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Boosting innovation across the regions



SMART
SOLUTIONS
FOR GROWTH
AND JOBS



REGIOSTARS
AWARDS 2017:
24 PROJECTS IN
THE SPOTLIGHTS

Regional and
Urban Policy

PANORAMA

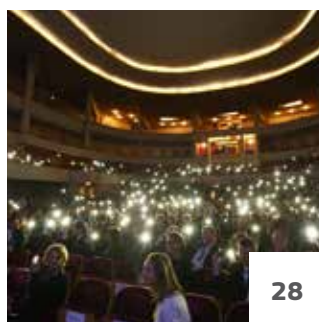
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The autumn issue of Panorama focusses on innovation. An interview with Commissioner Corina Crețu gives us the state of play and next steps in preparation for post-2020 Cohesion Policy. Our in-depth regional feature showcases North Middle Sweden, where traditional manufacturing industries are disappearing to make way for a more modern knowledge economy. Smart specialisation strategies have helped them identify areas for growth, and we feature a series of projects which have benefitted from this new approach.

Smart specialisation is also treated in more detail in an article on the Commission's recent Communication, which lays out the future of the strategy. Contributions from stakeholders across the EU show how it is already bearing fruit. A recent report by

the World Bank on doing business in Bulgaria, Hungary and Romania compares these Member States' business-friendliness with other countries around the world and makes recommendations for improvements. We survey the main findings.

We also list the finalists for this year's RegioStars Awards, profile four more Interreg Volunteer Youths, 'In Your Own Words' includes contributions from Finland, the Czech Republic, Portugal, Italy and Latvia and the picture spread points the camera at projects across Sweden.

I wish you a pleasant read.

AGNÈS MONFRET

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

EDITORIAL

“The wind is back in Europe’s sails. We now have a window of opportunity, but it will not stay open forever. Let us make the most of the momentum, catch the wind on our sails”.

With these words in his State of the Union Speech of this year, President Juncker invited all Europeans to build on the current favourable context to join forces and achieve further integration among countries and citizens. In particular, President Juncker made the case for a *“Union of equality”*, where *“there can be no second-class citizens”*.

Dear reader, barely a sentence could better embody the ultimate purpose of Cohesion Policy. Because this is exactly what we have been working for over the last 40 years: making sure that every European citizen, regardless of where she or he lives, has access to the same opportunities and can benefit under the same conditions from the advantages of the world’s largest internal market.

Cohesion Policy supports people’s projects, hopes and dreams in each and every region of the EU, but the spotlight is often set in less developed regions. This is why I am glad that this Panorama issue covers a large report on a Swedish region, Norra Mellansverige. These pages provide a stimulating insight into what Cohesion Policy is doing and achieving in



this region, but also paints a lively picture of the extraordinary European commitment of the Cohesion Policy practitioners on the ground. This commitment equally impressed me last November, when I had the opportunity to visit Stockholm and the Västmanland region.

In fact, this and other visits have made me even more confident about the ability of our policy to bring tangible benefits to all EU regions. Cohesion Policy indeed supports investments in all 276 regions of the European Union. In many cases, investments yield benefits even beyond borders, for example when they are carried out by enterprises from other EU countries. But this is not all. Fundamentally, Cohesion Policy empowers European regions to tackle together common challenges, such as globalisation, technological change and migration, which none of them could address alone. Another way to say, like President Juncker, that together we are stronger. ■

CORINA CREȚU

European Commissioner for Regional Policy



INTERVIEW

Well under way towards post-2020 Cohesion Policy

Following the promising outcome of the Cohesion Forum of last June, Commissioner Corina Crețu updates Panorama readers on the preparations for post-2020 Cohesion Policy.

The Cohesion Forum was presented as a milestone in the discussions on the future of Cohesion Policy. What is your take on the event and its impact on the discussions?

The Forum was a great success, with over 700 participants from across Europe, including many representatives of regions. There was an overall consensus that tackling disparities and inequalities is a major priority for the EU. Cohesion Policy is back at the centre of the European agenda, with a new 'momentum'. It should remain the key investment and innovation policy to deliver smart and sustainable growth for everybody, all over Europe.

