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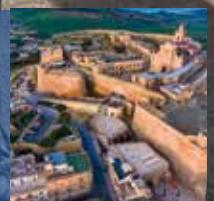
Bulgaria and Romania celebrate 10 years in the EU



WESTERN
GREECE
HAS HUGE
POTENTIAL



MALTA:
EU PRESIDENCY
AND PRIORITIES



Regional and
Urban Policy

PANORAMA

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In this issue ...

Our first issue of 2017 heralds a double celebration – it is 10 years since Bulgaria and Romania joined the EU and a lot has changed during that time. Panorama takes a closer look at how being part of the Union has benefited the countries and their citizens. Our in-depth feature focuses on Western Greece where Cohesion Policy is supporting this region, which has huge potential, by rolling out a strategy for smart, sustainable and inclusive growth.

A recent report reveals that countries must work together to tackle global challenges that know no borders. Four macro-regional strategies are making an impact on the ground by helping both EU and non-EU countries to combine efforts on cross-cutting issues.

Our interview with Dr Ian Borg, Malta's Parliamentary Secretary for the EU Presidency 2017 and EU Funds, looks at how the country is managing the Presidency and benefiting from Cohesion Policy support.

Another article informs on the new streamlined appraisal for major projects plus details of how Poland is making the most of the investment opportunities provided by EU funding.

'In Your Own Words' includes contributions from Denmark, Estonia and Latvia and the picture spread points the camera at project across Belgium's three regions.

I wish you a pleasant read.



AGNÈS MONFRET

Head of Communication Unit, Directorate-General for Regional and Urban Policy, European Commission

EDITORIAL

Ten years ago, Romanians and Bulgarians chose to be part of the project that reunited a continent, a project of equality and solidarity. They put their hopes in Europe and Europe has not disappointed them. Today, Romania and Bulgaria are safer and more prosperous than ever before.



Romania, Bulgaria and other Member States from Central Europe recently delivered in Warsaw, Poland a message recognising the role Cohesion Policy plays in European integration. This message reverberates across Europe and emphasises one clear fact: Cohesion Policy is the EU's strongest pillar against the forces of fragmentation in a dangerous world.

Yet we should not fool ourselves and be complacent. In our EU safe haven, far away from the dark tides of history, our fortunes can turn and we must stand tall guardians. As we celebrate 60 years since the Treaty of Rome, we must fill the shoes of our founding fathers, capture the wind in our sails and steer the European project forward. As challenges emerge, we must keep our solidarity if we are to lock all evils in the box from whence they came.

We need to be aware that solidarity is a key building block of our Union. We did not arrive at where we are today, six decades after the Rome Treaty, by facing individually all the storms that challenged us, but by pooling our forces together. And the best illustration of this is Cohesion Policy. This policy is the strongest, most visible expression of European solidarity which has become the Union's main investment policy, improving the lives of EU citizens.

2017 is a year of anniversary and for looking towards the future. It is a year of assessment – not to assess whether Cohesion Policy works, since that fact is well established – but rather to assess how to make our policy even better, how to make sure that we deliver the most to people across the whole of Europe with the resources we have at our disposal.

And we will do this because we want the story that started 60 years ago – and passing through Rome, Bucharest, Sofia and many other places – to continue. Because Europe needs more Europe and this means more cohesion. It is time to acknowledge this and the embedded role of Cohesion Policy in the European project. ■

CORINA CREȚU

European Commissioner for Regional Policy



Malta: a small Member State with big ambitions

Dr Ian Borg, Parliamentary Secretary for the EU Presidency 2017 and EU Funds, explains the impact of the Council Presidency and Cohesion Policy on Malta and its citizens.

^ The recently renovated Cittadella in Gozo dominating the skyline

The first half of 2017 sees Malta holding the Presidency of the Council of the EU, for the first time since accession in 2004. How does Malta perceive this opportunity?

Holding the rotating Council Presidency represents a significant opportunity for Malta to show how in these six months we can contribute to the European project in a tangible manner, particularly at a time when the EU is facing significant challenges in its 60-year history. During our Presidency, Malta can drive forward the EU Agenda in collaboration with all Member States. Our objective is to provide added value for European citizens by portraying the benefits which our citizens are reaping from being part of this project.

What challenges does the Presidency present to a small country like Malta and how did they influence the setting up of priorities for the Presidency?

Being a small Member State, Malta faces the challenges that a small administration presents. Nonetheless, this is also to Malta's advantage because our administration can work on multiple portfolios, thereby facilitating synergies across different policy areas. In setting up Malta's priorities for the Presidency, we have identified crucial areas on which the leadership of the Council of the EU is focusing, namely:

- Migration and asylum: Malta is very much on the front line due to its proximity to Libya. Our objectives in this area are to push for a reform of the Common European Asylum System (CEAS) (including the Dublin Regulation and transformation of the European Asylum Support Office into a fully-fledged agency) in order to share the responsibility more evenly between Member States, and to ensure that the issue remains at the top of the political agenda.
- Strengthening the EU's Single Market: in the context of the free trade area which many regard as the EU's greatest asset, Malta's priorities include a final end to mobile phone roaming charges, and tearing down the digital fences that stop some EU citizens from buying goods and services from other EU nations, a practice known as geo-blocking.
- Social inclusion: focusing on ensuring that women get a fair deal in all areas of society –not least the labour market – and on ramping up efforts to combat gender-based violence.
- Promote growth in areas such as maritime tourism and sea freight: Malta's priority in this area is to ensure the sustainability and effective governance of our oceans.

How does Malta's experience with the migrant crisis help shape Europe's response?

Malta has one of the highest per-capita protection rates in the world so when we push for a reform of the CEAS in order to share the responsibility more evenly between Member States, we do so from the point of view of a Member State which, notwithstanding its size, is ready to take an active role in addressing the problem.

According to Eurobarometer, today Malta's citizens have a very positive perception of the benefits of EU membership. How has Cohesion Policy contributed to this perception?

The Eurobarometer shows that Maltese citizens are not only aware of EU-funded projects but that 89 % of them also recognise the positive impact they have on their lives. EU Cohesion Policy can be considered the most important tool for developing a 'positive perception' of membership because it is the EU's most explicit and visible expression of solidarity.

Notable examples include investments in the health sector, such as the setting up of Malta's Oncology Centre which offers advanced cancer treatment facilities in a comprehensive care setting, providing in-patient beds, day-care services, out-patient areas as well as a palliative care unit and facilities for psychosocial services for patients and their carers.

Other investments have been made in the educational sector, with projects at the Malta College for Arts, Science and Technology (MCAST) and the University of Malta (UoM), involving, amongst others, the construction and completion of different Institutes and the equipping of laboratories, where both lecturers and students can enjoy better educational and hands-on experience. This investment has invariably led to more research facilities in fields such as engineering, chemistry, biology, ICT and R&D.

Curricula have also been revised and updated to reflect current market needs. Moreover, a good number of postgraduate scholarships at Masters and doctoral level in areas of

national priorities were provided through the Strategic Educational Pathway Scholarships (STEPS) and MASTERIT!. The Youth Guarantee, on the other hand, gave young people under 25 years who are not in employment, education or training (NEET) the opportunity to access either the labour market or education by supporting them with training, job exposure and personalised assistance. This will ultimately reduce the risk of social exclusion and poverty. Other scholarships and training programmes were provided for officers in the public sector to improve its efficiency and effectiveness by strengthening workforce skills related to better management and administration of support measures.

The environment sector has also benefited from interventions related to waste and sewage treatments, rehabilitation and restoration of closed landfills, a national flood-relief project, and climate change, especially through investments in non-renewable energy.



Can you give us examples of Cohesion Policy support to strengthening Malta's business competitiveness and job creation? What role did financial instruments play in this process?

In Malta, SMEs and, in particular, micro enterprises are the backbone of the economy. SMEs account for 99.8 % of the country's total number of companies, and employ more than 80 % of the workforce. Nevertheless, SMEs in Malta were used to financing their activities by mortgaging their own properties. This mechanism severely hampered innovation and growth by limiting financing capability, especially since Malta's banks were known to apply severe rules on the collateral, pay-back time, or required contribution from the SMEs, whose cash flows are often deemed insufficient to enable sound financing.

So, support to SMEs was one of the most important aspects throughout the 2007-2013 programming period. During this period, apart from training and employability schemes, there were others which aimed at incentivising growth and investment. Malta also implemented the JEREMIE instrument (Joint European Resources for Micro to Medium Enterprises).





^ Esplora, Malta's Interactive Science Centre providing an informal educational setting for scientific discovery

^ A research Laboratory at the University of Malta providing the right teaching and research environment

This Financial Engineering Instrument, the first of its kind to be supported through Structural Funds in Malta, proved to be a highly successful part of the package of incentives made available through Structural Funds to benefit SMEs. Through this latter instrument, investments by SMEs of more than EUR 100 million were stimulated by the EUR 12 million from the Structural Funds allocated to this financial instrument, helping over 650 SMEs in 761 investments.

What other important achievements did the 2007-13 programming period have in Malta?

The total allocation from Cohesion Policy funding for the 2007-2013 period was EUR 855 million. Since the beginning of this period, ERDF and ESF investments have helped Malta to create more than 1400 jobs. In fact, at the beginning of the programming period, the employment rate (amongst 20- to 64-year-olds) in Malta stood at 58.6%, 11.2 percentage points lower than the EU-28 rate. The divergence between the rates has narrowed significantly with Malta's employment rate reaching 67.8% in 2015, close to the 70.1% rate registered in the EU-28. This has been due in part to an increase in employment opportunities also generated through the use of EU funds. Malta is also close to reaching its employment target which has been revised upwards from 62.9% to 70% by 2020 and has made considerable strides in meeting the Council Country Specific Recommendation on increasing the low market participation rate most notably of women and older workers. Indeed, the female participation rate, which although lower than the EU-28 rate, increased from 37.7% in 2007 to 53.6% in 2015. Furthermore, the employment rate among older workers (55 to 64 years) also rose from 29.5% in 2007 to 40.3% in 2015¹.

Investment in education, training and skills funded through the ERDF and ESF has also contributed towards this development as well as progress made towards attaining education targets. The proportion of students in tertiary education has grown steadily and there has also been a fall in early school leavers. The rise in the number of students enrolling for further and higher education has increased at an average growth rate of 5.4 % per annum (2007-2015) .

The provision of funds through the OPs has also contributed to a number of economic areas, including research and development, with the expenditure target on R&D being met by 2015. As for the percentage of human resources engaged in science and technology, at 2015, the ratio in Malta stood at 38.6 % of the active population compared to 45.2% for the EU. While the ratio is lower than the EU average, it has steadily increased, rising by 6.8 percentage points since 2007.

The promotion of sustainable tourism has contributed to the greater expenditure and employment growth in this sector. Efforts have been undertaken to make Malta attractive and encourage repeat visits. In fact, PA 2 of OPI was specifically aimed at promoting sustainable tourism by upgrading tourism, improving the sector's competitiveness, and promoting the Maltese Islands as a prime and diverse destination beyond the sun and sea niche segment.

The OPI has also been important in addressing climate change and resource efficiency as well as contributing to Malta's targets in terms of reducing CO² emissions, energy efficiency and an increase in renewable energy production. In fact, the country went from registering a negligible rate in 2009 to 4.7% in 2014.

¹) Further and Higher Education Statistics 2014-2015

Thus, to summarise, I can confirm that the provision of funds through OPI has contributed in a number of economic areas. The commitment of the Maltese government in maximising the use of EU funds, with a 100% absorption of funds allocated, has produced tangible economic results for the benefit of both Maltese and European citizens.

What lessons can we draw for the future: namely, how do you see the link between Cohesion Policy and citizens' key concerns today?

Cohesion Policy implementation has led to an overall increase in the quality of citizens' lives. However, considering the challenges faced by the EU, it will come under scrutiny and will have to keep demonstrating its efficiency and effectiveness. Thus, it is important to increase the responsiveness of Cohesion Policy towards changing local needs which differ among Member States, but in so doing, the policy would be working to achieve the dual vision of 'rEUion' as well as EU-level targets and objectives.

How do you see Cohesion Policy priorities and delivery mechanisms evolving after 2020?

Notwithstanding the tangible and positive results of programmes in the previous programming period, as highlighted in the Commission's Ex-Post Evaluation Report, and the efforts made to improve the framework for the current programming period, which are evident, Malta believes there is further opportunity for improving Cohesion Policy in order to respond to the dynamic social and economic landscapes of our regions and territories. It is important that the specific needs of different territories and various institutional frameworks are recognised. It is also necessary that the framework ensures sufficient flexibility to support initiatives that address the changing needs at regional, national and EU levels.

The delivery mechanism should focus more on simplification, which is high on the Commission agenda. There is evidence that the administrative workload for implementing ESIF programmes has increased and EU funding cannot risk being linked to the idea of burden, complexity and bureaucracy.

The focus on results and performance remains a priority. Indicators have generally improved and should facilitate evaluation but there is still room for improvement. The focus of the performance reserve is on outputs rather than results, not least because of the long delay required for results to materialise.

What are the priorities of Malta's Presidency in the field of Cohesion Policy and how will you proceed?

The Maltese Presidency will also coincide with the first general debates on the future of Cohesion Policy post-2020. Our two main objectives regarding Cohesion Policy are to progress with the 'Omnibus' legislative proposal and to focus on the political debate on how to make Cohesion Policy results more visible to citizens. In this regard, under the Maltese Presidency, the expected legislative changes to the Cohesion Policy Regulations resulting from the MFF review are considered a priority, alongside efforts to simplify the overall policy. In this respect, the Maltese Presidency will seek to assess the outcomes of the High-Level Group on Simplification, both of its November 2016 meeting, which focused on the audit and work programme post-2020, and its next meetings at the beginning of 2017 focusing on post-2020. ■

FIND OUT MORE

<https://eufunds.gov.mt/en/Information/Pages/EU-funds-for-Malta-2014-2020.aspx>



^ Interactive games for kids making science learning fun



^ New bio-medical engineering equipment at the University of Malta providing a practical and hands-on approach towards learning



^ The Institute of Applied Science: a recent addition to the Malta College of Arts, Science and Technology campus



10TH ANNIVERSARY

Bulgaria builds on the benefits of EU membership

This year, Bulgaria celebrates its tenth anniversary in the EU. Panorama looks at how being part of the Union has made an impact on the country and its citizens.

Which country gave the world the Cyrillic alphabet, used by over 250 million people today? Which country is home to the world's oldest gold treasure dating back to 4000 BC? Which country produces 85% of the world's rose oil, essential for perfume production? Yes, you guessed right – Bulgaria, a proud member of the EU for more than 10 years now!

Located on the south-east border of the EU, Bulgaria combines majestic mountains with fertile soils, wide river basins, natural thermal spas, rich biodiversity and 400 kilometres of coastline.

Ten years ago, Bulgaria's nature was as beautiful as it is today. However, this was not the case for the economy and society. Issues such as poverty, social exclusion and inequalities in income often resonated in the vocabulary of critics prior to Bulgaria's accession to the EU.

It seems like only yesterday, but we have already reached Bulgaria's 10th anniversary during which time a lot of progress has been made. Bulgarian citizens are now fully benefiting from the freedom to travel, settle down, study and work across the EU.

