF will focus its interventions on a limited number of priorities in order to ensure a sufficiently high critical mass of funding to make a real impact. The actual areas for investment are agreed according to each country's or region's proper challenges and needs, in line with the policy recommendations from the European semester process<sup>(1)</sup>.

### Four thematic objectives

Across the EU, the ESF supports thousands of projects to **promote sustainable and quality employment and support labour mobility**. These initiatives aim to get more people into better jobs, with specific attention to job-seekers and inactive people, including the long-term unemployed

(1) The annual cycle of macro-economic, budgetary and structural policy coordination, to monitor progress in implementing the Europe 2020 strategy.

## ▶ GOING GREEN IN SPAIN

The EmpleaVerde, or ‘Green Jobs’ programme, which is spearheaded by the Fundación Biodiversidad of the Spanish Ministry of Environment, Rural and Marine Affairs, is an initiative to promote employment and preserve the environment. The programme runs more than 80 projects in Spain, and aims to support more than 28 000 people and create 1 000 new green SMEs and jobs in the future. Recently, young people have become a main target group for these activities.

▶ Find out more:  
<http://fundacion-biodiversidad.com/es/inicio/emplea-verde>

Project duration:  
2007-2014  
 Total budget:  
EUR 17 100 000  
 ESF contribution:  
EUR 12 700 000



and people excluded from the labour market. An emphasis is placed on integrating young people into the labour market (see box) and the ESF continues its excellent track record in fostering self-employment, entrepreneurship and business creation.

The ESF also prepares Europe’s workforce to cope with the changing needs of the economy. Programmes help people make the most of new opportunities in a greener and digitally-oriented economy. The modernisation of public and private employment services complements all these efforts.

In each country, at least 20% of the ESF will be earmarked for **social inclusion and combating poverty and discrimination**. This will help people in difficulties and those from disadvantaged groups to get skills and jobs and to have the same opportunities as others to integrate into the labour market. An important priority is the socio-economic integration of marginalised groups such as the Roma. Through these initiatives the ESF can significantly contribute to the EU’s objective for reducing the number of people in poverty.

ESF investments in **education, training and vocational training for skills and lifelong learning** cover a broad range of activities. They are helping to improve performance across the whole education sector from schools to universities. Their goals are, in particular, to provide equal access to good-quality education, reduce early school-leaving and increase participation and attainment levels, especially for disadvantaged groups. ESF-supported measures also aim to improve

## CREATING CHANCES FOR YOUTH

Helping young people to find a job has become a top priority for the EU and extra support comes through the Youth Employment Initiative (YEI). This new instrument makes at least EUR 6.4 billion available to the EU regions struggling most with youth unemployment and inactivity. The YEI concentrates on those that are currently not in Employment, Education or Training (NEETs) aged below 25<sup>(2)</sup> and on regions experiencing youth unemployment rates above 25%. It aims to make sure that in those regions where the challenges are most acute the level of support per young person is sufficient to make a real difference.

The YEI will amplify the support provided by the ESF for the implementation of the Youth Guarantee – which aims to ensure that all young people receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed. In parallel, the ESF is providing important funding for the necessary long-term structural reforms and investments in the area of youth employment.

(2) The YEI will target those aged under 30 years if a Member State considers it necessary.

## ▶ GETTING MARGINALISED YOUTH INTO THE LABOUR MARKET

'Youth Into Work' in Dalarna, Sweden, has succeeded in getting 80% of marginalised unemployed youngsters attending its courses into work, college or registered at employment offices. Some 2 500 18-to-24-year-olds have taken part in the project's courses and benefited from work experience opportunities since 2010. Ninety percent followed the programme for its full duration, also receiving advice and counselling on lifestyle issues such as how to spend free time, manage personal finance or find suitable housing and relationships.

▶ Find out more:  
[www.regiondalarna.se](http://www.regiondalarna.se)

Project duration:  
2010-2014  
Total budget:  
EUR 7 600 000  
ESF contribution:  
EUR 3 000 000



the labour market relevance of education and training systems and facilitate the transition from education to work.

In many countries, the improvement of lifelong learning and vocational training systems is supported as well, with a view to upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways. Not least, the ESF is helping universities and vocational training institutions to build closer relations with businesses and employers in their countries and regions.

Reducing regulatory and administrative burdens and promoting high standards of transparency, efficiency and accountability in public administration helps to increase productivity, strengthen competitiveness and ultimately, create jobs. Though the ongoing economic challenges often imply that fewer resources are available for administrative activities, good governance and legal certainty remain central to economic growth.

Through support to organisational and technological innovation via improvement of systems, structures and processes, human resources and service delivery, the ESF is a concrete European contribution enhancing the **institutional capacity of public authorities and stakeholders and efficient public administration**.

## Working in partnership towards concrete results

The ESF has traditionally been implemented in a spirit of extended cooperation. The knowledge and know-how of local actors or sector-specific organisations and bodies have always been essential to its success. With the European code of conduct on partnership the focus on partnership is even stronger and the ESF will be implemented in close cooperation between public authorities, social partners and bodies representing the civil society at national, regional and local levels.

As we enter the new seven-year programming period, and numerous operational programmes are being negotiated between the Commission, national and regional authorities, we can observe a significant shift towards a clear definition of expected outputs and results. The new Joint Action Plans and Simplified Cost Options will support this increasingly result-oriented approach. These tools should also considerably help to reduce the administrative burden on beneficiaries and on the management and control system, and will contribute to decreasing the risk of error.

▶ FIND OUT MORE  
<http://ec.europa.eu/esf>

# ▶ IMPROVING PUBLIC PROCUREMENT INVOLVING EU FUNDS

Public procurement plays a significant role in the European economy. In 2011, government bodies and utility companies spent an estimated EUR 2406 billion on public works, goods and service contracts, representing about 19% of the EU's gross domestic product.