I took home three key messages: first, Europe needs less division and more cohesion; second, Cohesion Policy is the cement that holds Europe together; and

third, tomorrow's Cohesion Policy must be more flexible and simpler. However, we have to strike the right balance between modernising our policy and not overwhelming our beneficiaries with radical changes every seven years.

Following publication of the 'Reflection Paper on the Future of EU Finances' by Commissioners Oettinger and yourself, there has been plenty of buzz around the Cohesion Policy post-2020 budget. Where do we stand now in the debate and what are your expectations?

The Reflection Paper is an important voice in the debate on the future of the Union. EU citizens expect the Union to address many new challenges: migration, external border control or globalisation, as well as many long-standing priorities: reducing social and territorial inequalities, innovation, infrastructure investment, and transition to a low-carbon economy. At the same time, Brexit means fewer resources. Therefore, future EU budgets must be spent more efficiently, on programmes with proven EU added value, while providing more incentives for Member States to implement structural reforms.

The paper includes many suggestions and options to reform EU funds. However, it launches the debate but does not present definitive proposals or answers. Responses will help the Commission prepare its proposals for the next Multiannual Financial Framework in mid-2018.

Every seven years, the Commission works on 'simplifying access to and use of the EU Cohesion Funds'. The High-level Group on Simplification for Beneficiaries of ESI Funds has recently delivered the outcome of its work. Have things really moved forward? What are the next steps for the post-2020 programming period?

Things have already started moving forward: for example, the omnibus proposals extended the scope of simplified costs. Furthermore, together with national auditors, we are addressing a number of recommendations from the High Level Group to limit audit burden, increase legal certainty and identify gold-plating practices.

For post-2020, we need a radical reduction in cohesion legislation and guidance. We need to keep elements that make this

policy unique, like ex-ante conditionalities, but without falling into micromanagement. The same rules should also apply to the same types of interventions, irrespective of funding sources. We must make our rules less complex. Hence, we need further differentiation to better reflect different needs and potentials, working more on outcomes and results rather than on invoices, with greater use of 'off-the-shelf' simplified costs.

It is said that an alliance for Cohesion Policy is in the making. What are the goals of this alliance?

Debates on the future of Cohesion Policy have intensified in recent months and this is likely to continue. That's why, last May, with Commissioner Thyssen, I proposed that all Cohesion Policy stakeholders engage in a "broad coalition to raise the profile" of our policy. The aim was to join forces to show how much this policy contributes to improving the life of European citizens.

Ahead of negotiations on the future financial period, post-2020, I believe that such a coalition can be a key factor in ensuring this much-needed policy remains strongly funded in future. If Europe's regions and cities, hospitals, schools, SMEs, NGOs, along with individual MEPs all speak with one voice to call for a strong post-2020 Cohesion Policy, who can argue with them?

The Committee of the Regions, expressed its interest, at the earliest stage, in coordinating the setting up and work of this 'cohesion alliance', therefore it is not for me to say what it should do. However,

I imagine that such a broad alliance could make its voice heard by launching an online petition, for instance, or by gathering very short video messages of beneficiaries (schoolteachers, tram users, mayors, business people, etc.) stating why, at their level, they support a strong Cohesion Policy.

As the saying goes: 'The proof of the pudding is in the eating'. In other words: let those who have experienced the benefits of Cohesion Policy in their region speak louder!

The European Week of Regions and Cities will take place on 9-12 October. What is your message for the thousands of participants coming to Brussels?

The strength of this policy lies in the commitment, knowledge and patient work of thousands of practitioners across our regions. I would like to ask them to put all of this into their luggage, share it with us and get inspired from mutual exchanges. It is the very heart of Europe that beats in these interactions beyond borders. ■





“My ambition is to make this initiative as tangible and visible as possible in order to reach the maximum number of local, regional, national and European elected representatives, and beyond that, to reach all those who experience the added value of Cohesion Policy on a daily basis.”

Promoting a strong, effective and visible Cohesion Policy

Karl-Heinz Lambertz, President of the European Committee of the Regions, explains how the recently launched #CohesionAlliance initiative aims to raise awareness among European citizens of the EU’s main investment policy.

This year, without doubt, the European Union has avoided two populist and particularly dangerous threats to its unity in the Netherlands and in France. Proof of its desire to reform can be found at the highest level in its reflections on the future of Europe, yet today it remains at a crossroads.