The official figures clearly show the positive impact trends on society and the economy. According to Eurostat, over the past decade, GDP increased from EUR 28.7 billion to reach EUR 45

billion in 2016. Income levels, including minimum and average wages, also rose, leading to greater satisfaction among citizens: the Eurobarometer shows that 36% of Bulgarians were happy with their lives in 2007 compared to more than half (51%) today.

On the road to cohesion

Since its first year in the EU, Cohesion Policy funding has enabled Bulgaria to modernise its infrastructure and improve citizens' quality of life.

In transport, this has been achieved by extending the Sofia metro, completing the Trakia and Maritsa motorways, upgrading the rail networks and launching sustainable urban transport in Bulgaria's seven biggest cities, enabling safer, cleaner and faster travel in urban areas and across the country.

In environmental services, 1.3 million people received more efficient waste-management systems and another 300 000 gained access to modern water treatment and supply services, all amounting to a cleaner and healthier environment for citizens. The investments have also had a significant social impact. Vulnerable children and those with special needs, once isolated in austere state-owned institutions, have been reintegrated into society through the establishment of new family-type centres.

Economic competitiveness has improved as has the business environment, especially for small and medium-sized enterprises (SMEs). This was largely fuelled by the EU's Joint



European Resources for Micro to Medium Enterprises (JER-EMIE) initiative which generated a EUR 900 million portfolio of loan and equity investments supporting 7500 SMEs.

At the same time, EU-backed seed funds Eleven and LAUNCHub supported 180 innovative start-ups creating more than 600 new jobs in priority sectors such as ICT, e-health and engineering. This has contributed to Bulgaria's international recognition as a competitive hub for ICT and manufacturing specialists, attracting billions of euros of foreign direct investment since its accession in 2007. Indeed, Bulgaria has now become one of the EU's most attractive destinations for risk capital investments. Sofia is currently among the top capital cities in Europe in terms of start-ups supported by risk capital.

In the 2007-2013 period, the European Regional Development Fund (ERDF) and the Cohesion Fund invested EUR 5.4 billion in Bulgaria, equivalent to over 2% of GDP and around 39% of government capital expenditure. In 2015, it was estimated that this support brought about 4% of additional GDP. These investments also helped weather the destructive effects of the global economic crisis, allowing for recovery in employment rates of 3.6% between 2014 and 2015.

Next steps

Bulgaria needed time and support to adapt to how Cohesion Policy functions in order to implement EU-funded investments efficiently. The country has benefited from the work of the Task Force on Better Implementation, created by Commissioner for Regional Policy Corina Crețu in 2014. It also con-

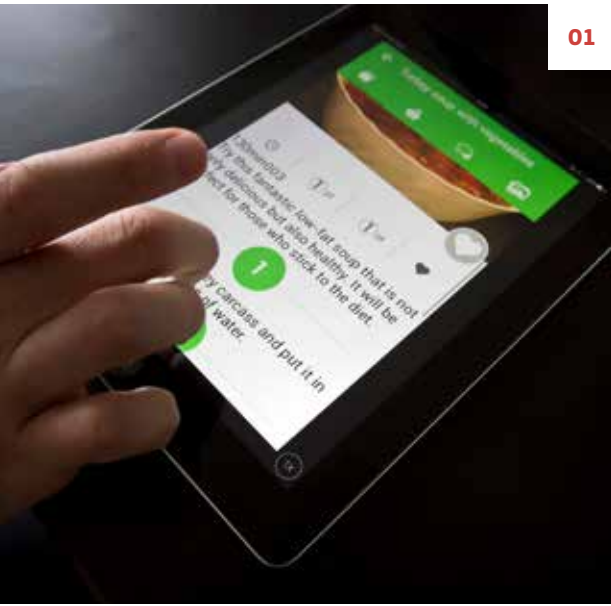
tinues to receive targeted assistance for its national administrative structures and peer-to-peer support which helped to speed up and improve the way EU projects are planned and implemented to their best effect.

Nevertheless, it is true that Bulgaria's cohesion process is far from being completed. The country still needs continued support in the vital sectors of environment, regional development, transport infrastructure, competitiveness, innovation, labour mobility and social inclusion. Besides the financial contribution, Cohesion Policy is also an important driver for reforms in Bulgaria. Its role will further increase during the 2014-2020 period, notably in public procurement, environmental protection and research and innovation.

These structural changes, along with a greater focus on results and the impact of the funds, lay the foundations for making Cohesion Policy support more beneficial for Bulgarian citizens in the coming years. Through 10 new programmes, Bulgaria will receive support of almost EUR 10 billion from the five European Structural and Investment Funds. Together with the national contribution, this will provide a sound basis for investments in creating jobs and growth, stimulating research, and fuelling an innovation-friendly business environment while strengthening social inclusion and protecting Bulgaria's beautiful nature. ■

FIND OUT MORE

http://ec.europa.eu/regional_policy/en/atlas/bulgaria/
<http://2020.eufunds.bg/en>



01

EVERY IDEA NEEDS A SMALL PUSH

Founded in 2012, **Eleven** and **LAUNCHub** are two Bulgarian investment funds supporting start-ups and new ideas. Their main task is to find, support and train young entrepreneurs with innovative ideas, mainly in the IT field, with investment of up to EUR 300 000 in a project.

The two funds have received support of more than EUR 21 million from the EU in the context of the JEREMIE initiative, jointly developed by the Commission and the European Investment Fund to promote the use of financial instruments to improve access to finance for SMEs via the European Structural and Investment Funds.

Many of the projects have achieved significant financial and international success. Examples include the Bulgarian project **Rocket Heater Gamera**, a solid-fuel-based heater nine times more efficient than competitive devices on the market, with significantly lower costs and waste material.



02

Appzio, a Bulgarian-Finnish project is a mobile application through which users can easily make their own application, according to their individual needs.

CoKitchen, a concept of shared working space for cooking, is a project which gives entrepreneurs in the food industry the opportunity to save rent and kitchen equipment costs, avoiding the usual hurdles associated with opening a restaurant.

With wide international success, particularly on the US market, **iGreet** offers high-tech paper cards which, when scanned by the recipient, come alive on screen.

These are just four of over 110 projects which have already benefited from the two funds. **LAUNCHub** and **Eleven** have contributed to the development of the entire entrepreneurial ecosystem in the region, since they also invest in foreign start-ups that establish their businesses in Bulgaria. Essential for the prosperity of a new project, these funds focus on a great idea and the small dedicated teams which bring it to life.



03

Thanks to EU support, Bulgaria has been recognised as an attractive destination for start-up business worldwide, including by leading economic and financial media like the Financial Times and Forbes Magazine.

<http://11.me/about-eleven-2/>

<http://www.launchub.vc/>

01 CEO Branimir Parashkevov at Appzio shows how his application functions.

02 Zhivkov Stefanov, adding fuel to the Rocket Heater Gamera in his home.

03 Chef Dobrin Atanasov and Stanka Dimcheva preparing food at the CoKitchen.

GABROVO: HOW 'GREEN CITIES' EMERGE



Historically known for its citizens' mischievous sense of humour, beautiful nature and its textile, carpet and clothing industries, Gabrovo, situated in the centre of Bulgaria, has reinvented itself in recent years, winning the national 'Greenest city' and 'Best city to live in' prizes.

In fact, Gabrovo and its citizens have benefited from one of the biggest environmental projects Bulgaria has ever known. With 85% co-funding from the Cohesion Fund, Gabrovo and its agglomeration have a completely renewed drinking water supply, as well as waste-water collection and treatment facilities.

The project has directly benefited all of the area's 63 000 inhabitants, improving their quality of life by ensuring better access to drinking water and waste-water treatment services. In turn, this has helped to reduce various health risks for the population while improving the quality of the environment. The organic and nutrient pollution discharged into the receiving body has been cut dramatically, thereby improving the water quality of both the Yántra and Danube rivers.

In addition, the project has created more than 400 new jobs and attracted important investors, generating extra revenues for the provincial city and its citizens. Gabrovo illustrates clearly how green cities can be created all over the EU with the support of Cohesion Policy, and shows how the economy can benefit from environmentally friendly projects.



“ By participating in the Qualification Services and Promotion of Employment Procedure under the Human Resources Development Operational Programme, I have gained new knowledge and new skills which helped me improve my professional qualifications. I am satisfied with my new skills because they gave me better chances on the job market. I spent a lot of time as an unemployed person and I feel happy and pleased with the fact that I now receive a regular salary with my current employer.

I am glad that my employer decided to participate in such a procedure. I think that Bulgaria needs such European programmes, which help the development of small and medium-sized enterprises.”

Asan Smailov Isov

PVC windows installer for STOS BG Ltd., Krichim



SOFIA: WHEN TRANSPORT, ENVIRONMENT AND ECONOMY COME TOGETHER



01

01 Vitosha Station.
02 Airport Station.

One of the most important infrastructure projects in Bulgaria in recent history, the Sofia metro has overcome many economic, administrative and archaeological hurdles to deliver impressive results and benefits for the population of 1.7 million living in Sofia's metropolitan area. While the first two lines were completed under the OP Transport 2007-2013, the city's third metro line, co-financed by the ERDF, is currently under construction and is expected to be completed before 2020.

Every citizen in Sofia is grateful for and proud of the new metro and its beautifully designed stations. Serving 50 000 people hourly, it is used by over half a million people every day. It has provided enormous benefits for Bulgaria's capital city: from dramatic reduction in CO₂ emissions, travel times, traffic jams, traffic accidents, fuel consumption and transport maintenance costs, to generating savings for the local economy of over EUR 20 million.

Furthermore, the first two lines were completed and launched before the project deadline and at remarkably low costs. The Sofia metro is one of the best examples of environmentally friendly, modern and economically beneficial transport projects supported by Cohesion Policy in the EU.

<http://europa.eu/!gU84kk>



02

“ I represent an innovative Bulgarian company, based in the town of Vratsa, which specialises in the manufacture of electronics and LED lighting. After over six years of hard work and the implementation of EU-funded projects we were able to achieve significant development of our business. During the first programming period 2007-2013, we improved energy efficiency and organisation of production management. We also introduced specific know-how that has enabled us to achieve nearly 10% growth, and provided 15 new jobs.

In 2016, we launched a new project under the Innovation and Competitiveness Operational Programme (ERDF) to improve production processes by purchasing high-tech equipment. That's how we expect to increase the competitiveness of the enterprise and to ensure its sustainable presence on the domestic and international market. ”

Diana Varganova, Eng.
Manager, Intelligent Security Systems Ltd.





“ Thanks to funding under the Rural Development Programme 2007-2013, my family and I have developed a lavender growing business in Dobrudzha. Seven years ago, my husband Stanimir and I decided to start in agriculture. We made the necessary consultations and explored different opportunities for growing essential oils crops. We laid the foundations of our farm in the small Dobrudzha village of Pobeda. Thanks to the project, in a couple of years we managed to increase the lavender crops to 112 hectares. We attended a number of seminars organised by the National Agricultural Advisory Service and took part in the Bulgarian Lavender Festival for several years.

Our life changed. Through the grants, the economic value of our farm increased and it became market-oriented. Today, our plantations of the fragrant herb cover agricultural areas in the nearby villages in Dobrich and Varna districts. We have started to experiment with other essential oil crops – sage and lemon balm – and have planted 20 hectares of yarrow. In the last two years, we have gathered 700-800 kilograms of lavender blossom per hectare – you need 50-60 kilograms of blossom to extract 1 kilogram of essential oil.

Due to the implemented project, we were certified as organic farmers in 2016, and in 2018, our farm will receive the official symbol for clean organic production.”

Julia Penkova
Farmer

VELIKO TARNOVO: A NEW OUTLOOK FOR THE ‘CITY OF TSARS’

Famously known as the historical capital of the Second Bulgarian Empire and the City of Tsars throughout the Middle Ages, with its rich artistic, painting, literary and architectural heritage, the provincial town of Veliko Tarnovo has known a real revolution in recent years. Together with the city of Burgas, it was voted Bulgaria’s ‘Best city to live In’ for 2013.

With some 2 million visitors a year, tourism is an important part of Veliko Tarnovo’s economy. Since 2007, 26 projects have been implemented under the EU’s Operational Programmes, dramatically improving the environment, health infrastructure and increasing tourism within the city. Activities such as the reconstruction and rehabilitation of green recreational areas, construction of pedestrian and bicycle lanes, sports areas and playgrounds have contributed to a more accessible and better urban environment for everyone in the city.

With a focus on tourism, some projects have enabled citizens and tourists alike to enjoy several newly renovated cultural and historical heritage sites, such as the panoramic terrace for the famous light and sound show at the Tsarevets fortress.

Other projects, such as the ‘Reconstruction and renovation of the health infrastructure of the Complex Oncology Centre’, have had a direct impact on the city’s health services. It has provided improved early cancer diagnostics and a better supply of high-technology and highly specialised medical treatment for more than 250000 people in Veliko Tarnovo and its agglomeration. With its rich history, beautiful architecture, revamped infrastructure and modern health facilities, it is no wonder that this small provincial city has become such a great place to live.



^ Exterior of the Burgas Flora Exhibition Centre.

BURGAS SHOWS OFF ITS CULTURAL HERITAGE

Burgas, Bulgaria's second-largest city on the Black Sea coast and the fourth largest in the country has witnessed rapid development and transformation, with over 37 co-financed projects supported by Cohesion Policy since 2007, for a total of almost EUR 186 million.

Under the Operational Programme 'Regional Development' (OPRD), Burgas has implemented the JESSICA initiative with five different projects. This includes the 'Flora permanent exposition centre' in the Burgas Sea Garden, with a multifunctional hall, café and kids' entertainment area, which has contributed to a better leisure and cultural environment in the city.

Major cities need modern and efficient public transportation to thrive. The 'Integrated public transport in Burgas project' (OPRD 2007-2013) has had a tremendous impact on the city's growing population. New and environmentally friendly buses, a bus rapid transit system, an optimised route network, a new e-ticketing system and the creation of the first Bulgarian rent-a-bike system are just a small part of the projects that have contributed to making Burgas the 'Best city to live in Bulgaria' in 2012 and 2013.

Cohesion Policy has also supported important cultural heritage projects in the city. The island of Saint Anastasia, near Burgas, has undergone the complete renovation and restoration of most of its important cultural monuments. The 14th century frescoes in the island's church were artistically restored and accommodation renovated, creating more than 140 new jobs.

Finally, with continuous positive migration rate and a high quality of life, the economic, touristic and cultural future of Burgas seems more than promising.

<http://www.burgas.bg/en/resors/euro>

WHAT IS UMIS 2020?

The Unified Management Information System for EU funds in Bulgaria puts open data into practice to improve both the transparency and management of EU investment.

UMIS 2020 monitors and publishes data for several investment programmes, such as environment, good governance, human resources development, innovation and competitiveness, regions in growth, science and education for smart growth, and transport infrastructure. Its main purpose is to collect and process electronically all data regarding execution of the Operational Programmes and to provide for an exchange with EU institutions, while guaranteeing the traceability of programmes, procedures, projects and contracts and monitoring performance. It is entirely web-based and provides user-friendly information for the general public, project promoters, beneficiaries as well as managing, audit and certifying authorities.

Figuring out regional competitiveness

What are the most competitive regions in the European Union? The third Regional Competitiveness Index has the details and has just been published.