Public contracts above certain thresholds are subject to EU public procurement law and these accounted for about EUR 425 billion in 2011 (3.4% of GDP), increasing steadily over the past decade.

EU rules for public tenders aim at ensuring that the system is fair for all bidders and that best value for money is achieved through competitive tendering. However, work by both EU and national auditors shows a relatively high level of mistakes being made in the process, particularly at the level of local public administrations. An Action Plan that proposes measures to tackle this problem, including awareness raising, training and dissemination of guidance, is currently being developed by the Commission.

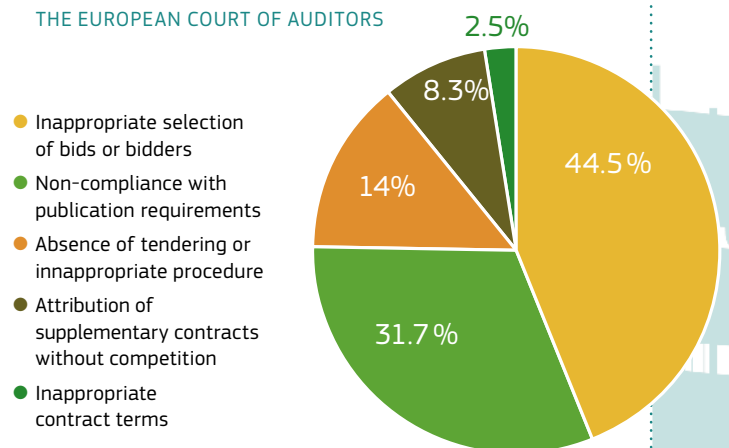
## Irregularities

The administrative capacity and expertise for managing public procurement processes varies between Member States but is frequently weakest at the level of local authorities.

Due to the nature of the contracts being co-financed, often involving complex and high value contracts for large infrastructure projects, the European Regional Development Fund and Cohesion Fund have the highest level of errors linked to public procurement. Whilst the problems are less serious for the European Social Fund, European Fisheries Fund and European Agricultural Fund for Rural Development, public procurement deficiencies also represent a significant source of irregularities. As a result, financial corrections are made

## WHERE ARE MOST ERRORS DETECTED?

KEY: % OF ERRORS DETECTED BY THE EUROPEAN COURT OF AUDITORS



to recover the related funding often with consequential implications for project implementation.

In some Member States, the quality and consistency of tender documents is often poor which can cause later problems during contract award and implementation. There are also Member States who, through additional national rules, have over-complicated the implementation of public procurement, placing an unnecessary additional administrative burden on beneficiaries of funds.

Contracts tendered at municipal or local level seem to be more prone to errors and irregularities, probably due to a combination of risk factors such as weaker administrative capacity, a lack of experience and expertise, and possibly, in some instances, due to a 'local bias' for selecting companies. Contracts for services have been found to be more error-prone than supply/works tenders. One of the most



serious and problems involves the award of additional work directly to the existing contractor without tendering, thereby modifying the original contract and changing the balance of the initial competition.

Even though procedural or evaluation errors are often made unintentionally, the resulting financial corrections can lead to serious contract implementation problems for public administrations.

## Frontline

The frontline responsibility for ensuring that proper tendering processes are observed rests with the national authorities. For many years, the Commission has provided training sessions in Member States to improve the expertise of both managing authority staff and auditors in verifying public procurement processes.

As a result, both the frontline staff at national level and the national auditors are now better prepared to prevent and detect deficiencies and problems. In addition, some Member States have improved their own public procurement procedures to better align them with the EU Directives and to reflect Commission recommendations and best practice advice. Nevertheless, there is still a need for further capacity building at national level.

## Working Group

A Working Group on Public Procurement, linked to the management of the European Structural and Investment (ESI) Funds, has been set up to address the continuing public procurement weaknesses. Created in September 2013, it brings together representatives from the Directorate-Generals for Regional & Urban Policy (chair), Internal Market & Services, Employment, Social Affairs & Inclusion, Agriculture & Rural Development, and Maritime Affairs & Fisheries and the European Investment Bank. The Working Group has identified various actions, some of which have already started, to help improve procurement performance during the 2014-2020 period.

Actions taken include the drafting and dissemination of practical guidance on how to avoid common public procurement errors. The guidance is structured around the main stages of a public procurement process and highlights issues to look out for and potential mistakes to avoid. The guidance also includes a 'Toolkit' with best practice case studies and further resources to addresses specific topics in greater depth. It also gives concrete examples on what to do and what not to do

## PUBLIC PROCUREMENT IS A CORRUPTION RISK HOTSPOT.

See the article in *Panorama 49*, pages 34-35, for more information on the Commission's anti-fraud and corruption prevention measures and events organised across the EU this year.

during the procurement and contract implementation stages of the project cycle. Finally, it gives explanations on how to handle various situations that can arise and lists 25 of the most common or serious errors.

The new ESI Funds also include certain conditions relating to public procurement, to ensure that measures are in place in Member States and regions – and reflected in their Partnership Agreement and operational programmes – before ESI Fund investment is delivered.

For certain Member States such as Romania and Bulgaria specific Action Plans are being implemented to raise levels of understanding and better compliance with public procurement procedures.

## New rules

A package of new Directives covering public procurement was adopted in April 2014 and will be transposed into national legislation by Member States by 2016. The Commission are addressing Member States' training needs linked to the transposition and implementation of these new Directives.