Attempts at reform have been made, sometimes for the better, but the ‘old’ policies still pose a threat – primarily Cohesion Policy and the common agricultural policy. At the same time, new challenges are appearing, such as Brexit or the need to do more for the safety of citizens, defence, managing migration and refugees, and foreign policy.

In this situation, it would be a mistake to choose the wrong objectives, which is why the European Committee of the Regions (CoR) defends a strong, effective Cohesion Policy that is visible to citizens.

To better defend it, the #CohesionAlliance or Alliance for Cohesion has been established. There is too little awareness of the Cohesion Policy among the general public, even though it is the EU’s main investment policy. Indeed, there is a tendency to forget how Europe would look without this policy.

The figures say it all

As highlighted in the discussion paper on the future of EU finances, it should never be forgotten that for the 2007-2013 period, Cohesion Policy provided financial assistance for 121 400 start-ups and some 400 000 SMEs, 94 955 research projects and 33 556 cooperation projects between SMEs and research centres, 41 600 new long-term jobs related to research, 1500 km of improved rail track in the Trans-European Transport Network and, finally, 49.7 million participations in interventions aimed at improving human capital, nearly half of which led to the acquisition of new skills.

For its citizens, a Europe that offers protection, in particular from the negative effects of globalisation, is embodied in its Cohesion Policy. It is also no coincidence that citizen support for this policy is constantly increasing, as demonstrated by the recent Eurobarometer survey of June 2017, in which 78% of citizens consider EU regional investments have had a positive impact on their town or region.

This protection is tangible – the figures speak for themselves – but Cohesion Policy remains one of the most attacked European policies in a context where, in the future, we expect to see a drastic reduction in the Multiannual Financial Framework (MFF), particularly as a result of the United Kingdom's exit from the EU.

My analysis is as follows: the CoR alone cannot defend this policy and achieve the expected results. Through the #CohesionAlliance, it must be the catalyst for all pro-cohesion initiatives taking root in the territories. These initiatives are numerous and of good quality: cities, regions, civil society, the economic world, associations and networks are all mobilising to propose a new Cohesion Policy for the future.

In effect, the idea is not to embrace the immutable principles of a fixed policy of cohesion. On the contrary, the solution is to show that in order for the Cohesion Policy to continue, it must be transformed by relying on its founding principles and a virtuous triad based on territorial cohesion, mobilisation of the private sector through suitable financial instruments, and by being part of a more flexible Stability and Growth Pact.

The CoR's opinion "in favour of a strong and effective post-2020 European Cohesion Policy" underlines this direction: a budget to match our ambitions; reaffirmation of the principle of partnership

policy based on a territorial approach; a drastic simplification of procedures, in particular for management and control, based on the principles of differentiation and proportionality; a stronger link to structural reforms through ex-ante conditionality; new indicators to allocate funds and better take into account sub-regional disparities; and improved visibility of results.

Joining forces

It is these principles around which the CoR and the major associations of local authorities (CPMR, AER, Eurocities, CEMR, AEBR) have come together to create this #CohesionAlliance platform, intended to rally all initiatives that can be identified among these general principles. Thus, the CoR can become the institutional spokesperson for the territories and demands of citizens in negotiations on the future MFF and in developing future regulations that will guide the use of the European Structural and Investment Funds.

Following the adoption of the opinion of the CoR on 12 May 2017, and the launch of the great #CohesionAlliance initiative on 18 May, we will politically launch this platform on the occasion of the European Week of Regions and Cities on 9 October.

My ambition is to make this initiative as tangible and visible as possible in order to reach the maximum number of local, regional, national and European elected representatives, and beyond that, to reach all those who experience the added value of Cohesion Policy on a daily basis.

For this very reason, this alliance will be at the heart of the meeting on 10 October between the European Parliament's 'Regional Development' committee and CoR's 'Territorial Cohesion' committee. Along with Commissioner Crețu, it will be important to convey these messages to the General Affairs Council on 15 November in order to continue raising the awareness of those Member States which will be taking budget decisions crucial to the future of Europe.

Together with the Alliance, we will gather all our energies to defend Cohesion Policy in the interest of all Europeans. ■

FIND OUT MORE

<http://cor.europa.eu/Pages/welcome.html>

IN YOUR OWN WORDS

PANORAMA
welcomes your
contributions!