The new edition of the Regional Competitiveness Index (RCI), released on 27 February 2017, shows the continuing strength of capital regions and other regions with metropolitan areas.

In the north-west of the EU, these competitive regions generate substantial spatial spillovers, improving the competitiveness of the neighbouring regions. In eastern and southern EU Member States, however, being close to the capital region does not seem to boost competitiveness. This unique Index provides insights that national indices of competitiveness cannot capture.

Compared to the 2010 and 2013 editions of the RCI, Malta and several regions in France, Germany, Sweden, Portugal and the UK have improved their scores, while

TOP 20 IN 2016			
COUNTRY	REGION NAME	SCORE ON A 0-100 SCALE	RANK*
United Kingdom	London, and regions covered by its commuting zone	100.00	1
United Kingdom	Berkshire, Buckinghamshire and Oxfordshire	97.67	2
Netherlands	Utrecht	97.63	2
Sweden	Stockholm	97.21	4
United Kingdom	Surrey, East and West Sussex	93.95	5
Denmark	Hovedstaden	92.94	6
Luxembourg	Luxembourg	91.06	7
France	Île de France	90.27	8
Germany	Oberbayern	89.68	9
United Kingdom	Hampshire and Isle of Wight	88.61	10
Finland	Helsinki-Uusimaa	88.26	11
Netherlands	Amsterdam and regions covered by its commuting zone	87.34	12
Germany	Darmstadt	86.66	13
Germany	Hamburg	85.28	14
Germany	Karlsruhe	85.23	15
Netherlands	Noord-Brabant	85.13	16
United Kingdom	Cheshire	85.08	17
Netherlands	Zuid-Holland	84.81	18
Belgium	Bruxelles and regions covered by its commuting zone	84.12	19
Germany	Stuttgart	83.75	20

* Equal same rank is assigned to two regions if their score difference (on a 0-100 scale) is not above 0.1

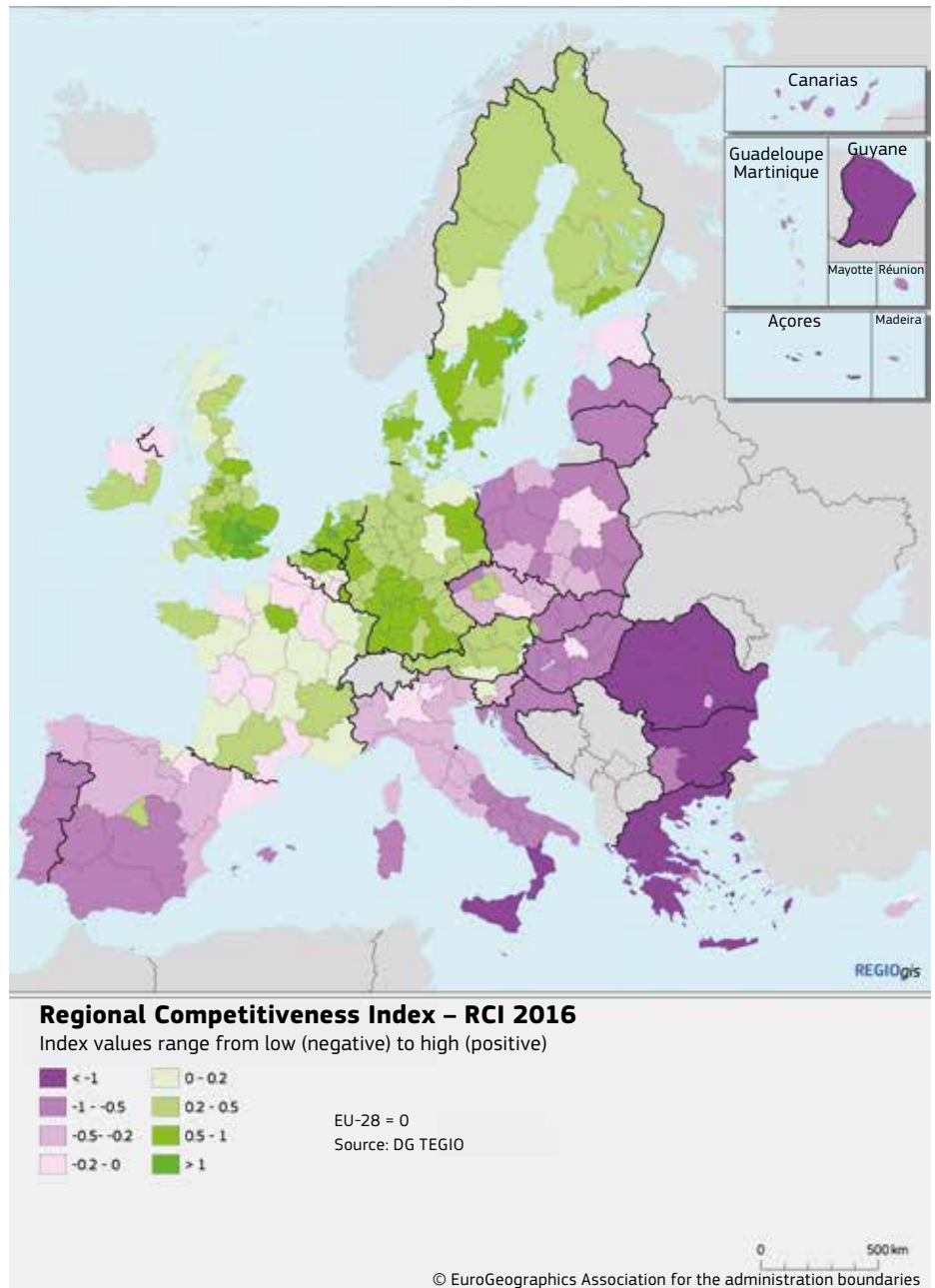
the scores declined in Cyprus and regions in Greece, Ireland and, more recently in the Netherlands. In eastern EU regions, competitiveness has tended to remain stable across the three editions.

Since its first publication, a growing number of EU regions are using the RCI to identify their strengths and weaknesses and shape their development strategies. To facilitate this, the latest edition of the RCI is accompanied by interactive scorecards, a new online tool that makes it easy to benchmark a region. The tool compares the selected region to all other regions and to regions with a similar GDP per head.

These scorecards, as well as interactive maps and spider graphs, the methodological paper and data tables are available at the RCI webpage: <http://europa.eu/!qN87MJ>

The RCI builds on the approach of the Global Competitiveness Index produced by the World Economic Forum and adapts it to the regional level in the EU. It uses 11 dimensions of competitiveness described by more than 70 indicators covering a wide range of issues, including innovation, governance, transport and digital infrastructure, health and human capital.

The RCI takes into account the economic development of a region by giving more weight to basic competitiveness factors in less-developed regions and to innovation factors in more-developed regions.



FIND OUT MORE

■ <http://europa.eu/!qN87MJ>



10TH ANNIVERSARY

EU funding for Romania delivers on results

This year sees Romania marking ten years of EU membership. In this overview, we take a closer look at the impact of EU funding on the country and its citizens.

This is a country with an incredibly diverse landscape, rich in culture and traditions and an epic history. It is home to the only Romance language in Eastern Europe and to seven UNESCO heritage sites, including the biodiversity-rich Danube Delta.

But perhaps relatively less well known is the fact that Romania is also the seventh most populous Member State in the EU, with approximately 19.9 million inhabitants, and it occupies a strategic position between the continent's east and west, north and south. So, it came as no surprise when ten years ago, on New Year's eve, as the clock struck midnight the joy and enthusiasm were palpable right across the country, from the largest cities to the most remote villages.

Indeed, Romania's accession to the EU was celebrated by its people as one of the most significant achievements in modern history – a well-deserved recognition for all the enormous efforts and sacrifices, but also a clear sign that the country and its destiny lies in Europe.

Hopes and expectations were high, as were the challenges ahead – joining the EU was certainly neither 'the end of the road' nor the start of the easy life, but rather the continuation

of a long process of change and social, economic and political development. Today, 10 years later, Romanians can see the impact of this historical choice on their daily lives.

One of the most visible positive effects is revealed by the strong economic performance Romania has shown in recent years, thanks to solid growth on the back of low unemployment and stable industrial activity. Unemployment, poverty and social exclusion have been declining. Key reforms have been implemented in the labour market, public administration, education and social policy, and significant investments have been made in infrastructure.

However, putting all this into practice requires strategic direction and vital resources. This is exactly where the investments supported by the EU are playing a crucial role. Since the very beginning of its membership, between 2007 and 2013, the country benefited from almost EUR 20 billion from Cohesion Policy and its instruments – the European Regional Development Fund, the European Social Fund and the Cohesion Fund. Thanks to these resources, important results have been achieved and Romania now has many positive stories to share.

Unlocking the economy's potential

In particular, in a period of a global economic turmoil, Cohesion Policy investments were vital for unleashing the growth potential of the economy and creating new jobs and opportunities,

especially for small businesses. According to the recent impact evaluation, thanks to the EU financial support, more than 35 000 new jobs were created between 2007 and 2014, and over 1200 small and medium-sized enterprises (SMEs) were supported. It is estimated that these investments resulted in 4% more GDP in 2015.

EU funding also boosted the research capacity for hi-tech. One excellent example in this area is the innovative Extreme Light Infrastructure for Nuclear Physics – a major international laser research infrastructure involving researchers from three European countries (Romania, Hungary and the Czech Republic). Part of this pioneering European research consortium was established at Măgurele, Ilfov County.

In terms of innovation applied to the economy, a particularly inspirational example is that of Ratis Serv, a small company in north-east Romania which received EU funding enabling it to acquire top-notch high-precision mechanical processing machines. Thanks to this investment, it has become an important supplier to many industrial giants worldwide (see box).

Investment that empowers and protects

Another sector where EU investment has achieved visible results is transport. On the one hand, large-scale modernisation of the country's transport infrastructure set out to improve connectivity with the rest of the Union. For example, thanks to the upgraded A1 motorway, motorists can now enjoy an easy journey to Hungary and beyond. On the other hand, smaller investments in local and county roads, for instance in the more isolated areas of the Apuseni Mountains, have facilitated local and regional mobility, benefiting both the local people and tourists.

EU funding has also targeted people at risk of poverty and social exclusion, investing in the rehabilitation, modernisation and equipping around 500 schools and more than 200 social centres.

The added value of the EU-triggered investment is particularly visible in the environment sector: the investment of more than EUR 3 billion has seen significant improvements in the provision of water and waste-water services for the vast majority of the population.

Taking stock and preparing new investments

There is no doubt that EU funding represents an important source of financing for Romania, amounting to more than

25% of public investment in the country. However, the first period of implementation also posed important challenges and revealed some bottlenecks in terms of administrative capacity, efficiency of procedures and overall coordination.

In recent years, the Romanian authorities have made a significant effort to improve the quality and effectiveness of implementation. The European Commission has always been close to Romania in this process, for instance through the great work of the Task Force for Better Implementation, created by Commissioner for Regional Policy Corina Crețu. This offered support and helped Romania speed up the preparation and implementation of projects while, at the same time, strengthening administrative capacity and tackling bottlenecks.

These valuable lessons must be taken fully on-board now that Romania has another great opportunity to grasp. Between 2014 and 2020, the country will benefit from more than EUR 30 billion from the European Structural and Investment Funds. This important amount will be invested in strategic development areas, such as the implementation of urban development strategies and urban mobility plans, energy efficiency and waste management. For the first time, Romanian cities will also be empowered to invest in improving mobility and making it more sustainable by prioritising efficient public transport systems over car traffic, or reducing energy consumption in residential and public buildings.

Other priorities include the transition from institutional to community-based care for children and people with disabilities, and reconfiguration of the healthcare system with a view to making it more accessible and efficient. Continuing investments in large-scale transport infrastructure, such as the Sibiu-Pitesti motorway, and in critical energy and environmental infrastructure will ensure that persistent challenges for future growth and cohesion are removed.

The opportunities are big and, with the help of measures already in place for more strategic planning and evaluation, the active participation of all stakeholders and civil society, and by removing obstacles to public and private investments, we can expect significant improvements.

As Commissioner Crețu said recently: "I have reasons to be proud of Romania's achievements but am also keen to see the country even more successful in using the opportunities of EU investment. Romania's success will be a success for Cohesion Policy as a whole and will make a strong case for it in the future." ■

FIND OUT MORE

http://ec.europa.eu/regional_policy/en/atlas/romania/





< Bogdan-Ștefan Avădanei and Pavel Petrariu at Ratis Serv.

SUPPLYING TECHNOLOGY FOR CHAMPIONS

An economy that grows is an economy where entrepreneurs are supported to develop their ideas. Ratis Serv, a small company in North-East Romania, received EU funding which enabled it to acquire top-notch equipment: new high-precision mechanical processing machines.

With three decades of experience, the SME was not only able to continue to offer its customers high-quality products in a short period, but could also develop new partnerships.

EU financing also meant new jobs, better quality and more products and services. Today, Ratis Serv has a long list of clients, including high-tech companies such as Boeing, Airbus or Renault. And if that is not proof enough that the investments have paid off, then follow this: in 2013, the Romanian company delivered parts for the Renault F1 cars, one of which won the world championship. Quality products from Romania, achieved with European funding, helped secure the most sought-after racing title in the world!

ORADEA: ONE CITY SETS A SHINING EXAMPLE

If you have ever wondered how EU funds shape a city, then you should take a closer look at Oradea. The Transylvanian city is a champion of absorption, having signed financing contracts worth EUR 247 million during 2007-2013.

The investments targeted tourism, health and social care, transport infrastructure, education and research, the environment, as well as business development. The results of the projects speak a million words about the importance of making full use of the available funding. They have made the city a welcoming haven for both companies and people: in 2015, visitors spent three times as many nights in Oradea compared to 2010, while companies invested EUR 285 million.

Today, the city is an attractive centre for foreign companies, while the main direct benefits from the investments are felt by the inhabitants: in five years the unemployment rate has dropped by almost 4 times. Indeed, Oradea stands as an example for all cities in Romania. What would have been achieved with the country's own funds in 50 years has been done in just 10 years with EU funds, leading to the city's accelerated and sustainable development.



^ Piața Unirii (Union Square) rehabilitated and modernised in Oradea.



^ New trams connecting modernised stations in Cluj-Napoca.

CLUJ-NAPOCA: BETTER PUBLIC TRANSPORT FOR A BUZZING CITY

A city situated in the heart of Transylvania, Cluj-Napoca has made good use of EU funds. Renowned for its music festivals, it has welcomed this well-deserved fame and its many new visitors by means of much sought after improvements to its public transport system. Almost EUR 11 million of ERDF funds went towards modernising one of the most used transport routes in the Romanian city. New trams connect renovated stations, while travel time has been halved and phonic pollution significantly reduced.

The investment made to replace the communist-era infrastructure is set to pay off. Authorities estimate that the new trams, tracks and stations will lead to a 10% increase in travellers. This is good news for the environment as more and better electric trams mean not only faster and safer travel, but also fresher air in the buzzing city. And it is also positive news for the business environment since this investment makes the city more attractive and will help Cluj-Napoca to further establish itself as a growth pole for Romania's north-west region.