### ► FIND OUT MORE

New public procurement rules:

<http://europa.eu/!hb94Mb>

EU public procurement site:

[http://ec.europa.eu/internal\\_market/publicprocurement/index\\_en.htm](http://ec.europa.eu/internal_market/publicprocurement/index_en.htm)

# ▶ EU UNVEILS STRATEGY FOR THE ADRIATIC AND IONIAN REGION – EUSAIR

**A new macro-regional strategy to promote the economic and social development of the Adriatic and Ionian Region has been drawn up by the European Commission. It should also further the EU integration of the Western Balkan countries.**

The Strategy was adopted by the European Commission in June 2014 and, once endorsed by the European Council, governance structures will be put in place allowing implementation to start before the end of the year. Technical and operational tasks will be supported by the future Adriatic-Ionian transnational INTERREG programme.

## Eight countries – 70 million people

Home to more than 70 million people, the Region is largely defined by the basin of the Adriatic and Ionian Seas. In its current shape, the Strategy builds on the Adriatic-Ionian Initiative, which covers eight countries: four EU Member States (Croatia, Greece, Italy, Slovenia) and four non-EU countries (Albania, Bosnia and Herzegovina, Montenegro, Serbia).

It builds on the extensive cooperation between these countries already developed through the EU Maritime Strategy for the Adriatic and Ionian Seas and EU INTERREG programmes.

## EUSAIR 4 PILLARS

- 1 Blue Growth** focuses on three topics: Blue technologies; fisheries and aquaculture; maritime and marine governance and services. It will also promote sustainable and responsible fishing practices that will provide income for coastal areas.
- 2 The Connecting the Region** pillar targets transport and energy connectivity by: strengthening maritime safety and security and developing inter-related port systems; creating reliable transport networks and intermodal connections with the hinterland; establishing a well-interconnected and well-functioning internal energy market.
- 3 Environmental Quality** encourages cooperation at regional level to: improve the ecology of the marine and coastal environment; reduce the loss of biodiversity and the degradation of ecosystem services; and improve waste management by reducing waste and nutrient flows to the sea and rivers. The focus will be on three topics for achieving these goals: upgrading the marine environment; reducing pollution of the sea; and improving transnational terrestrial habitats and biodiversity.
- 4 The Sustainable Tourism** pillar will help develop the region's potential by offering better quality tourism products and new services. The Strategy will aim at diversifying the macro-region's tourism, and tackling the issue of seasonal tourism. It will also improve sustainable and responsible tourism management.

## Third macro-regional strategy

The EU Strategy for the Adriatic and Ionian Region – EUSAIR draws on the successful experience of existing macro-regional strategies in the Baltic Sea and Danube Regions. These have pioneered a unique cooperation based on the idea that common challenges and opportunities in specific regions – whether environmental, economic, territorial or security related – are best tackled collectively.

## Why the EUSAIR?

The Region faces several **challenges**, including: striking socio-economic disparities; a lack of research-to-business networks; shortcomings in transport links; inadequate electricity grid interconnections; unsustainability of fisheries; environmental threats; and insufficient administrative capacity.



## LOOKING AHEAD AN EU STRATEGY FOR THE ALPINE REGION

In December 2013, the European Council invited the Commission, in cooperation with Member States, to develop an EU Strategy for the Alpine Region (EUSALP) by June 2015. This Strategy covers five EU Member States (Austria, France, Germany, Italy and Slovenia) and two non-EU countries (Liechtenstein and Switzerland), involving some 48 regions. The Alpine Region and its 70 million people face several major challenges which require cooperation between the regions and countries to find solutions. The Strategy will build upon three actions:

- ▶ Improving the competitiveness, prosperity and cohesion of the Alpine Region.
- ▶ Ensuring accessibility and connectivity for all the inhabitants of the Alpine Region.
- ▶ Making the Alpine Region environmentally sustainable and attractive.

An extensive stakeholder public consultation is underway until 15 October 2014. This is followed by a stakeholder conference in early December 2014 to close the consultation process. The Commission will present a proposed Communication and Action Plan by June 2015.

But there are also some promising **opportunities** that can be capitalised on, including the 'Blue economy', and the potential for improved land-sea connectivity to increase the competitiveness of hinterland economies. The Region is one of outstanding natural beauty and rich cultural, historic and archaeological heritage with potential for sustainable, responsible and diversified tourism.

However, **better coordination and cooperation** between the countries and regions concerned is needed to address these shared challenges and to better exploit these opportunities. The involvement of the European Union facilitates a cross-sector approach consistent with different EU policies. It highlights possible complementarities and synergies between policies and programmes currently carried out in the Region. It helps align and mobilise the wide range of funds and programmes available to support the achievement of the Strategy's goals.

## Priorities for jobs and growth

All the sectors mentioned can play a crucial role in creating jobs and boosting economic growth in the Region. To concentrate efforts, the EUSAIR Action Plan focuses on a limited number of strategic priorities organised around four pillars (see box p. 34).

In addition, the Strategy has a number of cross-cutting principles: capacity building and communication; research, innovation and SMEs; climate change mitigation and adaptation; and disaster risk management.

Although the Strategy does not come with extra EU financing, the EUSAIR will bring together existing EU and national funding instruments to increase value for money. In particular the European Structural and Investment Funds and the Instrument for Pre-accession Assistance will provide significant financial resources during 2014-2020, and a wide range of tools and technical options.

Other EU Funds and programmes which could support EUSAIR actions include the European Maritime and Fisheries Fund, Connecting Europe Facility, LIFE, COSME and Horizon 2020.

Further finance is also available, notably from the Western Balkans Investment Framework, the European Investment Bank and other International Financial Institutions. These funds and instruments should create significant leverage, and attract further funding from private investors.