In light of the forthcoming 7th Cohesion Report, we have devoted this issue's In Your Own Words section to more contributions from stakeholders at local, regional, national and European level to the ongoing and crucial discussions on Cohesion Policy post-2020.

Panorama welcomes your contributions 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

Cohesion Policy post-2020 – a complex mix of priorities

Portugal firmly supports keeping a strong Cohesion Policy, with adequate resources to pursue its main objectives: enabling Member States and regions to converge with the European Union's development standards.

To this end, it is important to maintain a solid EU budget, looking for new solutions in the context of the debate on Europe's own resources (for which the contributions from the Monti Report cannot be ignored), that meet the results of Brexit and, of course, the financing of new challenges and policies.

Cohesion Policy must increasingly strengthen its focus on competitiveness by supporting innovation, skills and employment as key factors for real convergence and lasting cohesion.

But this approach must be complemented with specific tools to support convergence of cohesion countries. And the focus on planning and results must be safeguarded.

Ex-ante conditionalities should be maintained and strengthened and, where appropriate, ex-post conditionalities created, with "incentives" to stimulate the convergence of the least-developed Member States.



Pedro Marques
Minister of Planning and
Infrastructures, Portugal

A similar contractual logic ought to guide a deeper and less bureaucratic shared management between the European Commission and Member States, on the basis of "trust contracts". Within the perspective of contracting results, more can be done to reinforce the link between national reform programmes and the implementation of the Structural Funds.

To do this, we need to reconcile policies and measures to support competitiveness for convergence and employment, on the one hand, with others aimed at improving territorial competitiveness and cohesion, on the other.

Initially, policies should focus on: innovation and knowledge, to ensure conditions of business competitiveness and

the development of scientific and technological grounds for renewed strategies based on innovation; and on qualification, training and employment to ensure the availability of human resources with the necessary skills for economic and social development and upgrading.

On the other hand, policies and measures geared towards territorial competitiveness and cohesion should focus on: (i) energy and climate change, ensuring conditions for reducing energy dependency; (ii) the economy of the sea, reinforcing its strategic potential (including the maritime frontier); (iii) reinforcing the link to global networks and markets, promoting competitiveness and attractiveness of urban regions as well as their social cohesion; and (iv) additional focus on low-density and cross-border territories, to strengthen cross-border cooperation and their competitiveness, taking advantage of endogenous resources.

In brief, this is the complex mix of priorities that Cohesion Policy must address – preparing European economies to face an inevitable structural economic change in the context of globalisation and digital transformation while, at the same time, keeping to the path of a sustained reduction in territorial inequalities. ■

Cohesion Policy post-2020 simpler for everyone

Cohesion Policy lays the foundations for positive changes in the socio-economic development of the Member States. It has significantly reduced disparities among the regions and at the administrative level. In addition, it has contributed to considerable growth in the EU. In the coming months, we will have a lot of work preparing the Cohesion Policy framework for the next programming period (post-2020). So, what should we focus on?

Cohesion Policy, with its interventions aiming at the well-targeted development of the Member States, strengthens regions' competitiveness, contributes to real convergence within the EU, and supports the completion of the Single Market. As the EU's main investment policy, Cohesion Policy has to remain a stable and strong instrument focused on regional development in the future.

In my opinion, this policy must be based on a long-term strategy and governance on all three levels of its implementation – European, national and regional/local. Good governance is a prerequisite for a friendly investment environment, effective absorption and for attaining the strategic goals. Furthermore, it allows for

a flexible response to unforeseen global and European challenges that might impact on our lives in the EU.

We need EU instruments whereby each individual citizen can see their results in everyday life. In the future, there is an opportunity to make Cohesion Policy even more visible and understandable in every Member State. Better coordination, matching complementarities and finding synergies among various EU support programmes is another challenge for the post-2020 policy.



Karla Šlechtová
Minister of Regional Development,
Czech Republic

The implementation of Cohesion Policy must be network-oriented with the involvement of territorial partners and businesses, as cooperation must be carried out both horizontally and vertically. In the Czech Republic, our ministry is fully implementing open-partnership platforms where stakeholders have a chance to discuss the

future of Cohesion Policy. In addition, we encourage and are prepared to lead discussions on multinational platforms to create a basis for any future decisions.