AN INNOVATIVE USE OF RECYCLED ELECTRONIC WASTE

Hi-tech innovation is usually associated, in the public's perception, with big enterprises operating globally. But the example of SC All Green SRL, a small company based in Iasi, shows that innovation also happens at the smaller scale, with the added benefit of remaining connected to the endogenous potential of a specific region.

From the beginning, the project aimed to valorise the potential of the region – raw materials obtained through innovative recycling waste electronics, but also highly qualified PhD graduates from local universities – in order to develop electromagnetic shielding systems based on nanostructured powders obtained from electronic waste. What sets it apart from other projects is the interaction between research, technological innovation and commercial development (notably the cooperation with local RDI institutions), but also the innovative use of recycled materials in the production of electromagnetic shielding systems.



CALAFAT-VIDIN BRIDGE: STRONGER TIES BETWEEN ROMANIA AND BULGARIA

The waters of the Danube separate Romania and Bulgaria for almost 500 kilometres, yet until four years ago only one bridge crossed the river to connect the countries. It was in 2013 that a second bridge was opened between Calafat (Romania) and Vidin (Bulgaria), replacing the ferryboats that used to link the two cities. Funded with a EUR 70 million grant from the Cohesion Fund, this bridge was the fruition of a project between the two countries dating back to 1925.

The bridge provides a timely road and rail connection between the two Member States, as well as an alternative to the bridge linking Giurgiu (Romania) and Ruse (Bulgaria). The two-kilometre bridge is part of the Pan-European Transport Corridor IV, allowing travellers to drive to Greece without actually leaving the European Union. The project has stimulated the collaboration between the two countries, paving the way for further infrastructure projects over the Danube.

“European grants allowed entrepreneurs from our region to modernise their production and expand into new markets. The projects by the companies Ratis Serv and All Green can inspire those wishing to plant a business idea in our region, and the North East Regional Development Agency stands ready to multiply such success stories of using European funds. Innovative and ambitious companies can count on the support of our team, which offers assistance and facilitates business development on the local and national markets, as well as expansion to the international level.”



Mrs Gabriela Macoveiu

Head of Department for Communication, Cooperation and Business Development, Regional Development Agency North East

DATA POINT: 2 – OPEN DATA PLATFORM

DO YOU HAVE AN ISSUE YOU WOULD LIKE DISCUSSED IN FUTURE PANORAMA DATA POINT FEATURES?

IS THERE A DATASET YOU WOULD LIKE US TO PUT ON THE ESIF OPEN DATA PLATFORM?

IF SO, PLEASE E-MAIL: REGIO-EVAL@EC.EUROPA.EU

EU start-ups are key to economic recovery

For some time, the EU economy has been lagging in competitiveness, innovation, creativity and job creation. To tackle this, the EU is investing in start-ups by providing diverse support ranging from business advice and services to capital grants and loans.

Research shows that early-stage companies positively affect the economy by boosting growth and employment. Although start-ups create around 4 million jobs in the EU every year, this figure should be higher: only 37% of people in Europe prefer self-employment to being an employee. In the US and China this figure is over 50%¹. European businesses also seem to **grow more slowly** than their overseas counterparts. To enhance overall competitiveness, the EU must improve its start-up rate and their ecosystem.

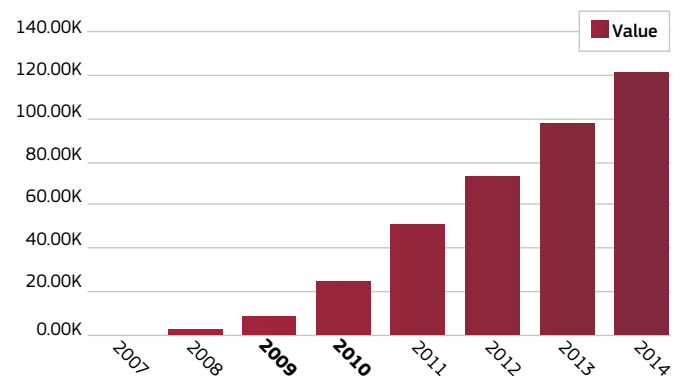
Many EU Member States invest heavily via the ERDF in small and medium-sized enterprises (SMEs). The 2007-2013 programmes allocated around EUR 51.9 billion of ERDF predominantly to SMEs – including 121 000 start-ups (see graph).

These enterprises have benefited from various initiatives ranging from support to high-tech start-ups (or spin-offs) to more basic self-employment schemes. The purpose of the

EU support to start-ups is broadly twofold:

- **Improving the start-up environment:** a range of EU level initiatives address simplifying **administrative procedures**, creating **networks** for entrepreneurs, investors, and academics², and organising events to identify and spread good practices.
- **Funding:** the EU also provides funding for start-ups. One major source is the European Regional Development Fund (ERDF). Start-ups³ can access funding **through national, regional and inter-regional programmes, in particular under dedicated budgets for improving SME competitiveness:** <https://cohesiondata.ec.europa.eu/themes/>.

START-UPS SUPPORTED BY ERDF IN THE 2007-2013 PROGRAMMING PERIOD (CUMULATIVE TO END 2014)



¹ Commission calculation based on Eurostat data 2009 in the Entrepreneurship 2020 Action Plan.

² See: Startup Europe (projects include: Digistart, ePlus Ecosystem, Startup Scaleup, Twist Digital and Welcome) or the Startup Europe Partnership.

³ Start-up means a new business that did not exist up to three years before programming started: 'Working Document No 2 and the programming period 2014-2020 guidance document on monitoring and evaluation, concepts and recommendations'.

SELECTED ERDF 2014-2020 PROGRAMMES WITH HIGH RATES OF SUPPORT TO START-UPS

MEMBER STATE	PROGRAMME	TOTAL N° ENTERPRISES TO RECEIVE SUPPORT	TOTAL N° START-UPS TO RECEIVE SUPPORT	START-UPS AS % TOTAL ENTERPRISES
UK	England – ERDF	152887	47722	31.2%
FR	Nord-Pas de Calais – ERDF/ESF/YEI	54035	30915	57.2%
SK	Research and Innovation – ERDF	12790	5090	39.8%
IT	Toscana – ERDF	8013	2667	33.3%
FR	Limousin – ERDF/ESF	5673	2550	44.9%
FR	Bourgogne – ERDF/ESF	5472	3381	61.8%
FR	Haute-Normandie – ERDF/ESF/YEI	4969	4320	86.9%
PL	Development of Eastern Poland – ERDF	3288	1820	55.4%
ES	Valenciana – ERDF	3095	1083	35.0%
SE	Upper Norrland – ERDF	3045	1000	32.8%
DE	Berlin – ERDF	2528	1661	65.7%
IT	Culture – ERDF	1735	1085	62.5%
DE	Brandenburg – ERDF	1497	470	31.4%
PT	Azores – ERDF/ESF	1118	325	29.1%
ES	Melilla – ERDF	929	440	47.4%
FR	Interregional Alsace – ERDF	625	245	39.2%
Interreg	Interreg V-A – Greece-Bulgaria	605	275	45.5%
Interreg	Interreg V-A – Finland-Estonia-Latvia-Sweden (Central Baltic)	450	150	33.3%
CZ	Integrated Regional Programme – ERDF	383	320	83.6%
EU	All ERDF Programmes	1 098 048	153 950	14.0%

Source: <https://cohesiondata.ec.europa.eu/>

ESIF Source: Open Data Platform*

support is equally diverse, ranging from business advice and services to capital grants or loans with different objectives. As start-ups are mixed in with the many other enterprises benefiting from such schemes it is not possible to identify a precise budget for start-ups at EU level. The number of reported start-ups varies significantly by country. This diversity is driven by factors such as the size of the economy, company size profiled across targeted business sectors, the different priorities given to start-ups, and experience in running start-up support initiatives.

In the 2014-2020 programmes, the targets for common indicators show support planned for 154 000 start-ups. Of the 227 ERDF programmes proposing support to SMEs, 133 have set start-ups targets.

On average, start-ups should represent nearly **14%** of all enterprises receiving ERDF support⁴.

Why are there differences in support to start-ups? It is not clear from the numbers alone why some regions appear to invest heavily in start-ups when many do not. The table above lists some of the programmes that have a high absolute and relative focus on start-ups; we would really like to hear the stories from some of these programmes themselves! ■

FIND OUT MORE

<http://europa.eu/!mU98tb4>

⁴ This article has been finalised with the help of Karolina Wicher, an intern at DG Regional and Urban Policy.

Report reveals good progress in implementing ESI Funds



On 20 December 2016, the Commission issued the 2016 Summary Report on the implementation of the European Structural and Investment Funds (ESI Funds) 2014-2020 addressed to the EU Institutions and the public. This is the first in a series of annual reports covering all five ESI Funds and their plans to invest a total of EUR 638 billion. For a direct insight into the key messages, Panorama spoke to Eric Von Breska who was appointed Director for Policy in DG Regional and Urban Policy in 2016.

How would you summarise the main messages in the 2016 summary report?

2014 and 2015 were years of intense activity for the Commission and for the public authorities in the Member States. Starting with the adoption of the 2014-2020 programmes, the 2016 report presents the many elements needed to kick off the implementation phase while closing the previous programmes from 2007-2013. It also presents the first snapshot of early progress.

By 31 December 2015, EUR 58.8 billion (9.2% of total planned investment) was allocated to thousands of specific projects in different thematic priorities across the EU. For instance, the report mentions the more than 270000 businesses already targeted with EU support; 2.7 million participants who were helped to find a job or training, and 1.9 million hectares of agricultural land supported for the pursuit of organic farming practices.

Were you happy with the progress in launching the 2014-2020 programmes?

In an ideal world, high-quality projects would be prepared, selected, implemented and delivered quickly in every programme. In hindsight, we had to balance two key objectives in during 2014-2015. While encouraging a quick start to investment, the Member States and regions were also working to improve the focus, quality and performance elements in the new programmes, as well as monitoring and control procedures.

The 2016 report showed that our efforts are now being rewarded. Despite a slow start with the late presentation of many programme documents, by the end of 2015 all of the programmes had been adopted and implementation had started in many of them. By the end of 2016, implementation was approaching 'cruising speed'. We must remember that these nine-year investment programmes are like running a marathon—they are not a sprint!

The most impressive evidence of progress was to see that in the first nine months of 2016 implementation had progressed dramatically. The financial value of projects selected doubled from EUR 58 billion to EUR 128.8 billion (20.2% of the planned investment) by September 2016. The December 2016 figure reached three times the 2015 figure – more that EUR 176 billion or 28% of the total planned investment.

Do we already have a clear indication of the concrete contribution of the ESI Funds to the Commission's political priorities, in particular jobs, growth and investment?

ESI Funds are the EU budget's main investment policy tool. They deliver a wide range of investments relevant to key EU priorities. In the Member States, they contribute by supporting job creation, growth and investments, often on a large scale. Among various ESIF investment objectives, three are directly related to the needs of economy: support for enterprises; developing infrastructure; and investment in the skills and adaptability of Europe's workforce.

ESI FUNDS: ALLOCATED AMOUNT DECIDED FOR SELECTED PROJECTS AT THE END OF 2015 AND OF 2016

	PLANNED INVESTMENT (TOTAL COST)	DECIDED FOR SELECTED PROJECTS TO END 2015		DECIDED FOR SELECTED PROJECTS TO END 2016	
	EUR BILLION	EUR BILLION	% OF PLANNED	EUR BILLION	% OF PLANNED
Cohesion Fund	75.6	4.7	6%	19.1	25%
EAFRD*	149.6	19.9	13%	43.3	29%
EMFF**	8.0	0.2	2%	0.2	2%
ERDF***	276.8	13.9	5%	72.5	26%
ESF****	120.5	17.4	14%	36.7	30%
YEI*****	7.7	2.8	36%	4.8	62%
ESIF Total	638.2	58.9	9%	176.6	28%

* European Agricultural Fund for Rural Development (EAFRD)

** European Maritime and Fisheries Fund (EMFF)

*** European Regional Development Fund (ERDF)

**** European Social Fund (ESF)

***** Youth Employment Initiative (YEI)

For instance, the competitiveness of SMEs is one of the major priorities under the ERDF, EAFRD and EMFF programmes and directly relates to the Commission goal of stimulating private investment and job creation. By the end of 2016, an estimated EUR 29 billion or 30% of ESIF planned support to SMEs had been allocated to projects.

The 'SME Initiative' in Spain is using EUR 800 million from the ERDF to deliver loans totalling EUR 1.4 billion to 14 000 SMEs across Spain. Another good example is the French rural development project which, so far, has supported 9150 young farmers from a total EAFRD allocation of EUR 195 million in aid for business start-up. Other policy areas related to jobs, growth and investment, like employment and strategic networks, are also going well and the report highlights some initial results.

What is the European Commission doing to accelerate implementation of the new programmes across the EU?

To ensure that implementation accelerates, all four Commission ESI Fund Directorates-General are working closely with the Member States and regions to support their work to deliver investment and realise the promised benefits.

My colleagues have run several studies looking at why many less-developed regions face difficulties in benefiting from the Funds. To help them, the Commission has launched an initiative to provide lagging regions with recommendations and assistance to unlock their potential and improve implementation of EU programmes. Poland and Romania are the first countries to pilot this project. Based on the results, we

plan to develop the model and apply it in partnership with other Member States facing similar obstacles.

We are also working on the 'Omnibus Regulation' which aims to simplify the application of rules for a spectrum of EU policy areas. For the ERDF, as well as other Funds, the Regulation will ease the administrative burden and remove a number of bottlenecks, making implementation easier for regions and Member States. ■

FIND OUT MORE

2016 Annual Summary report:

<http://europa.eu/WF89HP>

ESI Funds Open Data:

<https://cohesiondata.ec.europa.eu/>

CAPTURED ON CAMERA

Cohesion Policy funding for the 2014-2020 period in BELGIUM totals around EUR 2.28 billion and is managed under three Operational Programmes. Panorama has selected pictures from each region to illustrate the diversity of projects and results being achieved across the country.





09

10

11

12

Brussels Capital Region

- 01 ART2WORK provides collaborative spaces where young adults can express themselves and follow pathways to work experience
- 02 Belle-vue Hotel combines urban renewal, an energy-efficient building, socio-professional integration and tourism under one roof
- 03 The new Foodmet covered market is giving the 19th century Anderlecht abattoirs building a new lease of life
- 04 The Greenbizz sustainable business incubator offers start-ups an optimum environment to develop innovative ideas

Flanders

- 05 3Dsquare is an innovative skills centre for gaming and interactive 3D expertise in Kortrijk
- 06 Biobase, a pilot plant for biobased innovation in Ghent, supports the development of sustainable biobased products
- 07 Improving the quality of Flemish and Zeeland beaches and coastline
- 08 Park Spoor Noord has been developed on an old railway site in Antwerp

Wallonia

- 09 The recently renovated Bastogne War Museum has boosted regional culture and tourism
- 10 Negundo Innovation Center in Tournai provides a well-equipped environment for innovative young SMEs
- 11 Renovation of the Opéra Royal de Wallonie situated in Liège
- 12 Work along the Quais de Sambre has given Charleroi a new and welcoming look

FIND OUT MORE

http://ec.europa.eu/regional_policy/en/information/publications/factsheets/2014/cohesion-policy-and-belgium



Rebuilding Western Greece on ancient foundations

Western Greece is one of the least-developed parts of the EU, and the economic crisis added to the toll of poverty and unemployment. But at the same time it is a region with enormous potential due to its geographical location, pleasant climate, and cultural and historical wealth.