▶ **FOR A PROSPEROUS AND INTEGRATED  
ADRIATIC AND IONIAN REGION:**  
[http://ec.europa.eu/regional\\_policy/cooperate/  
adriat\\_ionian/pdf/brochure.pdf](http://ec.europa.eu/regional_policy/cooperate/adriat_ionian/pdf/brochure.pdf)  
▶ **FIND OUT MORE**  
[http://ec.europa.eu/regional\\_policy/cooperate/  
adriat\\_ionian/index\\_en.cfm](http://ec.europa.eu/regional_policy/cooperate/<br/>adriat_ionian/index_en.cfm)

# ▶ NEWS

## [IN BRIEF]

### ▼ NEW SECRETARY- GENERAL FOR **CoR**



Jiří Buriánek took over the reins as the Committee of the Regions' Secretary-General on 1 September 2014.

Mr Buriánek, whose education includes a law degree, a PhD in European Law and a Master of Business Administration, holds joint Czech-German citizenship. He was previously Director at the Secretariat-General of the Council of the EU where he was responsible for network industries (energy, transport, ICT) and European infrastructures. Prior to this, he served as Enlargement Manager at the European Commission's Joint Research Centre and was Secretary General of Post-Europ – a Brussels-based association representing European public postal operators.



▶ **FIND OUT MORE**  
<http://cor.europa.eu/en/about/secretary-general/Pages/secretary-general.aspx>

### ▼ CHARTER FOR MULTI- LEVEL GOVERNANCE IN EUROPE: FROM CONCEPT TO REALITY



According to Michel Lebrun, new President of the Committee of the Regions (CoR), for Europe to be successful, every level of governance (regional, national and European) must play its part and act in a coherent and coordinated way with other levels of authority, in order to achieve the EU's objectives. This points towards a greater involvement by regions and cities in the design and implementation

of National Reform Programmes and European policies, particularly relating to the Europe 2020 growth strategy. Thanks to the CoR's determination to pursue such objectives, 'multilevel governance' has become a tangible reality, based on the principles of subsidiarity and partnership between the different stakeholders involved in decision-making. In this context, the 'Charter for Multilevel Governance in Europe' was adopted by the CoR in April this year.

The Charter is a political manifesto through which EU regions and cities can appeal to other tiers of government on the added value of their level of governance in driving political action. More than 150 local authorities have already signed the Charter. Notable national and European political figures, including Jean-Claude Juncker, José Manuel Barroso and Johannes Hahn, have expressed their support. All EU cities, districts, provinces and regions are encouraged to adhere to the Charter, in order to systematise multilevel governance and turn it into one of the guiding principles of European action.

The Charter is available online and is open for the electronic signature of all EU local and regional authorities.



▶ **FIND OUT MORE**  
[www.cor.europa.eu/mlgcharter](http://www.cor.europa.eu/mlgcharter)

## NEW GUIDANCE TO HELP CREATE SYNERGIES BETWEEN EU FUNDS



The Commission has published new guidance to help national and regional policy-makers achieve more synergies between the different EU funds in support of innovation and competitiveness. It spells out the complementarities between the ESI Funds, Horizon 2020, COSME, Erasmus+, Creative Europe and the digital services part of the Connecting Europe Facility, and provides concrete scenarios that could provide the inspiration for priorities in the ESIF OPs (currently being negotiated) and other EU funds in the coming years.

The political will for such cooperation is clear and Commissioner Hahn has spoken of the need to align strategic policy agendas and break out of a 'silo mentality' between the research/Horizon 2020 stakeholders and the socio-economic cohesion/ESI Funds stakeholders. Such synergies can amplify research and innovation investments and their impacts on competitiveness, jobs and growth in the EU, by combining ESIF, Horizon 2020 and other EU instruments in a strategic and cohesion-oriented manner. In times of shrinking public budgets and increasing challenges in terms of growth and international competitiveness this has become a 'must'.

Particular focus is placed on the largest single centrally managed programme, Horizon 2020 – the new research and innovation framework programme with an almost EUR 80 billion budget – and the ESI Funds that target around EUR 100 billion on innovation related themes.

In addition to the sequential and/or parallel use of funds for different projects already possible in the past, the new regulations allow for ESIF and Horizon 2020 funding to be combined in the same project ('cumulative funding') to achieve greater impact and efficiency.

The Common Provisions Regulation sets out specific obligations for Member States and regions in this area, notably the entrepreneurial discovery process and defining smart specialisation strategies which include actions both upstream (strengthening research capacities) and downstream (translating results into competitive innovative goods and services). The scene is also set for Horizon 2020 to take advantage of the massive Structural Funds investments over the past decade into research capacities, science and technology parks, clusters, and human capital in the field of research and innovation, in particular in the new Member States and lagging regions.

The guide – 'Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes: Guidance for policy-makers and implementing bodies' – mainly addresses stakeholders involved in strategy development (for example, for smart specialisation, ESIF programmes, or work programmes), but also bodies involved in project implementation, selection, evaluation, reporting, auditing, etc.



### ▶ FIND OUT MORE

[http://ec.europa.eu/regional\\_policy/sources/docgener/guides/synergy/synergies\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/guides/synergy/synergies_en.pdf)

# ▶ SPEARHEADING EUROPE'S PARTNERSHIP WITH CIVIL SOCIETY

**The European Economic and Social Committee (EESC) represents Europe's economic and social interest groups and has been prominent in promoting the close involvement and partnership of business, labour and other civil society groups in the development of EU policy, particularly in areas such as cohesion policy.**

The EESC was set up by the 1957 Treaty of Rome with the aim of involving economic and social interest groups in the development of the European project. This created an institutional mechanism for delivering input from this important segment of civil society to the European Commission and the Council of Ministers and established a formal platform for them to express their points of views on EU issues.

Committed to European integration, the EESC promotes the development of a more participatory European Union which is more in touch with popular opinion. It draws on the experience and knowledge of its members to influence EU decision-making and secure consensus which serves the interest of all.

## Promoting partnerships

The EESC has always supported EU cohesion policy in its efforts to reinforce solidarity and promote economic development. It is a vociferous advocate of the partnership principle and its full integration into the development of regional policies.