In conclusion, we should take the opportunity now to stress the importance of Cohesion Policy. All Member States have to cooperate with the Commission to create its future shape of it, reflecting on lessons learnt and rebuilding trust at all levels. A simpler system of implementation with less administrative burden could be a reality and it is our commitment to develop such system. Another important aspect is focusing on shared management, which is a manifestation of common commitments and strengthens political ownership between the Commission and Member States. ■

Cohesion Policy can successfully address new strategic challenges

Cohesion Policy is the most productive EU-level instrument which can bring about the real strategic change our citizens are demanding. It can be achieved only through ensuring sufficient funding, increased domestic ownership and a considerably reduced regulatory approach.



Dana Reizniece-Ozola
Minister of Finance, Latvia

Thanks mainly to Cohesion Policy funding, Baltic States have been one of the best performers in convergence. Since joining the EU, Latvia's GDP per capita in comparison with the EU average rate increased from 47% (in 2004) to 65% (2016), which is essential progress. European Structural and Investment Funds were important in overcoming the crisis – over the period 2008-2015, GDP growth increased by an average 1.3% a year.

However, in spite of the policy's success up to now, it would take Latvia a long time to reach the EU average in terms of GDP per capita. These timelines do not meet the expectations of the citizens and are triggering disappointment and rising Euroscepticism – in both less-developed and developed regions.

Cohesion Policy itself can successfully address new strategic challenges facing the EU. Therefore, it would be very short-sighted to undermine the importance of cohesion. It should be better targeted and used to support measures which have a verifiable effect on potential growth, increasing competitiveness, productivity, and enabling economic transformation.

One of the main reasons for the success of Cohesion Policy in Latvia is that we recognised the importance of these funds in bringing about strategic reforms early on. Therefore, I see a strong case for further linking Cohesion Policy closely with structural reforms. However, several preconditions should be met for this link to become more efficient.

Cohesion Policy itself should be improved to make it into an even more strategic instrument. Delivery mechanisms have to be revised and simplified radically – until now, simplification efforts have not resulted in real simplification. Now in the fourth year of the current programming period, all across the EU we see very little progress

on the ground, because national and regional administrations are still trying to get to grips with all the bureaucratic procedures.

The key element is trust. If a country or region has proven time and again that it is able to make efficient and sound use of the funds, it should be trusted to establish efficient control procedures and make its own strategic choices for implementing the best Cohesion Policy. ■

“One of the main reasons for the success of Cohesion Policy in Latvia is that we recognised the importance of these funds in bringing about strategic reforms early on. Therefore, I see a strong case for further linking Cohesion Policy closely with structural reforms.”

The case for a common Cohesion Policy

A Cohesion Policy that includes all regions – the strongest and the weakest – is vital for the success of the European Union.

Europe's regions are the backbone of the European Union – politically, economically, socially and culturally. Continued strong support for regions after 2020 is therefore vital to Europe's success. The European Structural and Investment Funds (ESIF) enable us to create real impetus and increase investment. They ensure that Europe is meaningful and accessible to citizens, encouraging cooperation.



Beate Merk
Minister of State for European
affairs and regional
relations of Bavaria, Germany

From an early stage, Bavaria has developed its positions on the ESIF reform that will take place after 2020. Our core concern, which we share with Europe's other regions, is to preserve a suitable level of the ESIF for all European regions. This is especially the case for the more developed regions such as Bavaria so that their stronger regional

excellence continues to benefit their less-well-developed neighbours through increased demand and extra added value. A common European support policy brings Europe together instead of dividing it into 'donors' and 'recipients'.

There is also more to a strong region like Bavaria than booming towns and cities. In particular, the districts bordering the Czech Republic are part of structurally weaker areas, and therefore priority areas for European Regional Development Fund intervention.

EU regional policy is so important to us because it directly affects people in Bavaria and in European regions elsewhere. Many projects in Bavaria can only be implemented thanks to EU funds. In contrast to short-term crisis-management mechanisms, the ESIF provides long-term funding throughout the entire funding period, with funds and resources fixed in advance. This enables a high degree of planning and financial security. It also makes it possible to pursue important pan-European objectives that do not necessarily give 'quick wins' but instead require longer-term political staying power. The long-term, sustainable, grant-based ESIF should not be replaced by selective, short-term funding instruments; instead, its strategic, shared, results-oriented project funding structure should be maintained.