European Cohesion Policy funding is now supporting local decision-makers in rolling out a strategy for smart, sustainable and inclusive growth. The regional authority of Western Greece is concentrating on strengthening its human capital through education, training and encouraging entrepreneurship, as well as safeguarding natural resources and the environment, and expanding sustainable tourism.

Western Greece is one of the country's 13 regions, and extends down the south-west coast of central Greece to the north-west of the Peloponnese. It is home to some 680 000 people, making up almost 7% of the Greek population. With its mild weather and fertile soil, Western Greece's economy has traditionally relied on agriculture – especially vines, olives and citrus fruits. Yet its regional capital, Patras, founded in the 11th century BC, is also Greece's third largest city: a major port and commercial centre that acts as the gateway to Western Europe.

Challenges for the region

However, the economic crisis and the austerity policies that followed brought hardship and recession, damaging public investment and business activity, driving many young people to seek work overseas and worsening poverty and social exclusion.

In response, Western Greece's ambitious 2014–2020 Operational Programme aims for the “*self-sustaining, outward-looking, sustainable reconstruction of the region ... focusing on its global identity and value for people and the environment*”. With the EU still the prime source of income for the region's real economy, 80% of the OP's total budget of EUR 490 million is drawn from the EU Regional Development Fund (ERDF) and Social Fund (ESF).

The Operational Programme has four main strands:

- Boosting competitiveness – transition to quality entrepreneurship;
- Environmental protection – transition to an environmentally friendly economy;
- Development and modernisation of transport infrastructure;
- Development of human resources – promotion of social inclusion.

“We direct the valuable resources which Cohesion Policy provides towards creating growth and jobs, improving citizens’ day-to-day lives, protecting and conserving the natural environment, tackling climate change and energy dependency, improving our infrastructure, as well as raising a shield to protect our citizens from the consequences of the crisis and to reduce poverty and social exclusion,” explains Apostolos Katsifaras (see interview). Because a local management team is responsible for implementing the programme, it can be better tailored to the specific weaknesses and strengths of the region.

Strand one entails investment in research and innovation, with support for more than 700 small and medium-sized enterprises (SMEs) and cooperation with some 32 research institutions. This is expected to create the equivalent of 730 full-time jobs.

Natural and cultural riches

Protecting the environment means better waste-water treatment and water supply for 36 000 people. The target for waste recycling is an extra 350 000 tonnes per year, plus annual energy savings of 99 kilotonnes of oil equivalent (ktoe).

The region is also working to restore soil biodiversity and preserve ecosystem services, through the EU Natura 2000 network of conservation areas. Western Greece has a rich heritage to build on: its enclosed lagoons and wetlands make it a top exporter of fish to the rest of the country and beyond. And legend has it that the god Dionysus brought the first vine rootstock to this area, thus enabling humanity to cultivate wine.

Indeed, Western Greece has much to offer tourists hungry for antiquity, including ancient Olympia – birthplace of the Olympic Games and a hugely important archaeological site. To exploit this potential, the OP is upgrading road, rail and maritime transport infrastructures, with an emphasis on road safety.

Last but not least, almost one-quarter of EU funding is going towards developing human resources, combating poverty and discrimination, and modernising social, health and educational facilities. This includes vocational training and lifelong learning,

and boosting employment opportunities, especially for vulnerable groups. Eleven school structures have already been added (see project box). The OP aims to support 138 social enterprises, and improve health services for an additional 27 000 local people.

Western Greece has already seen the benefits of EU assistance. European Regional and Development Funds have helped to rebuild the Agios Andreas general hospital in Patras, damaged by an earthquake in 2008 (see project box). A major road infrastructure project linking Patras and Corinth – vital to the economic development of the region – is close to completion. And the Rio-Antirio Bridge, connecting the Peloponnese peninsula to mainland Greece – the world’s longest fully suspended cable-stayed bridge and considered to be an engineering triumph – was co-financed by the ERDF. ■



^ Cityscape of Patras

FIND OUT MORE

Region of Western Greece:

<http://www.westerngreece.gr/en/index.php>

Western Greece OP:

<http://europa.eu/!PJ74uC>

Adriatic-Ionian territorial cooperation:

<http://europa.eu/!Mn97gw>

Western Greece looks forward to a brighter future

Mr Apostolos Katsifaras, Governor of Western Greece, explains the important role Cohesion Policy is playing in creating growth and jobs and improving citizens' lives in these difficult times for the Greek economy and society.

How can the Cohesion Policy help Western Greece develop economically, and what in your view are the priority areas?

Cohesion Policy and the European Structural and Investment Funds (ESIF) are crucial factors for the promotion of investments in the EU and are basic tools on our journey towards European integration in a Union with ever fewer inequalities.

Western Greece is one of the EU's least-developed regions which has been, and continues to be, hit hard by the crisis in a country gripped by economic rationalisation programmes, with non-existent public investment and a weak financial system, businesses and its economy in an extended recession. In addition are issues including constantly rising unemployment, the number of young people fleeing overseas is becoming an avalanche, incomes are continually being cut, acute poverty is increasing perilously, and the social state is collapsing.

So, for us, Cohesion Policy is the main means we have at our disposal to carry out essential and crucial projects and interventions within society and the economy. It is the motivating force behind the restructuring of our region's productive and social model, where competitiveness and growth complement one another and go hand in hand with social justice and cohesion. We direct the valuable resources which Cohesion Policy provides towards creating growth and jobs, improving citizens' day-to-day lives, protecting and conserving the natural environment, tackling climate change and energy dependency, improving our infrastructure, as well as raising a shield



to protect our citizens from the consequences of the crisis and to reduce poverty and social exclusion.

An important change in the implementation of Greek Cohesion Policy is that each region is managing its own programme. How is your region addressing this challenge?

The management of the programme by the regions ensures that the strategic planning and implementation of actions of a multi-sector and cross-funded nature happens at the regional level, with multiple effects, taking into consideration the advantages and weaknesses of each region.

Knowing that we would be responsible for the regional programme in the new 2014-2020 programming period, we promptly carried out strategic and business planning using procedures based on broad public negotiations and ensured the programme was adapted to our region's social and economic realities.

As such, we are well prepared in the current programming period. However, it should be noted that we have only taken the first step. Decentralisation needs to be extended. Greece's 13 regions are closer to the local agencies (with which we have an excellent relationship of collaboration and trust) so that needs are heeded more rapidly and better results are achieved. Therefore, in just the first year of the programme, our take-up rate has been greater than the corresponding national level.

The Greek authorities have completed the research and innovation Smart Specialisation Strategy. What are the main targets for Western Greece?

Research and innovation and the realignment of our region's productive model towards sectors and products with greater added value are, for us, crucial for economic recovery and the creation of sustainable jobs. We have a very powerful environment for the

creation of knowledge and innovation comprising the University of Patras, the Western Greece Technological Education Institute, research institutions, the Patras Science Park, the Corallia Innohub and highly specialised businesses.

To us, the Smart Specialisation Strategy is the tool for linking that environment with our region's production system. We started from scratch, and in a systematic bottom-to-top process that took two and a half years of mutual negotiations with all of the region's institutional bodies we arrived at the following three priority sectors:

- the primary sector, with emphasis on agricultural and food products and services;
- culture and tourism, with a focus on the region's high potential and significant prospects for development; and
- microelectronics and materials.

What results do you expect at the end of the 2014-2020 period? What lessons were learned from the previous programming period?

Experience shows that regions can implement Cohesion Policy more effectively, more rapidly and with greater proximity to local communities. In the current programming period, we are proceeding with our own plan. It is a product of synthesis with society, which works from the perspective of the actual challenges our region faces.

Our goal is to arrive at a new productive model centred around the needs of society and people, exploiting our region's advantages, placing emphasis on the primary sector, tourism, openness, entrepreneurship, innovation and sustainability, and focusing on supporting the weakest, tackling poverty and removing social inequalities.

Our experience of administering the programme allows us to plan it better, implement it more rapidly and manage it more effectively. However, it must be noted that the process continues to be blighted by excessive bureaucracy which needs to be simplified. The goal is for the results of the projects and actions to reach the citizens on transparent terms.

It is also significant that discussions have begun on a better future Cohesion Policy after 2020.

Unwavering from the fundamental principle of solidarity and loyalty to the objective of growth, we can now plan for the future.

Western Greece is one of the regions in the Adriatic and Ionian Macro-regional Strategy. What are your expectations in this regard?

In the connected and globalised world we now live in, the interdependence of cities and regions is no longer restricted to the national level, but extends to the transnational level with the aim of exploiting shared opportunities and tackling shared problems. The Adriatic and Ionian region faces multiple challenges, such as serious social and economic inequalities, a lack of networks, unsustainable fishing, environmental threats, the impacts of climate change, the refugee crisis, and so on.

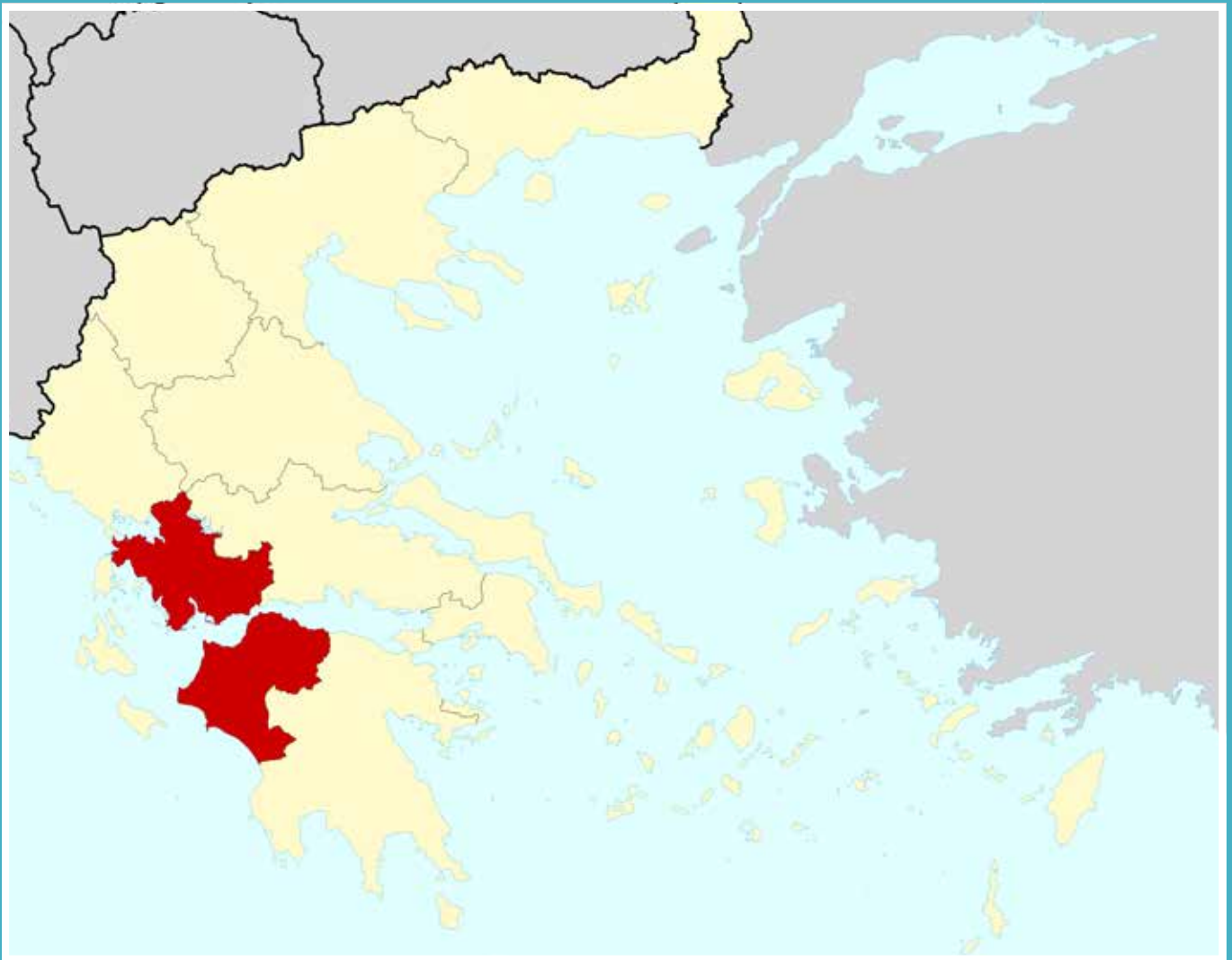
On the other hand, it has great potential which remains untapped and gives promising opportunities such as the blue economy, the potential to improve land-sea connections and multimodal transport, the region's outstanding natural beauty and rich cultural, historical and archaeological heritage, etc.

For us, EUSAIR provides the regions of the countries that are part of the macro-region with an exceptional opportunity to turn over a new leaf in terms of the financial and political problems of the past and, in collaboration, achieve prosperity and sustainable growth. Since 2011, we have had faith in that prospect, we have contributed to striving for it and achieving it, particularly via European organisations (European Committee of the Regions) and networks (CPMR) in which we participate, and – holding the presidency of the European Committee of the Regions' 'Adriatic-Ionian' Transregional Group – we have participated in EUSAIR's Governing Council. ■

FIND OUT MORE

Region of Western Greece:

<http://www.westerngreece.gr/en/index.php>



Population: covering an area of 11 336 sq. km with a population of 679 796 residents, according to the 2011 census, comprising approximately 6.3% of the country's total population.

Research capabilities: the region hosts two universities, one technology institute and five research, development and innovation facilities.

Labour market: employment in the region's three prefectures is divided into three main job market sectors: Aitolia-Akarnania – fisheries, aquaculture and crop production; Achaia – alcoholic beverage production, crop production and transport; and Ileia – horticultural products and tourism.

Strengths: significant primary sector, strong centre of attraction for research in agricultural technologies, chemistry and materials, nanotechnology, environmental technology and fuels, with specialisations in agriculture, aquaculture, alcoholic beverages, tourism and transport; investments in microelectronics and facilities for housing and incubating businesses.

SMART SPECIALISATION (RIS3)

Smart Specialisation is about identifying the unique characteristics and assets of the Region of Western Greece, highlighting its comparative competitive advantages and focusing local stakeholders and resources around a vision for their future: 'aristeia' [excellence].

The three vertical priority sectors for the Western Greece RIS3 which characterise its development profile are:

- > the primary sector, in the field of agricultural and food products;
- > culture and tourism;
- > microelectronics and materials.

WESTERN GREECE IN THE REGIONAL CONTEXT

Western Greece is at the heart of the Adriatic-Ionian Seas region. The EU programme for the area brings together Croatia, Greece, Slovenia and a number of Italian regions, with the aim of fostering economic, social and territorial cohesion and cooperation, and exploiting the rich natural, cultural and human resources surrounding the two seas.

The programme supports the EU Strategy for the Adriatic and Ionian Region (EUSAIR), launched in 2014, linking the four EU Member States with their neighbours – Albania, Bosnia and Herzegovina, Montenegro and Serbia – all countries aspiring to join the Union.