In the early days of the EESC, partnership focussed on traditional economic and social actors only. Over time it has been extended and now includes 'any other appropriate body representing civil society, environmental partners, non-governmental organisations, and bodies responsible for promoting equality between men and women'.

In the development of the reformed cohesion policy for 2014-2020, the EESC consistently argued for the principle of partnership with civil society to be reinforced in the



**‘The aim of the European Union must be to take action in order to make concrete changes that matter to the citizens of Europe. This is why our Committee**

**plays a fundamental role in bringing to Brussels the expectations and needs, as well as the successes, of the actors in the field. Because our Members are first and foremost citizens – entrepreneurs, trade union representatives, family associations, farmers, etc. – regional development, local employment and social cohesion are at the core of our concerns and our work. We are the voice of civil society and, as such, we are responsible for bringing a different, yet indispensable, perspective to help guide European policies. This is the driving force of our daily commitment to a Europe of solutions.**’

HENRI MALOSSE – PRESIDENT OF THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

programming of cohesion policy in the EU Member States. This led to the inclusion of specific provisions in the Regulation, which oblige Member States to involve economic and social partners and other relevant bodies representing civil society in the preparation of Partnership Agreements and progress reports, and the preparation, implementation and monitoring of operational programmes. Moreover, specific legislation setting out a Code of Conduct on Partnership was adopted at their instigation.

## 'It takes two to tango'

In February 2009, the EESC was asked by the European Commission to draw up an exploratory opinion on how to foster efficient partnership in the management of cohesion policy programmes, based on good practices learned from the 2007-2013 programming cycle.

The EESC took it upon itself to identify good partnership practice in the Cohesion Policy operational programmes. Considerable field work was carried out involving members of the EESC, national economic and social councils, trade unions and employer organisations (i.e. the social partners) and other civil society organisations (i.e. social economy, third sector, NGOs).

The results of this work led to the publishing of a very well informed and influential EESC study on the development of the partnership principle in EU cohesion policy entitled *It takes two to tango*.

## Macro-regional strategies

The EESC has taken a particular interest in the development of macro-regional strategies for groups of countries or regions with common problems and interests. It was closely involved with the EU strategies developed for the Baltic and Danube Regions. It is currently drawing up opinions to support the development of EU Strategies for the Adriatic-Ionian Region and for the Alpine Region.

The EESC recommends that the 'partners' – economic, social and civil society players – are given a key role in this process in line with the general partnership approach in the development of cohesion policy. The EESC has also proposed on its own initiative the development of a macro-regional strategy for the Atlantic Ocean Area, which is Europe's western gateway. The Atlantic macro-region would comprise the regions and islands of the Atlantic coast of France, Ireland, Portugal, Spain and the United Kingdom, including the Canary Islands, the Azores and Madeira. It could also involve Iceland, Norway, Greenland and the Faroe Islands.

## Urban and local matters

The EESC has prepared several opinions which highlight the growing importance of Metropolitan Areas. The EESC believes that well-balanced and robust Metropolitan Areas, integrated in the framework of Europe 2020, will develop as spearheads of future developments, each with their own identity and characteristics.

## THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE IN A NUTSHELL

The EESC has 353 Members since Croatia joined the EU on 1 July 2013. The Members are drawn from economic and social interest groups in Europe. Members are nominated by national governments and appointed by the Council of the European Union for a renewable 5-year term of office. The latest renewal was in October 2010 for the mandate 2010-2015. They belong to one of three groups: employers, workers, or various interests. The task of members is to issue opinions on matters of European interest to the Council, the Commission and the European Parliament. Consultation of the EESC by the Commission or the Council is mandatory in certain cases; in others it is optional. The EESC may, however, also adopt opinions on its own initiative. On average the EESC delivers 170 advisory documents and opinions a year (of which about 15% are issued on its own-initiative). All opinions are forwarded to the Union's decision-making bodies and then published in the EU's Official Journal.

The Metropolitan Areas will also have a positive macro-economic impact for Europe. Policies on metropolitan developments should run parallel with a focus on reducing regional disparities.

The EESC recommended the establishment of an interdisciplinary Task Force on metropolitan developments which would bring together a variety of representatives from Member States, Metropolitan Areas, public and private stakeholders, and civil society.

Such as grouping could develop a long-term vision on metropolitan Europe beyond national boundaries. A coherent and efficient European Urban Agenda 2050 should replace fragmented approaches by an overall concept.

The EESC has also been working on an opinion on Community Led Local Development (CLLD), a specific tool for use at sub-regional level to involve local communities and organisations to help achieve the Europe 2020 Strategy goals of smart, sustainable and inclusive growth, and foster territorial cohesion.

▶ DOWNLOAD THE BROCHURE  
**IT TAKES TWO TO TANGO:**  
<http://www.eesc.europa.eu/resources/docs/cese-2011-05-en.pdf>

▶ FIND OUT MORE  
[www.eesc.europa.eu](http://www.eesc.europa.eu)



# ▶ CONTINUITY AND CHANGE

## THE REGIONAL POLICY OF THE EU SINCE 1989



**Ronald Hall, Principal advisor to the Director General for Regional and Urban Policy, reflects on the development and evolution of EU regional policy over the past 25 years.**

The original Treaty of Rome of 1957, signed by six founding countries in order to establish the European Economic Community (EEC), stated in the preamble that the Member States were 'anxious to strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions and the backwardness of the less-favoured regions'.

Converting this political priority at a later stage into an EU-level regional policy was intimately linked to advances in the more general process of European integration – especially with regard to the development of an economic and monetary union, which eventually led to the creation of a single currency, the euro. In the European integration process, the idea of fiscal federalism, and the creation of a fiscal equalisation system, was declined opting instead, from 1989 onwards, for a system based on supporting the economic growth and development of the weaker Member States and regions. Through the channelling to them of investment funds from the central EU budget, they could share in the rewards of economic and monetary union.