"Build bridges not walls" must be Europe's motto after 2020. All sides should work together without creating unnecessary divisions. This requires even stronger cross-border cooperation.

The Interreg programmes have made an indisputable contribution to Europe's integration. Working with neighbours clearly demonstrates to local people the added value of a stable Europe – the border areas of the past have become the meeting places of the future.

New policy approaches, such as macro-regional strategies, should also be strengthened and further synergies created in transnational EU programmes. As the presiding president of the EU Alpine Strategy (EUSALP), Bavaria is committed to strengthening EU macro-regional strategies after 2020. It is also strongly committed to limiting the bureaucratic burden in funding policy, thereby strengthening self-reliance while ensuring that regional aid maintains its added value.

European Cohesion Policy is a genuine expression of European solidarity – the stronger parties support the weaker ones. Bavaria understands and values this. It has itself experienced solidarity from others on its journey from agricultural state to a land of innovation. Today, Bavarian companies collaborate with partners across Europe. A strategic European regional policy therefore has all European regions within its scope, including the more developed ones. This is the only way we can strengthen social and regional cohesion within and between Member States, while supporting the economic success of all regions. Where we succeed in doing this, and where local people experience concrete successes from European cooperation, citizens will enjoy new-found confidence in the EU. ■

Involving regions and preserving solidarity

Effective processes within the Cohesion Policy, such as smart specialisation strategies and the Urban Agenda, must be reinforced post-2020.



Sonja Palhus, International Affairs Manager, Regional Council of Southwest, Finland

Today, the region of Southwest Finland is doing well. This has not always been the case, but economic growth is gradually gaining ground, thanks to rising investments especially in the blue and manufacturing sectors. Besides this positive

development, the boost is imposing new kind of challenges on the region, meaning that financial instruments and stable grounds for this growth must be assured.

The region's location at the heart of the Baltic Sea has made it a very natural environment for Southwest Finland's actors to engage in and implement the European Union Strategy for the Baltic Sea Region (EUSBSR). This macro-regional strategy has provided a very relevant framework for cross-border cooperation, since the maritime borders have always been an important factor in the region.

The Regional Council of Southwest Finland hosts the only Interreg Managing Authority in Finland – the Central Baltic programme – and therefore directly sees the added value of active and result-driven cross-border cooperation. Working together with the support of the Cohesion Funds on common challenges and strengths brings new ideas and solutions to

the region and will also be strongly supported in the future.

Cohesion Policy post-2020 increases expectations within regional developers. There is a significant need for the next generation of European Cohesion Policy but the reform must not be reduced to a technical exercise and must take a more systematic approach towards sustainable regional economic, social and environmental development.

Thematic concentration should be accompanied with agility and flexibility. In order to implement the regions' visions and understanding of the actions needed, simplification and flexibility of processes are required. More flexibility must be implemented without increasing the possibility for the Commission or Member States to withdraw funds from the region.

Finally, not forgetting what is at the core of Cohesion Policy, the involvement of all regions and solidarity is to be preserved. ■

Cohesion Policy is an important instrument of EU solidarity

Cohesion Policy must play a visible role – in financial terms, too – in all European Union regions, especially to support actions with a clear EU added value.

For disadvantaged regions in particular, Cohesion Policy is the main funding source for investments. But for developed regions, too, it provides strong impetus for economic development and innovation.

Until now, Cohesion Policy in Carinthia has been characterised by a focus on R&D and innovation. Furthermore, the thematic concentration approach should be followed – especially in developed regions – to be able to react to new challenges.

However, to be successful and a real instrument of solidarity, Cohesion Policy must be reformed. This applies in particular to regions where ESI funds make only a relatively small contribution to regional and economic development.

This essential reform should include a real implementation of proportionality and follow the principles of subsidiarity. In addition, actual and expansive simplification must be implemented and there has to be harmonisation with other policy fields (e.g. Horizon 2020).

For Carinthia, which is a classic border region, it is also very important that European territorial cooperation (Interreg) in all three dimensions (cross-border, transnational and interregional) should be continued. This real instrument of European integration and



Armin Schabus
EU programme coordinator,
Office of the Regional Government
of Carinthia, Austria

cooperation is often the only possibility – especially for small regions – to find the right solutions to new challenges.