<http://europa.eu/!yb66Bk>



REGION OF WESTERN GREECE
Full of contrast!



^ The famous **Carnival of Patras** lasts for two months and includes dances, parades, a hidden treasure hunt, the children's carnival and dozens of other actions. It climaxes with the Saturday evening parade of carnival groups, the Sunday parade of floats and groups, and finally the ritual burning of the carnival king at the harbour of Patras.

√ Staff of the Managing Authority, responsible for implementing the Operational Programme Western Greece 2014-2020



LIBRARY BOOSTS REGION'S CULTURAL AND ENVIRONMENTAL ASPECTS

The Gastouni Public Library building in the Municipality of Pineios, situated in the centre of Gastouni serves all the municipality's residents and contributes to the cultural development of the wider region. The building has two floors and a basement. The ground floor accommodates the library, reading room and offices while on the first floor there is a multipurpose space and offices.

The construction is of particular architectural interest, and is well integrated into the built residential environment. Thanks to funding from the European Regional Development Fund (ERDF), the library is now environmentally friendly and is contributing to energy saving in the region through proper energy management.



'PANAGIA ELEOUSA' WORKSHOP IS A HOME FROM HOME

According to Dionysia Samanta-Psaraki, president of the Panagia Eleousa workshop, *"the greatest worry of parents whose children have intellectual disabilities is about what will happen to them after the parents die"*.

The Supported Living Home, and ERDF-funded initiative, enables people with intellectual and associated disabilities – especially those lacking parental care – to enjoy lifelong residency in a family-like environment, aiming for social inclusion and acceptance.

This approach, which helps to avoid marginalisation or institutionalisation, is based on every person's fundamental right to have a dignified, supported life which gives them opportunities to develop their skills and abilities so that they can live, as far as possible, more autonomously and actively in the social and physical environment."



SEEING IS BELIEVING AT PLEVRONA

The Plevrona archaeological site is one of the best-preserved examples of the ancient cities of Aitolia in the classical and Hellenistic periods. Large sections of its fortifications and remains of the ancient city's residential network have survived in an excellent condition. Efforts to restore sections of the walls in this recently discovered site have also improved the visibility of the ancient city's water supply infrastructure.

The work to protect the monument was co-financed by the ERDF, thereby contributing to the preservation of the country's cultural heritage.

PYRGOS 1ST JUNIOR HIGH SCHOOL



Education is the foundation stone for the formation of a well-structured society. For that reason, the Region of Western Greece is prioritising the construction of functional buildings in order to provide pupils with the right learning environment and help them adapt readily to the education system.

Under the ERDF/ESF Operational Programmes for the period 2007-2013, 20 schools were completed, and 11 school structures have already been added for the next programming period, 2014-2020.

KATAKOLO PORT TAKES UPGRADES ON-BOARD



The Gastouni Public Library building in the Municipality of Pineios, situated in the centre of Gastouni serves all the municipality's residents and contributes to the cultural development of the wider region. The building has two floors and a basement. The ground floor accommodates the library, reading room and offices while on the first floor there is a multipurpose space and offices.

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PATRAS' GENERAL HOSPITAL ENJOYS BETTER HEALTH

The health sector is very important for the well-being and quality of life of a region's residents. Following major destruction caused by an earthquake in 2008, the Agios Andreas hospital in the city of Patras required extensive restoration. With the support of the ERDF, the central building is being upgraded with new medical and hotel equipment. The project was due for completion at the end of 2016.

'PHOSIL' SHEDS LIGHT ON AN ENERGY- AND COST-SAVING SOLUTION FOR PHOTOVOLTAICS

Organisations from three countries – France, Spain and Greece – are collaborating on a programme to research a new and flexible method of producing photovoltaic modules. Western Greece is participating through the Technology and Research Institute/Chemical Engineering Science Institute (project coordinator) and the company ADVENT. The radical solution is based on a flexible photovoltaic (PV) cell with a high capacity to adapt to any application, and on laser-processing techniques designed to replace mechanical cutting in production processes.

The aim of the ERDF-backed research project is twofold: to discover an alternative production method – thin silicon films with an organic substrate with graphene replacing conventional ITO electrodes – and to tackle overconsumption of the raw material silicon, reduce the production costs of PV cells and limit waste generation.

∨ *Studying and classifying graphene using Raman spectroscopy*



REGION OF WESTERN GREECE

Full of contrast!

Streamlined appraisal boosts Regional and Urban Policy DG's major projects

EU Cohesion Policy is funding major projects in support of the European Investment Plan to mobilise finance, support investment in the real economy and create an investment-friendly environment. The new, faster system is ready and waiting for more major projects from the Member States.

From building inter-regional transport links to developing Europe's renewable energy capacity, major infrastructure projects co-financed with EU funding are making a significant impact on Europe's economic development and improving citizens' lives. A streamlined appraisal and approval procedure is further boosting the effectiveness of these important investment initiatives, ensuring that funding is available where it is needed most and will have the greatest impact in the shortest time.

For the 2014-2020 funding period for major projects, the new approach is leveraging the expertise of JASPERS – the Joint Assistance to Support Projects in European Regions – which is a technical assistance partnership between DG Regional

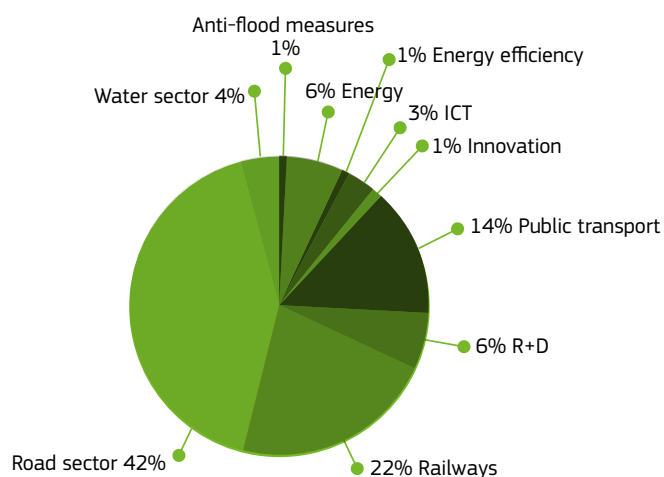
and Urban Policy, the European Investment Bank and the European Bank for Reconstruction and Development.

JASPERS employs experts mainly based in regional offices close to the beneficiaries to ensure that major projects are prepared appropriately to respond to their needs in the most effective and efficient manner.

With a focus on increasing connectivity between European citizens, businesses, countries and regions, major projects comprise large-scale infrastructure investments from the Cohesion Fund and the European Regional Development Fund in areas such as transport, the environment, education, energy, and research and development.

Commissioner for Regional Policy Corina Crețu says: "Major projects can be seen as 'ambassadors' of Cohesion Policy activities across Europe and I always give them special attention. They illustrate perfectly the positive and tangible impact that Cohesion Policy can have on the ground; these projects undoubtedly improve the quality of people's everyday life and contribute to boosting local economies."

SECTORAL SPLIT OF SUBMITTED MAJOR PROJECTS UNTIL END 2016



(source: data from SFC2014)

Fast-track appraisal

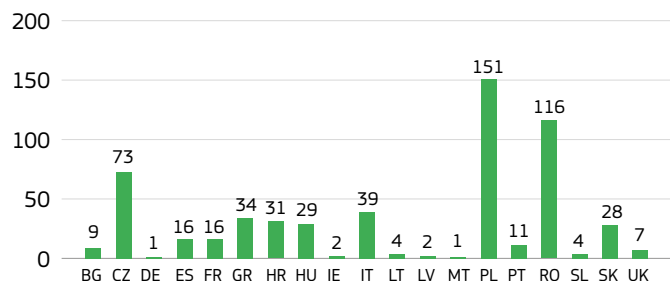
In the current funding period – and helped by the latest streamlined appraisal methods – around 54 major projects have already been approved (mid-March 2017). The average approval time was below 100 calendar days, much improved from 224 days in 2007-2013.

The appraisal process has been restructured to avoid unnecessary delays and to ensure that projects are prepared, approved and funded as quickly as possible. The new Closure and Major Projects Unit was created in DG Regio in March 2016, in which the approval of major projects has been centralised to improve consistency and accelerate the Commission's approval.

Although the approval time has improved significantly, the Member States need to step up their efforts in preparing major projects for submission to the Commission. Only 76

had been submitted by the end of 2016 out of 584 major projects planned in the Operational Programmes (OPs) (see figure hereunder).

NUMBER OF MAJOR PROJECTS PER MS INCLUDED IN THE OPs AS OF JANUARY 2017



(Source: SFC 2014)

For the programming period 2014-2020, JASPERS has been given the task of appraising projects on behalf of the Commission. This role is in addition to developing major projects, building up technical and administrative capacity in national administrations, and carrying out independent project appraisals for the Member States.

JASPERS has substantial expertise, capacity and experience among its staff of over 120, who are mainly specialists in their fields and able to advise local authorities on the ground, check that projects comply with regulations, and accelerate project preparation.

Further support is being provided by JASPERS to projects funded by the Connecting Europe Facility, mainly in the rail and road sectors, and the European Investment Advisory Hub which helps with screening and handling requests for assistance.

Spreading the word

JASPERS' objective is to assist Member States to prepare high-quality projects which are eligible for support from EU funds, in particular initiatives that produce a multiplier effect by disseminating best practice and providing models that beneficiary countries can replicate. Experience shows the value added of JASPERS tends to be higher when involvement in the projects takes place at the earlier stages, for example, at the option analysis stage. Apart from input to individual projects, JASPERS provides assistance with sectoral strategies and methodological guidance to improve project selection and development.

Finally, with its multi-disciplinary team of experts, JASPERS is in a good position to provide advice on cross-sector projects, like those defined in the context of the Urban Agenda for smart and sustainable cities.

Project selection and approval is further accelerated and enhanced by updated cost-benefit analysis procedures. These must include details of the alternatives considered, information on the project's financial profitability and sustainability, and analyses of project demand, risk and economic viability, including the impact foreseen on the development or transformation of the region concerned.

The latest procedures are detailed in a Guide to Cost-Benefit Analysis of Investment Projects for Cohesion Policy 2014-2020 prepared with participation of JASPERS experts: <http://europa.eu/!Pt93uP>

JASPERS focuses on larger projects with total eligible costs above EUR 75 million for transport and energy projects and EUR 50 million for other sectors. It can provide assistance for projects below these cost thresholds in the case of smaller countries or where projects serve as pilot actions for best practice.

New guidelines

Under the new streamlined approach, when submitting a major project to the Commission, Member States can choose between two procedures:

- Notify the Commission after a project has been positively reviewed by independent experts, such as those provided by JASPERS, on the basis of which the institution carries out a lighter quality check;
- Submit the project directly to the Commission which will appraise it to determine whether the requested financial contribution is justified.

Timely delivery of projects has always been a concern. Therefore, Commission approval will be conditional on work starting within three years of the project being accepted.

To ensure that major projects have a long-term and wider impact, they must be linked more closely to smart national development strategies and Member State Operational Programmes. A list of major projects must now be included in all OPs, reflecting 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. ➤

KEY CHANGES IN MAJOR PROJECTS 2014-2020

- › Compulsory list of major projects in the OPs;
- › Stronger role for independent experts (JASPERS);
- › Fewer major projects: the thresholds are higher and based on total eligible cost;
- › Greater focus on the implementation of major projects: all decisions are conditional;
- › Updated guide to cost-benefit analysis;
- › Simplified rules for grant calculations;
- › Certification of expenditure possible only when the project is submitted to the Commission;
- › No financing for completed projects.

In many sectors, such as transport, major projects must be strongly linked to a strategic approach to sectoral investment, such as the existence of a comprehensive transport master plan. In addition, projects must include an analysis of the environmental impact, in particular an examination of any potential effects on sensitive zones which are part of the Natura 2000 network and areas of ecosystem and environmental interest that are protected under key EU Directives. ■

FIND OUT MORE

http://ec.europa.eu/regional_policy/en/projects/major/

Poland makes the most of major EU funding

Jarosław Orliński, Director of the Department for Infrastructural Programmes, Ministry of Economic Development, Poland, tells Panorama how Poland investment is making a significant impact.

Poland has been a significant beneficiary of EU funding for major projects in the transport, energy, culture, higher education and environmental sectors. In the financial perspective for 2007-2013, the Managing Authority for OP Infrastructure and Environment received 210 EC decisions on major projects for which EU grants amounted to EUR 24.3 billion.



Poland constructed, expanded and modernised sewage-treatment plants, increased transport accessibility and improved interregional connections by developing the road and air TEN-T network, and improving transport connections between eastern Poland's main cities and other parts of the country. We improved the safety level of roads by modernising the infrastructure and providing better safety equipment. Moreover, sea and river canals were constructed or modernised and the existing inland waterways infrastructure extended.

The energy supply was made more secure, a key objective at both EU and national level, by extending energy infrastructure such as gas pipelines, electricity networks, underground gas

storage, and constructing the LNG terminal at Świnoujście. Investments were also made to increase energy production from renewable sources.

Poland invested in the cultural sector by implementing projects to protect and restore monuments of regional importance, including those on the UNESCO World Heritage List.

Modern academic centres were developed, primarily to educate specialists in new technologies. Essential infrastructural investments in higher education were also supported, mainly in the sciences and R&D.

Poland leads the way

For the years 2014-2020, Poland, as the main beneficiary of Cohesion Policy, has received EUR 82.5 billion to support development in areas contributing to economic growth and employment.

These funds will be invested mainly in developing transport and environmental infrastructure, innovation and economic competitiveness, reducing imbalances across the country, and a citizen-friendly and efficiently functioning state. These objectives will be implemented in 22 programmes – six national and 16 regional.

Poland's largest OP, 'Infrastructure and Environment 2014-2020' with funding of EUR 27.4 billion, will support development of the TEN-T road network, multi-modal and rail transport, road infrastructure, low-emission public transport in cities, environmental protection, including adaptation to climate change, low-emission economy investments, i.e. energy efficiency and renewable energy sources, and improving energy security. EU funds will also be used to protect cultural heritage, develop cultural resources and strengthen the strategic healthcare infrastructure.

For the 2014-2020 programming period, Poland leads other EU Member States in submitting major projects to the Commission, with 42 already put forward for which EU grants total EUR 5.8 billion. Of these, 31 have already been approved by the EC. Experiences and good practices from the previous

funding period have had a positive impact on current preparations, while help from JASPERS colleagues has also been crucial.

On 15 September 2016, the Ministry of Economic Development signed the 'Working arrangements for JASPERS independent quality review of major projects' which should accelerate the Commission's assessment and approval of major projects. Poland has already submitted the first major road project from the Silesia region for JASPERS' independent quality review.

Measures taken in the previous financial period have enabled Poland to move closer to its sustainable development objective, although this remains a major challenge. For the programming period 2014-2020, it is essential to build a low-emission economy in which the most cost-effective solution for reducing emissions is the efficient use of existing energy resources. The greatest potential for improving energy efficiency is in the construction and heating sectors, and transport. After years of under-investment, it is necessary to enable large enterprises to shift towards energy-saving production technologies and energy management systems.

Improving energy efficiency in the municipal and household sector is closely linked to meeting air-quality standards. Monitoring in Poland confirms that air pollution is of concern in urban areas.