The development of the policy over time reflects in many ways the double nature of EU regional policy. On the one hand, the policy represented a **redistribution mechanism** in the absence of any other in support of the poorer areas of the EU. On the other hand, it also represented an **economic growth and development mechanism** targeting resources on a limited number of investment fields.

In the early phases, 1989-1999, it could be said that rather too much emphasis was placed on the redistributive dimension at the level of Europe's the political leadership, so that there was perhaps too much effort devoted to securing resources under cohesion and regional policy, and perhaps insufficient attention paid to making the most successful use of those resources once acquired.

### Investment in economic growth

This changed after the agreement of the Member States in Lisbon in 2000 on a plan of action aimed at obtaining more resolute joint action to address the issue of (relatively declining) international European competitiveness, which looked to mobilise all the available sources of finance for new investment. With the budgetary decisions over the previous decade, regional policy had become by far the largest potential source of such investment at the European level.

Thus an important shift began in the conceptual framework of the policy, away from an emphasis on the redistributive aspect towards the economic growth and development aspects. The rationale of the policy became one of a source of investment to help in the realisation of the succession of (related) competitiveness strategies that have guided the Union after 2000 (the Lisbon Strategy (2000), the Growth and Jobs Strategy (2005), and the Europe 2020 strategy (2010)).

In order to deliver the European investment to contribute to the realisation of these strategies, changes to the multi-level delivery system were essential so as to translate European priorities into the real investment decisions taken at the regional and local level. This has led to a strengthening of the conditions accompanying regional policy programmes beginning with the preferential earmarking of key investment fields in the requirements for the drawing up the strategic programmes for 2007-2013. These conditions have been reinforced, at least in legislative terms (actual implementation has yet to take place), for the period just beginning, 2014-2020.





## Economic stability

Moreover, not only is the policy now guided ('conditioned') by the need to contribute to achieving the objectives of the current version of the EU's competitiveness strategy – Europe 2020 – it has also become, in post-crisis Europe, an instrument to help to ensure the stability of the economic and monetary union as a whole, including possible sanctions for the non-respect of the Union's limits for national macro-economic magnitudes. In a sense, this has closed a circle. The progress that the Union was able to make historically in introducing a genuine European regional policy needed the advances in the process of economic and monetary union. Now, economic and monetary union needs cohesion and regional policy as an instrument to underpin its success.

Of course, notwithstanding the paradigm shift in EU cohesion and regional policy, it retains its original, strong redistributive dimension and most of the resources are targeted on the poorest regions measured in terms of income (GDP) per head, a significant political achievement in itself.

However, the policy discourse has changed to focus on the policy's allocative role in targeting investment projects essential to Europe's economic success. There is therefore an emphasis on the future, seeking to mobilise under-exploited resources in pursuit of new opportunities rather than seeking to compensate for the problems of the past. Finally, to be able to play its role in realising the Union's global economic objectives, it has been accepted that the policy needs to intervene in both the poorer and the more prosperous regions of the Union even if the resources are inevitably, and justly, concentrated on the poorest.

# ▶ PANORAMA REACHES ITS 50TH EDITION

As we arrive at this milestone, we want to hear from you, our readers. This is your opportunity to tell us what you think about *Panorama*. What do you like? What do you find useful?

The first issue was published in October 2000. Over the past 14 years, *Panorama* has grown and flourished, and has become one of the key communication tools for the Directorate General for Regional and Urban Policy.

How you would like to see it evolve over the coming years? Write and tell us what you think, and we will feature some of your contributions in the future. **HERE'S TO THE NEXT 50 EDITIONS!**



**TELL US WHAT YOU THINK!**

▶ [regio-panorama@ec.europa.eu](mailto:regio-panorama@ec.europa.eu)



✉ **SZILVIA MÉSZÁROS**  
DEPUTY STATE SECRETARIAT FOR COHESION  
POLICY COMMUNICATION, PRIME MINISTER'S OFFICE,  
HUNGARY

As a Communication Officer I am actively involved in communicating the results of cohesion policy in Hungary through campaigns and publications and am in charge of communicating Hungary's best-practice communication activities towards the European Commission. In my view *Panorama* magazine creates a unique opportunity to gain insight into the different aspects of the policy across the EU. In communication the continuous renewal of ideas is vital in order to get our message across effectively. The magazine has been a resource of inspiring best practices and useful bits of information about regional policy throughout our work. Having participated in the preparation of the Hungarian Europe Day event, 'Europe Day 2014 Across the EU' in the previous issue, for instance, has been an especially valuable part providing us with lots of inspiring new ideas for next year's event.

✉ **NOAH, THE PROJECT LOVER**  
EU PUBLICITY DEPARTMENT, MINISTRY OF REGIONAL  
DEVELOPMENT, **CZECH REPUBLIC**

Hello, my name is Noah! Maybe you have already met me before, perhaps at the spring INFORM meeting in Prague? Anyway, I guess you already know that I am a really big fan of *Panorama* magazine! Believe it or not, more than anything else, I enjoy reading about EU co-financed projects. I want to know everything about them – where they are, what is interesting about them – but especially, I want to see them with my own eyes! To accomplish that, I am travelling around Europe, visiting every EU Member State and spending some wonderful times with my new friends who show me projects in their country. Looking forward to seeing you soon! 😊



*Let's stay connected...*

▶ **MEET NOAH**  
[https://www.youtube.com/watch?v=SjE\\_FLVGtn4&feature=youtu.be](https://www.youtube.com/watch?v=SjE_FLVGtn4&feature=youtu.be)

▶✉ **PAULA ASCENÇÃO**  
COMMUNICATION OFFICER,  
COMPETE, PORTUGAL



Communication and information are strategic fields for the COMPETE programme managing authority. They are key elements for me to complete the work that I coordinate. It is indeed essential to align with both the managing committee and the priorities set in the programme. As a result, we direct our work in such a way so as to display all the available instruments, and to match the needs of beneficiaries with the objectives of the European Regional Development Fund. Above all, we aim to share the results of this financial support, as we work closely with the beneficiaries.