Under the added value, the macro-regional strategies (EUSALP, EUSDR) should also be seen as important

instruments of cooperation and strategic political networking. By developing strategic goals, the implementation of an integrated approach, based on regional challenges, should be made easier.

This includes the continuation (and simplification) of the community-led local development (CLLD) approach. Carinthia started the 2014-2020 period with the implementation of the CLLD approach in the Italy-Austria Interreg programme as an ambitious pilot in cross-border regional development and an extension of the LEADER approach. It is earnestly requesting that the CLLD instrument remains available after 2020. ■

Why we need a strong Cohesion Policy

Europe is being tested on many fronts, including its Cohesion Policy which is currently being called into question.

While discussions are under way in the European Council and Commission, the position of towns and regions is clear. We believe that it should not only remain one of the EU's fundamental policies, but that it should also be strengthened.

So, why do we stand up for Cohesion Policy? It is because it demonstrates to the people that the EU cares about them.

In Italy alone, between 2007 and 2013, it enabled us to create over 60000 jobs.

This is just one example which shows how Cohesion Policy is bringing change to Europe's territories.

This is why the Council of European Municipalities and Regions (CEMR) advocates a secured budget to enable rich and poor regions to respond to our most pressing challenges, such as migration and climate change.

However, keeping Cohesion Policy as such is not enough: access to funds should be simplified so that territories with fewer resources can also benefit from them.



Stefano Bonaccini
President of Emilia-Romagna and
President of the Council of
European Municipalities and
Regions (CEMR), Belgium

Above all, future Cohesion Policy must be designed in collaboration with Europe's territories. To make this happen, on-the-spot dialogues should be engaged with all local and regional governments, their representative associations and other stakeholders. These should address in particular the impact

of the current Cohesion Policy, its added value as well as the way to improve it.

These dialogues would come at an ideal time for a reflection on the future of Europe. In fact, we recently adopted a position that lays out the local and regional vision for Europe for years to

come. As CEMR president, I call on EU institutions to engage in constructive dialogue with local governments. I also call on local governments to feed these discussions with ideas and suggestions on how to better align the EU with local needs. ■

Innovation and strategic programming for business

Cohesion Policy traditionally provides an effective instrument and a significant supply of funding for the major challenges of competitiveness, innovation and social cohesion that the European regions must address.



Massimo Sabatini
Director Regional Policy
and Territorial Cohesion,
Confindustria, Italy

Cohesion Policy is able to respond to territories according to their requirements and potential. After 2020, these challenges will intensify, and it is therefore essential that the European Union preserves and reinforces the principal instrument it has available for promoting public and private investment, harmonious growth in its territories and the reduction of divergence.

Confindustria considers this policy decisive for the construction of the broader European project of peace and economic growth, and in particular for tackling the competitive challenges that European industry must

face. The constituent elements of the so-called 'fourth Industrial Revolution' – i.e. innovation in production, scientific and technological research, digitisation of production processes, and growth in skills – must be able to find adequate resources and instruments in the future Cohesion Policy. It must also extend the trials conducted with instruments such as Horizon 2020 to a growing proportion of businesses.

Collaboration between European territories with complementary specialisations can bring about the growth of competitiveness in a more balanced way, while the correct ratio between grants and loans will be able to promote investment and the consolidation of SMEs. In the same way, the future Cohesion Policy will be able to promote more favourable productive contexts for businesses, a public administration closer to their needs, and an overall improvement of public action for development, via mechanisms such as ex-ante conditionalities, which will be maintained and become more concentrated.

For all of this, a reformed and simplified policy is needed, more focused on fewer priorities and measurable results, to be selected region by region from a common menu, according to the principle of greater subsidiarity. This means implementation and controls being moved more to the national and

regional level, thereby concentrating European Union action on strategy and strategic programming.

All of this requires a high level of trust between the institutions involved, and an effective and qualified partnership which, at the stage of defining the rules,

knows how to bring about simplification from the point of view of the primary beneficiaries, i.e. businesses. ■

Cohesion Policy can help Europe address the housing challenge

Lack of affordable housing and the resulting exclusion is one of the key risks faced by our cities, regions and societies at large, which is why spending on social housing is an investment with high social impact.