Despite having its own energy sources, Poland is not energy independent. Diversification of energy sources and security of supplies at affordable prices are key for energy security. Thus, it is necessary to diversify natural gas sources and supply directions for gas and electricity, including the expansion and modernisation of the transmission and distribution networks.

The horizontal issue of climate change and adaptation is crucial for achieving the aims of the country's general development. Prevention and mitigation of key risks are particularly important. Among the many consequences of climate change, the increased frequency and severity of floods will have the greatest impact on Poland. To prepare for and eliminate the consequences of such threats, measures include investment in flood-control infrastructure, greater efficiency in early-warning and threat forecasting systems, and widening the scope of the flood-risk monitoring system. ■

EXAMPLES OF ACHIEVEMENTS FROM IMPLEMENTATION OF POLISH OP INFRASTRUCTURE AND ENVIRONMENT 2007-2013 INCLUDE:

- › 275 treatment plants were constructed/expanded/modernised;
- › 15 051 km of sanitary sewage system were constructed or reconstructed;
- › 455 km of motorways built in the TEN-T network;
- › 680 km of expressways constructed or reconstructed in the TEN-T network;
- › 583 km of constructed or modernised railway lines;
- › 8 airports reconstructed in terms of safety and security;
- › 991.8 MW additional power generated in power plants using RES;
- › 987 km of newly built gas transmission pipelines;
- › 367 km of power transmission grids constructed;
- › 1589 km of newly built gas distribution pipelines;
- › 77 units of restored and/or renovated historic buildings;
- › 47 more new/constructed, expanded and/or reconstructed cultural institutions (museums, galleries, theatres and music institutions);
- › 57 units in higher education institutions which implemented comprehensive solutions for ICT infrastructure in education.



MUSEUM'S EXPANSION BOOSTS OVIEDO'S CULTURAL LIFE

Alfonso Palacio, director of the Museo de Bellas Artes de Asturias, tells Panorama how expansion of the Asturias' museum in Spain has enhanced the region's cultural heritage, education and training.

Panorama: You became director of the Museo de Bellas Artes de Asturias in 2013. What have been the most significant milestones since then for you personally, for the museum and for visitors?

Alfonso Palacio: I think these three elements are closely related. The main management objectives achieved during this time were the development and inauguration of the museum expansion, the reassembling of the collections, and the reopening of the other two historic buildings that are part of the complex. In addition, a systematic and continuous programme of

exhibits over that time enabled the museum to welcome 90 000 visitors a year. In addition, awareness has been raised through the use of new technologies and social media, which is something the museum had long delayed doing. And, finally, the magnificent donation received very recently from Plácido Arango Arias will allow the museum to make a very important qualitative leap.

What, in your view, are the main highlights of the museum today?

The Museo de Bellas Artes de Asturias had done a good job in the years prior to my arrival, especially in assembling an important collection of Spanish art dating from the 15th to 20th centuries. This was greatly strengthened with the addition of 410 works from the Pedro Masaveu Collection. With the inauguration of the enlargement and the reopening of the museum's historical buildings in recent times, it has been possible to

visualise and improve, both quantitatively and qualitatively, the presentation of the collections and increase the number of expository, scientific and educational activities.

We are now able to offer the public a more comfortable and complete visit, to open up to new interlocutors, and to expand our networking with other institutions by establishing new collaboration agreements.

What led to the decision to launch the museum expansion project, and how was funding secured?

What role did EU funding play?

The decision to launch the expansion project was basically motivated by the need to increase the space at the museum, both to expose a greater number of works of art, which until then had had to be kept in storage, as well as to have new storage areas, as the previous facilities were on the brink of collapse.



The project was financed by the regional government and through the European Regional Development Funds, which contributed a very large part of it through the 'Asturias' Operational Programme for the 2007-2013 programming period. It should also be remembered that the inauguration in 2015 is only the first phase of an ongoing project that has yet to be completed with the realisation of phase II.



What impact has the expansion had on visitors and especially the local community, for example, the increase in cultural and educational activities centred on the museum?

The impact has been enormous. We have to remember that in 2013, upon my arrival as director, the museum was experiencing

a sharp decline in the number of visitors, which at that time was around 45 000. That figure is 15 000 less than the museum used to attract, on average, during its best years. The expansion

was inaugurated in March 2015, and that year the museum recorded 85 000 visitors. There is no doubt that the expansion, with the greater cultural and educational activity that it generated, was a powerful engine for consolidating old audiences and attracting new ones. In 2016, we welcomed 90 000 visitors.

How were relations with the managing authority, other partners and particularly with the lead architect Patxi Mangado? How was the work coordinated?

The relations were good and always based on cooperation and dialogue between the different stakeholders

involved in the process, regardless of the complexities and difficulties of all kinds that had to be overcome during the project.

What were the main challenges you encountered in achieving the project's goals?

What lessons have been learned for the future?

One of the biggest challenges came at the very beginning when we realised the vast amount of work that needed to be completed with the very few staff the museum had and continues to have. Clearly this issue had to be addressed at the time and, in fact, remains a problem as we still need to hire more staff, including technicians and guards for the exhibition rooms and other spaces which have become a meeting point for the city's cultural life and educational activities. ■

.....
FIND OUT MORE

<http://www.museobbaa.com/>



Report highlights benefits of EU macro-regional strategies

THESE PLATFORMS CAN HELP PUSH INTERREGIONAL COOPERATION ACROSS A RANGE OF ISSUES – AND THEY’RE JUST GETTING STARTED

Countries need to work together to address global challenges that do not stop at borders, like climate change, economic competitiveness and pollution. According to a new Commission report, EU macro-regional strategies (MRSs) can help put in place multi-country solutions to these and other challenges and strengthen policy cooperation. The report also argues that the full potential of MRSs has yet to be unleashed, and sets out how this can be achieved.

MRSs provide a framework for countries to strengthen links with their neighbours in order to focus on cross-cutting issues that they all face. The concept is not about creating another level of policy or funding but rather promoting actions that can be supported by existing programmes and mechanisms. Many actions require momentum to be effective, and could benefit from stronger regional coordination. MRSs are also open to non-EU countries and

can therefore play an important role in strengthening relations at the EU’s external borders. In this way, the MRSs add value to the cooperation aspect of Cohesion Policy.

The first MRS was launched in 2009 to cover the Baltic Sea Region (EUSBSR). Since then, three further MRSs have been developed for the Danube Region (EUSTR) in 2011, the Adriatic and Ionian Region (EUSAIR) in 2014, and the Alpine Region (EUSALP) in 2015. A total of 19 EU and eight non-EU countries are now involved. These Strategies are aligned with broader EU policies in order to improve their implementation and tackle cross-cutting issues.

Results

The report reveals that MRSs have generated greater interest in and more attention to territorial cooperation and territorial cohesion and their added value, and have already begun to have a positive impact on the ground. The Strategies have strengthened cooperation in certain policy areas (e.g. the Navigability Danube master plan and the extension of the

< Corina Crețu, Member of the EC in charge of Regional Policy travelled in November 2016 to Sweden in order to participate in the 7th Strategy Forum of the EU Strategy for the Baltic Sea Region.

Baltic Energy Interconnection Plan), and in certain cases have also given some political push. For example, in the Baltic they have helped to put topics of regional importance back on the political agenda, including the organisation in 2015 of the first high-level meeting on culture since 2008.

MRSs have contributed to improving existing cooperation mechanisms, and strengthened cooperation between existing regional structures, as well as between participating EU Member States and with neighbouring non-EU countries, bringing them closer to the EU. For example, in the Danube region, dialogue and cooperation with international organisations have been strengthened through the setting up of the Danube Financing Dialogue. Regional partnerships have been enhanced through the first European Grouping of Territorial Cooperation with a non-EU country (Hungary – Ukraine) and the establishment of a coordination scheme to allow Moldova to take part in the Strategy.

Strategies have also facilitated the creation of new networks in the regions or helped to strengthen the effectiveness of existing ones (e.g. Baltic Sea Fisheries Forum), have given impetus to the development of new macro-regional projects or continued ongoing ones. They have also promoted an integrated and cross-sectorial approach and fostered greater cooperation and coordination between different actors at all levels (EU, national, regional and local).

A summary of key results in each Strategy are presented below, in their specific sections.

Working better together

The report also highlights a number of issues that the four MRSs need to address – high up on this list is protecting the environment. The Baltic Sea, Danube and Adriatic and Ionian Regions need to strengthen their cooperative efforts in order to better protect the marine environment. In addition, many regions could benefit from improved connectivity in the fields of energy and transport. Adriatic-Ionian countries must also develop policies to deal effectively with a major refugee and migration crisis in a coordinated and pragmatic manner.



In terms of implementation, MRSs need to establish better communication, says the report. This could mean helping project partners to find the right people for the right job, or informing national coordinators about project results. The report would also like to see national ministries make a stronger commitment to achieving MRS objectives and offer closer cooperation between steering groups and the managing authorities of programmes supported by European Structural and Investment (ESI) Funds or other instruments. Because Strategies do not have a dedicated budget of their own, they need to coordinate better on how available funding streams are used. Finally, in order to tap into their full potential, links between MRSs and Cohesion Policy should be fully explored and exploited.

This is the first progress report to cover all MRSs together, and in future the Commission intends to publish follow-up reports like this every two years. ■

FIND OUT MORE

<http://europa.eu/!gG38wx>



< DiveSMART Baltic, created following the Costa Concordia accident in 2012, attempts to prepare divers for cooperation across the Baltic Sea Region in case of accidents. With coordination and a common understanding of procedures and diving competences, solid and enduring search and rescue operations can be established in the Baltic Sea, making it a safer place to travel, live and work.

“ The Baltic Sea connects us. It offers us challenges. [...] We need to co-operate as individuals and as nations in order to find common solutions to common challenges [...]. EUSBSR offers an important framework to our urgent work to save the Baltic Sea. But a strategy is not good enough if it just remains on paper. It has to be implemented and that takes people. ”

Her Royal Highness Crown Princess Victoria of Sweden
6th EUSBSR Annual Forum, Jūrmala, 15-16 June 2015



THE EU STRATEGY FOR THE BALTIC SEA REGION (EUSBSR)

Since the launch of the EUSBSR in 2009, expectations continue to rise about the performance of the Strategy: being the first of its kind means ‘all eyes are on you’. During the seven years of its implementation, a variety of results have been achieved. These include in particular, but are not limited to: the creation of new solid networks or the greater effectiveness and better utilisation of existing ones; the start of new and the continuation of previous macro-regional-relevant projects; the promotion of multi-level governance and cross-sectorial cooperation.

The EUSBR has also contributed to policy shaping and development (e.g. in the fields of energy, navigation, environment and climate change), the further development of synergies and complementarities between different cooperation frameworks in the region, and enhanced cooperation and coordination at all levels, both within and between countries.

EXAMPLES

- › The quality of Baltic Sea water is improving and nutrient inflows are being reduced through the implementation of projects such as PRESTO and IWAMA (Interactive water management);
- › Business development and integration is being stimulated in the Baltic Sea region thanks to closer cooperation between companies and students which is being promoted through projects like the Baltic Training Programme;
- › Maritime safety and accident prevention in the Baltic Sea is being improved by carrying out projects like the Efficient, Safe and Sustainable Traffic at Sea (EfficienSea) and its follow-up EfficienSea2 which focus on developing and testing infrastructure and services for e-Navigation.

“ The Danube is nowadays a symbol of cooperation. This is also thanks to the Danube Strategy which connects countries in its basin and creates an area of cooperation for the old member countries, new member countries and countries which are potentially the next members of the European Union. ”

Robert Fico, Prime Minister of Slovakia
5th EUSDR Annual Forum, Bratislava, 3-4 November 2016



THE EU STRATEGY FOR THE DANUBE REGION (EUSDR)

The first five years of implementation has shown that the EUSDR is bearing fruit. Thanks to the Strategy, several new important macro-regional projects have either been started or further developed (e.g. in the fields of navigability and climate change). By bringing together different stakeholders from different levels, the EUSDR has contributed to an improved culture of cooperation and helped to develop a multicultural dialogue. It has also helped to strengthen coordination and develop synergies between



EXAMPLES

- › In the Danube river basin, the coordinated management of water and risk management through projects like SEERISK is significantly reducing the risk of damage by floods;
- › Bottlenecks in the Danube's navigability are being removed and security of its navigation improved through projects such as FAIRWAY and DARIF - Danube River Forum;
- › Cultural dialogue and the active participation of young people in civil society in the Danube region is being encouraged by projects like Empowering Young People - Connecting Europe.

policies and institutions at the national level, and supported intensified thematic cooperation with the non-EU countries, and between existing international organisations in the region.

THE EU STRATEGY FOR THE ADRIATIC AND IONIAN REGION (EUSAIR)



“ The EUSAIR has a strong political added value, reflected in the participation of four EU countries and four non-EU countries, thus stimulating the European path of EU candidates and potential candidates. ”

Paolo Gentiloni, Italian Minister of Foreign Affairs and International Cooperation EUSAIR Launch Conference, Brussels, 18 November 2014





Since the launch in 2014, the EUSAIR is slowly taking shape. Over its short life span, the work has focused primarily on setting up the effective governance structures and rules needed to run and move the Strategy forward and to deliver the expected results. Priority actions on which the initial work should be concentrated have also been identified (e.g. maritime spatial planning and the development of motorways of the sea). To some extent, the Strategy has already contributed to better cooperation and coordination among the countries concerned.

EXAMPLES

- › Cooperation with EU countries on concrete issues of common interest within the EUSAIR is helping those Western Balkan countries participating in the Strategy with their EU integration process;
- › With the aim of achieving sustainable economic growth which is respectful of the environment, green/blue corridors linking the land and sea in the Adriatic and Ionian Sea have been identified as a one of the key areas where strategic projects should be promoted.