Being currently in charge of communication, I believe that *Panorama* magazine is fundamental, not only for the easily accessible updates it provides on the most relevant themes regarding cohesion funds, but also because, in light of our philosophy of sharing, the digital format represents a fundamental tool that instigates interaction in social networks, and thus triggers the spread of information. It also helps our followers from abroad to know more about other projects financed by European funding.

In this regard, we consider *Panorama* magazine an instrument of information, which we share between beneficiaries and citizens in general. A digital version that is more interactive and user friendly for tablets would undoubtedly help *Panorama* achieving a sustainable success in the long run.

▶✉ **PAULA VICENTE**  
HEAD OF COMMUNICATIONS AND REPRESENTATIVE  
OF PORTUGAL AT INIO AND INFORM, PORTUGAL

In my role as Head of Communications responsible for communicating fund investments implemented through the cohesion policy, and as Portugal's representative in the EU-wide networks of communication INIO and INFORM, *Panorama* has been a source of inspiration and knowledge. It is interesting to assess the evolution of *Panorama* throughout time. One notices how it has become closer to the citizen, how it has triggered more participation, progressively focusing more on emerging themes. For the future, I'm throwing down the following gauntlet: *Panorama* should become more sustainable and more flexible, freeing itself from any print versions, and focusing on its online dissemination, thus adapting its format to digital channels.



▶✉ **SUSANNE BELIHART**  
PROJECT MANAGER, PRISMA SOLUTIONS, AUSTRIA

As a project manager of several projects in European territorial cooperation programmes like Central Europe, South East Europe or Cross-border Cooperation in the 2007-2013 period, one of the most important tasks – apart from the daily business such as reports, PR, meetings, etc. – is to listen to the good and not so good news of 'my' partners' activities, trying to find solutions to complex problems and ease partners' project life as much as possible.

*Panorama* provides me with up-to-date information on most recent developments of strategic processes within the EU and at the same time 'hands-on' information from other project examples or thematic issues. Looking forward to future projects, this is quite useful when developing further cooperation and defining relevant objectives.

Infographics and 'news in brief' are valuable and clear information in a nutshell, which could be emphasised in the next issues.



# ▶INTEGRATED MEDICAL RECORD SYSTEM IMPROVES REGIONAL HEALTHCARE

Total cost:  
EUR 17 700 000  
EU contribution:  
EUR 3 186 000

**The introduction of the IANUS electronic health record (EHR) system has helped the Public Health Service in Galicia, Spain, make enormous efficiencies in the delivery of patient care while reducing the number of medical visits and cutting waiting time.**

Through the IANUS project the clinical and administrative information about patients formerly stored in many different systems have been integrated into one EHR system that is common to all patients.

The new ICT platform provides continuity of treatment, regardless of the hospital or medical centre being attended by those seeking treatment. The full record of patient-related information is available to all medical staff via one centralised system.

As a result doctors and nurses have instant access to a larger amount of information relevant for decision-making and are able to make better and faster diagnoses, while offering patients more personalised treatment.

Since all public and private hospitals, health centres and pharmacies are interconnected via IANUS, a full history of the patient's prescription history is available to medical staff providing information on an individual patient's history of health problems, allergies, earlier treatments, nursing care programmes, etc. – and therefore improving the continuity of patient care.

The system is also connected to the Spanish National Health Service permitting patients' medical information recorded in other regions of the country to be viewed.

The IANUS system is also open to the general public and some 2.7 million citizens in Galicia are permitted to access basic information about their own medical records via the Internet, using their personal national identification number.

These changes are particularly beneficial for people with chronic illnesses. It is estimated that IANUS has reduced visits to hospital emergency departments by 4%, and cut consultations at the primary care level by 10%.

It has meant that the number of patients waiting for an appointment has been reduced by 19%. The introduction of an electronic prescription service has resulted in 2.5 million fewer visits each year by patients to their doctor.

IANUS is now fully deployed in 14 hospitals and more than 400 primary care centres, providing a solid base to a complete patient-centred system including telehealth, telemonitoring and a Web 2.0 model for patients.

▶FIND OUT MORE  
[www.sergas.es](http://www.sergas.es)

## ▶ EUROPEAN TERRITORIAL COOPERATION

▶ POLLUTION  
MONITORING  
ENSURES  
CLEAN  
COASTAL  
WATERS

Total cost:  
EUR 4 355 000  
EU contribution:  
EUR 3 266 000



Ensuring good quality beaches and bathing waters along the coasts of Wales and Ireland is the aim of the Smart Coasts project, which will protect public health and benefit tourism.

A system to provide real-time information on bathing water quality along Irish and Welsh coastal waters has been developed under the ERDF-supported 'Smart Coasts = Sustainable Communities' project.

The collaborative project undertaken by researchers at University College Dublin, Ireland, and Aberystwyth University, UK, set out to improve understanding of pollution flows and concentrations in coastal areas and provide real-time information to coastal communities.

The system monitors the impact of rainfall or river flow thresholds in the relevant areas. It also examines land surface runoff in relation to near-shore flow patterns which may produce pollution concentrations in certain areas.

This information is then made available electronically to local coastal communities to alert them to potential problems and help ensure local residents and visitors enjoy safe bathing water and beaches.

Real-time monitoring of pollution flows and levels will help maintain and increase the number of high quality 'Blue Flag' beaches in Ireland and Wales, particularly when the tighter standards of the EU's Bathing Water Directive come into force in 2016.