“ *Alpine regions have a long lasting tradition of cooperation, with a number of networks already in place, and the ambition of this Strategy is to strengthen this existing solidarity.* ”

Corina Crețu, Commissioner for Regional Policy
Launch Conference of the EUSALP, Brdo, 25 January 2016

THE EU STRATEGY FOR THE ALPINE REGION (EUSALP)

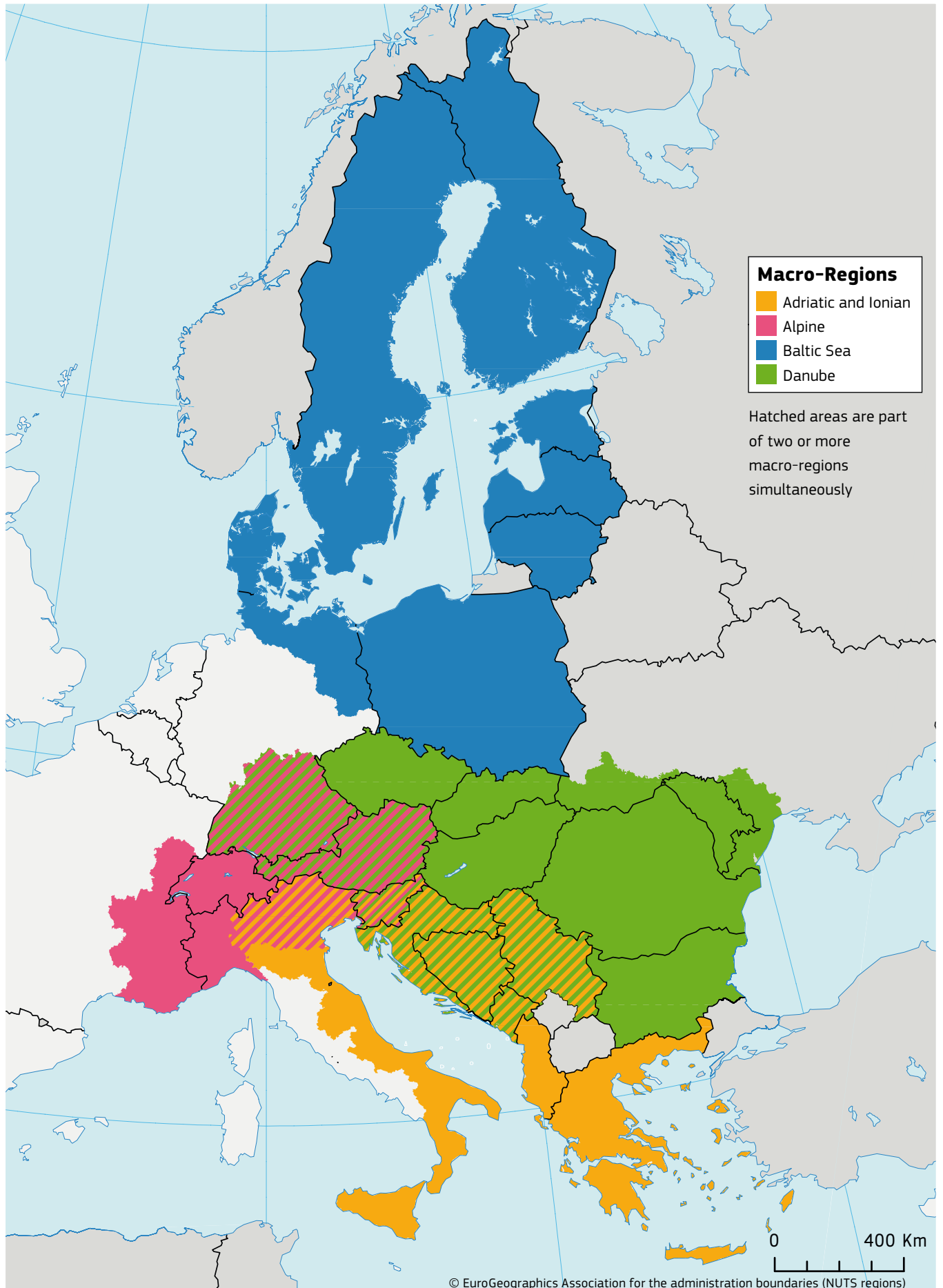
The EUSALP, the 'youngest child' in the EU macro-regional strategies family, got off to a very promising start in 2016. As the Strategy is still in its initial phase, conclusions have yet to be drawn regarding its implementation. However, some initial achievements are already evident. These include agreement on governance structures and rules, as well as the identification of thematic topics (e.g. improving the value chain of alpine wood, and focusing on climate change adaptation) which are needed in order to implement the EUSALP Action Plan. The key results of the Strategy are still to come. ■

EXAMPLES

- › Establishing a cross-border educational space for dual vocational training in the Alpine region will be addressed through projects like mountErasmus;
- › Ecological connectivity across the entire EUSALP territory will be improved by focusing, for example, on the establishment and development of a European Network for Green Infrastructure (TEN-G) in the region.

FIND OUT MORE

http://ec.europa.eu/regional_policy/en/policy/cooperation/macro-regional-strategies/
www.balticsea-region.eu/
www.danube-region.eu/
www.adriatic-ionian.eu/
www.alpine-region.eu/



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contributions!

In Your Own Words is the section of *Panorama* where stakeholders at local, regional, national and European level give their views and outline their plans for the 2014-2020 period.

Panorama welcomes your contributions in your language, which we may feature in future editions. Please contact us for further information about deadlines and guidelines for your contribution. regio-panorama@ec.europa.eu

EU FUNDS – FOR PERSPECTIVE AND SUSTAINABLE ENTREPRENEURSHIP IN LATVIA

Cohesion Policy has been an integral part of Latvia's economic development strategy since the country's accession to the European Union in 2004.

To date, the support provided has been a vitally important benefit for each and every Latvian resident. At the same time, we see that the opportunities provided by Cohesion Policy are going to be substantial in the future growth of our economy, too. This year, Latvia is going to focus on the effective implementation of projects and appropriate risk management so that it will be able to use the potential provided by EU funding purposefully and in full.

As before, support for entrepreneurship is also one of the top priorities in Latvia during the EU funding programming period 2014-2020. Support is available for training employees, research, technological development and innovation, competitiveness and the promotion of small and medium-sized enterprises, and introducing new products into production.

At present, project evaluation is completed under the programme for the establishment of production premises and infrastructure, which aims to promote the development of industrial sites and processing industry in Latvia's regions. Also, incubators of national and regional significance have been set up in the municipalities, along with an incubator for creative industries in Riga. Compared to the previous period, their numbers have risen to satisfy the continuously growing demand from enterprises.



In addition, project agreements have been signed with all the approved clusters, and implementation of the first activities is already under way. The result of the cluster programme is expected to give a high return – in case of favourable market conditions, it is expected that the total exporting volume of the approved 13 clusters could increase by more than EUR 100 million, which means that this increase in volume would surpass the funding invested in the programme.

Financial instruments have been launched, too – micro-loans and loans for business start-ups, loans for growth, accelerator programmes, loan guarantees, etc. In this way, through various financial instruments, 1706 entrepreneurs have already received support.

At the same time, funding through grants is continuing to help the competitiveness of enterprises, providing support for innovation, using the potential of science, and for business competitiveness. Alongside the highly effective financial instruments, grants are able to reach and support those entrepreneurs who need specific assistance, and where the territories' social and economic levels are not sufficiently well developed to effectively attract financial instruments.

EU funding is crucial for an entrepreneur, if he or she has a good business idea with great potential which can provide sustainable results, too. ■

DANA REIZNIECE-OZOLA
Minister of Finance, Latvia

RESULTS ORIENTATION: HOW WE MEASURE THE IMPACT OF STRUCTURAL FUNDS IN DENMARK

In collaboration with Statistics Denmark and the Danish regions, the Danish Business Authority has developed a tool for measuring the impact of regional growth policy in Denmark.

During the period 2014-2020, the European Regional Development Fund and the European Social Fund will invest approximately EUR 400 million in creating growth and jobs in Denmark. As in any other Member State, the outputs and results of the Danish Structural Fund projects are measured using a number of indicators, including common indicators. Although these are useful, they have their limitations, i.e. the fact that they are self-assessed and are only measured while the projects are running. The key results of the Danish Structural Fund projects typically appear after project completion – often several years after completion.

With this in mind, the Danish Business Authority and the regional growth forums have joined forces with Statistics Denmark in order to measure how companies participating in Structural Fund projects actually perform in terms of, for example, employment and turnover, both during the project period and, more importantly, after project completion.

Whether or not the Structural Fund projects have made a difference is measured by comparing the development of the participating companies against control groups, i.e. similar companies that did not take part in Structural Fund projects. If the participants have experienced significantly stronger growth than the control group, this is interpreted as a sign that the participation had a positive impact.

The latest impact measurement focused on around 150 Structural Funds projects that were launched in the period 2010-2012. These projects had more than 7000 participating private companies whose growth was measured by the end of 2015 and compared with control groups (2015 is the latest data). The impact measurement indicates that the Structural Fund projects have helped to create approximately 4200 private full-time jobs, equivalent to about EUR 75 000 per job. At the same time, the impact measurement estimates that the projects have helped boost the turnover of the companies involved by about EUR 850 million.



^ Silkeborg (Jutland), Office of the Managing Authority in Denmark

The first corresponding impact measurements for the programme period of 2014-2020 are expected to be completed in 2018. These measurements will not only concentrate on the companies involved, but also on the people involved. In particular, as regards Social Fund projects, it is often relevant to measure whether the unemployed find jobs, or whether young people complete an education, etc. This can also be evaluated using data from Statistics Denmark. ■

HANS HENRIK NØRGAARD

Chief Adviser, Danish Business Authority

EU STRUCTURAL FUNDS HAVE TO SUPPORT SELF-MANAGEMENT

When we talk about Structural Funds, three key phrases stand out above all others: excessive bureaucracy, dependence on aid, and increased competitiveness.

Although two of these phrases have rather negative connotations, it is clear that the effect of Structural Funds on increasing the competitiveness of the state and business has been remarkable in Estonia, although underestimated at times.

Nevertheless, it has been and continues to be important to keep a close rein on negative reactions. To prevent such negativity from resurfacing, we need to ask for constant feedback from both aid recipients as well as non-governmental organisations which represent the general interests of an industry.

The amount of bureaucracy linked to the funds is something that entrepreneurs claim has been growing over time. If more than 20% of project expenditure is spent on reporting and related costs, then that is clearly too much. It would make much more sense to direct these resources towards achieving the main objectives of various measures. It is essential to focus more on impact objectives and the evaluation of each project's final results than on constant reporting. For smaller enterprises in particular, this can be too much and can lead to much frustration.

More trust should be placed in grant recipients as it is unreasonable to check and audit everything since that increases the costs for both the entrepreneur and the state.

Developing a dependence on grants has been a problem in all countries, regardless of the actual source of the funding.

This should be avoided as the money will eventually dry up, so the resources should be used to boost development rather than as operating subsidies.

There are a few sectors in which dependence has become a significant problem, and not only in Estonia. One of the most complex fields is agriculture, for instance, but there are others, too. The main trap to avoid is causing the 'learned helplessness syndrome' by creating an illusion of omnipotent and never-ending assistance.

Structural Funds should help the economy as a whole become more competitive – this should be the primary objective. In the case of receiving aid, it is important to treat major companies and small enterprises equally, and to give more support to those that have been in the market for a while and are seemingly managing well on their own. Competition in the business world is a tough game, and to succeed in international markets a player must be willing to put in a lot of work and money.

Larger companies are willing to contribute more themselves, so if we add EU Structural Funds to that, the results could be much better. In turn, we must not forget that major businesses provide work for dozens of smaller ones. In some cases, the number of subcontractors could reach hundreds, and their success is often dependent on their larger partner. Directing assistance in a more sensible way would also bring considerable savings on administrative expenses. ■



MAIT PALTS

*Director General
Estonian Chamber of Commerce and Industry*

PROJECTS

ENVIRONMENTALLY FRIENDLY MOBILITY IN LATVIA

**TOTAL INVESTMENT:
EUR 7 835 300**

**EU CONTRIBUTION:
EUR 6 660 000**

The Establishment of charging infrastructure for electric vehicles project aims to create a country-wide Latvian network of 150 electric vehicles charging outlets in line with the EU's alternative fuel infrastructure requirements. The project will lower the country's dependence on oil and lead to substantially more electric vehicles on Latvian roads.



The electromobility project's main objective is to reduce Latvia's dependence on oil by creating a nationwide network of electric vehicle (EV) charging outlets so as to increase the number of electric vehicles using Latvian roads. Such innovation in the country's transport sector will increase its efficiency, ensure greater mobility and encourage the development and use of more renewable technologies across Latvia. It will also improve the quality of life in cities and towns where air pollution resulting from traffic congestion is a growing health concern.

The project goal is to build an appropriate number of publicly available charging outlets by the end of 2020 to ensure the circulation of EVs in all major cities, surrounding areas and any other densely populated areas in Latvia. These objectives are in line with EU Directives on the deployment of alternative fuels infrastructure.

The project is funded mainly by the European Regional Development Fund (ERDF) with the remainder coming from the Latvian government's budget. This funding will support the development of 150 new EV charging outlets and an estimated 747 more electric vehicles registered for use on roads across Latvia by 2023.

Taking charge

In particular, project activities will research and investigate the best possible locations for EV charging points then build these charging station sites and associated electrical connections. Project activities also include developing a management and monitoring system for the stations to ensure the efficient administration and control of operations, accounting for the services provided, and payment methods for charging the electric vehicles.

By constructing a rational number of EV charging stations at the right locations the project will ensure that EVs can recharge quickly, avoiding downtime and increasing the distances that can be driven in electric vehicles. This new, innovative and considered EV infrastructure will therefore contribute to a more sustainable transport sector, less fossil-fuel dependency in Latvia and lower levels of pollution. ■

FIND OUT MORE

www.etransports.lv



PROJECTS

STAYING DRY IN THE SKY COME WIND, RAIN OR SHINE

**TOTAL INVESTMENT:
EUR 1 744 700**

**EU CONTRIBUTION:
EUR 1 146 600**

WP Systems, based in Ruhland, Germany, has patented SkyServiceShop, a mobile workshop which incorporates an innovative motor-blade maintenance system. The chamber, which is the first to enable plannable blade servicing whatever the weather, is set to improve efficiency and cost savings for wind power plants.

Today, maintenance work that has to be carried out on the rotor blades of wind turbines can prove problematic – industrial climbers, ropes and platforms are often used, but their ability to carry out the work is weather-dependent. This means the number of repair days available in a year is limited, due to fluctuating temperature and climatic conditions which cause problems when planning inspections, maintenance and repairs for wind power plants.

This results in greater damage to the wind turbine blades requiring additional investment to maintain and repair them. Consequently, on a global scale, the wind farms currently in operation are not being used to their full potential.

In response to the challenge of how to carry out maintenance work on wind turbine plants all-year-round, the European Regional and Development Fund is supporting the innovative SkyServiceShop initiative.

With the help of experienced aviation development engineers and professional industrial designers, the WP Systems team has devised a novel concept for a covered service platform which can be attached to the rotor blade while still on the turbine. This patented flexible solution appears to match customers' requirements and is expected to fill a substantial gap in the wind power maintenance market.

Innovative, adaptable and safe

The SkyServiceShop is an enclosed mobile maintenance chamber with a workshop-like environment. This protects the operatives from the wet and cold, enabling inspections, maintenance and repairs to be carried out on wind turbine blades whatever the weather, quickly, cost-effectively and on-schedule.

In particular, the chamber is made-up of a novel moving floor which seals it to the rotor blade as tightly as possible. The chamber can be adapted to a range of blade sizes and types, and the floor can extend right up to the surface of the blade. This guarantees unhindered access to areas where repairs may be required.

The chamber can even be used in wet conditions, thanks to the SkyServiceShop's sealing concept which re-routes rain-water away from the attended area. Heating, air-conditioning and the ergonomics of the chamber provide all the conditions necessary to deliver efficient and professional maintenance services.

The chamber can also be transported as a trailer at the back of a vehicle, and has tailored specifications to ensure the safety of the operators working within it. ■

FIND OUT MORE

<http://windpowersystems.de/>

AGENDA

1-2 JUNE 2017

Helsinki (FI)

Smart Regions II Conference

26-27 JUNE 2017

Brussels (BE)

Cohesion Forum

9-12 OCTOBER 2017

Brussels (BE)

European Week of Regions and Cities

10 OCTOBER 2017

Brussels (BE)

RegioStars Awards Ceremony

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http://ec.europa.eu/regional_policy/en/newsroom/events/



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