The Smart Coasts project is currently focused on Swansea Bay in the south of Wales and the coastal town of Bray in County Wicklow, Ireland. Both are urban locations with beaches within walking distance of thousands of residents. They are popular destinations for tourism and water sports and both have received significant investment to improve infrastructure and recreational facilities.

The data acquisition process can also provide quality information on the relative contributions of different pollution sources and offer the most cost-effective approach to any future pollution improvement strategies.

The project which has been part funded under the EU's Ireland Wales Territorial Cooperation Programme 2007-2013, will benefit beaches all over Ireland, Wales and eventually other parts of Europe. It will help maintain the economic and strategic value of near-shore waters to their local economies and communities.

▶ FIND OUT MORE  
[www.smartcoasts.eu](http://www.smartcoasts.eu)

▶EUROPEAN TERRITORIAL COOPERATION

# ▶SUPPORT FOR LIFE SCIENCE SMES TO AID EXPANSION BEYOND BORDERS

Small businesses in the life sciences sector in North-West Europe are being given funding and access to experts in other regions to help with their product and marketing development.

Total cost:  
EUR 3 140 000  
EU contribution:  
EUR 1 570 000

Innovative small and medium sized enterprises (SMEs) are vital in the development of new products and services in the field of life sciences and medical technology. But innovation is complex and expensive and not all expertise, facilities and funding that are needed are available in a company's locality.

Through the IN2LifeSciences project, eight leading regions in North-West Europe which are strong in life sciences are collaborating to provide SMEs with funds and contacts to give them transnational access to the tools, resources or development expertise they need. The IN2LifeSciences network of regions covers Belgium, Denmark, France, Germany and the Netherlands.

The project offers three types of incentives for innovation support: 'Collaboration' (EUR 7 000), 'Insight' (EUR 4 000), 'Meet & Greet' (expenses up to EUR 500). Though the sums are relatively modest they are vital at the development stage of the small life science companies.

Altogether a total of 224 financial incentives have been granted so far through the project which was launched in April 2012. These represent funding for 70 'Collaboration', 44 'Insight' and 110 'Meet & Greet' actions.

The fourth and final call for funding closed in May 2014 and resulted in 28 companies being awarded financial incentives – 13 seeking technology and market expertise and 15 looking to collaborate with a foreign partner within the IN2LifeSciences network.



Alongside the funding to acquire international expertise, IN2LifeSciences organises transnational 'elevator pitch' events to help SMEs access foreign investors as well as online training 'webinars'. International brokerage workshops and other innovation events also help the life science firms find relevant organisations to collaborate with.

The SMEs have access to the online IN2LS directory of some 224 technology, 15 financial and 72 market service providers. Each regional partner in the project is responsible for attracting and assessing applicants from their area and has a total budget of EUR 100 000 to allocate.

Commented Annick Pierrard of Belgian partner, Interface Enterprises-University at Liège University in Wallonia: 'We have had to reach out and find and approach these small firms – often by telephone – and make them aware of the support that is available. Progressively, the momentum of our publicity is building and we already have good success stories from the supported SMEs. The access we facilitate to access transnational expertise is essential for the development of many of these small life science firms.'

▶FIND OUT MORE  
[www.in2lifesciences.eu](http://www.in2lifesciences.eu)



▶ GREECE

# ▶ INTERNATIONAL EXPANSION SUPPORT FOR GREEK SMALL BUSINESSES



Total cost:  
EUR 97 500 000  
EU contribution:  
EUR 30 000 000

**Small firms in Greece are being encouraged to collaborate and jointly develop their international markets.**

The 'Extraversion – Competitiveness of Enterprises' scheme has been designed to enhance the international competitiveness of local companies and expand their business.

The scheme focuses on outward-looking, export-oriented entrepreneurs and aims to boost Greece's economy through the promotion of the country's high added value products and services.

To achieve this, the programme emphasises the development of cooperation and partnerships between small and medium sized enterprises (SMEs) in the manufacturing, construction and services sectors. Under the EU-supported scheme, financial support is given to groups of SMEs (at least three) provided that they work together to undertake export activity.

The funding available can be utilised in many different ways, such as: for the production and promotion of new or differentiated products or services, the development of new products or services, the introduction of new technologies, prototypes and innovations, the diversification of the productive base of the company, the development of green business activities or recycling activities.

For example, through the programme THYRATRON S.A. (pictured above) was able to implement a quality control system that resulted in a 100% increase of turnover and production.

While the programme targets primarily Greece's small business sector (micro businesses and SMEs), in certain circumstances, larger enterprises can be involved (approximately 1% of those companies supported) providing they are prepared to cooperate with SMEs in international business.

The overriding aim of the project is to enhance the performance of Greek enterprises in international markets by promoting 'outward-looking' entrepreneurship as a means of shifting production in Greece towards high value-added goods and services which offer quality, environmental awareness, knowledge and innovation.

It also aims to increase foreign direct investment in the Greek economy and to encourage support for the competitive presence of Greek companies on national and foreign markets. The programme has so far resulted in the creation of more than 1 000 jobs.

▶ FIND OUT MORE  
[www.antagonistikotita.gr](http://www.antagonistikotita.gr)

## AGENDA

**30 SEPTEMBER &  
1 OCTOBER 2014**

\_Brussels (BE)

**3rd Forum on the  
Outermost Regions**

**2 & 3 OCTOBER**

\_Prague (CZ)

**Smart Specialisation  
Platform, 'Stairway  
to Excellence'**

**6-9 OCTOBER 2014**

\_Brussels (BE)

**OPEN DAYS**

**18 NOVEMBER**

\_Brussels (BE)

**EU Strategy for the  
Adriatic and Ionian Region  
kick-off meeting**

**1 & 2 DECEMBER**

\_Milan (IT)

**EU Strategy for the  
Alpine Region event**

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)

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