Inadequate housing costs our economies EUR 195 billion annually (Eurofound), while 2016 showed the highest increase in prices since the crisis (Eurostat). The human and economic cost of this policy failure and over-reliance on the market are becoming difficult to brush over. EU Cohesion Policy could do more to address this challenge by building on innovative and established approaches that work.

Access to good-quality, affordable housing is the response no matter what societal challenge is being discussed. Housing defines a person's life as it is an integrative good, linked to health, economic and energy security, transport, education and

employment. It also influences the profile of neighbourhoods and directly affects social cohesion.

As the representative body of public, cooperative and social housing providers across the continent, Housing Europe (www.housingeurope.eu) along with the International Union of Tenants and Delphis has put together, through the European Responsible Housing Awards (www.responsiblehousing.eu), a database of ways in which these associations showcase commitment to values that generate socially innovative solutions. At the same time, they emphasise local social impact in terms of environmental sustainability, good governance and fair relations with stakeholders as well as responsible human-resources management.

In parallel, the Housing Partnership of the EU Urban Agenda, with which Housing Europe is a partner, has delivered the first steps in a Toolkit for Affordable Housing. This presents a wide range



Sorcha Edwards
Secretary General,
Housing Europe

of solutions which are being implemented around Europe to tackle the housing challenge in an affordable way, now and in the long term, from the perspective of cities, developers and policymakers.

In years to come, it will be key that Cohesion Policy further supports these positive experiences and helps Europe house responsibly so that all citizens can benefit. For this, simplicity in accessing funds for those engaged on the ground will be key. The possibility to blend grants and loans (Structural Funds, EIB loans, European Fund for Strategic Investments, etc.) is vital. ■



Smarter growth for Europe's regions through innovation

Globalisation, automation, new technologies and decarbonisation have an impact on jobs, industrial sectors, business models and the way economy and society are conceived.

Europe is experiencing a momentous period of change. Globalisation, automation, decarbonisation, emerging and digital technologies: they all impact on jobs, industrial sectors, business models, the economy and society as a whole.

The future challenge for EU regions is being able to compete at the global level with other most advanced and emerging economic powers as they are more than ever part of a globalised world. Therefore, they need to find ways to become more resilient and competitive by taking concrete actions at EU, national and local levels while ensuring the benefits of globalisation are shared.

Many European regions are well positioned to take advantage of the opportunities offered by globalisation. However, the Commission's reflection paper on globalisation stressed that the competitiveness and innovation divide between some advanced EU regions and less strong ones is widening.

Vulnerable regions can still be found across Europe in Southern or Central and Eastern Europe. Innovation is recognised as one of the main economic drivers for boosting jobs. Identifying these regions' innovation potential and focusing on reinforcing their local strengths, narrowing development gaps, and boosting competitiveness can help strengthen resilience to globalisation.

Smart specialisation strategies reshaping European growth

Here, the EU is making a difference by implementing smart specialisation in each region. Smart specialisation is opening up new opportunities for interregional cooperation around shared priorities, thereby complementing one other's strengths and reshaping the European growth and integration model.

So far, over 120 smart specialisation strategies have been established and are receiving over EUR 65 billion from national and EU funds (including more than EUR 40 billion from the European Regional Development Fund). In total, the funding is expected to help 15 000 businesses to launch new products, support 140 000 start-ups and create 350 000 new jobs by 2020.

Smart specialisation provides a new way of working together, based on collaboration and innovation. It enables regions and industry to empower local solutions, foster competitiveness and maximise growth potential through the economy of scale while creating the prosperity and jobs that Europe's citizens expect.

Four challenges to boosting innovation-led growth in EU regions

With its Communication 'Strengthening Innovation in Europe's Regions: Strategies for resilient, inclusive and sustainable growth'¹, the Commission is committed to boosting innovation-led growth and helping regions seize the opportunities brought by technological change and industrial modernisation.

“Globalisation and the impact of new technologies on society and jobs have profound implications for Europeans’ daily lives in each and every one of our regions, cities and rural areas. Smart specialisation strategies enable regions to hold their own by developing their assets and helping their local businesses access global supply chains, particularly in industry.”

Jean-Claude Juncker, President of the European Commission

The Commission has identified four main challenges to regional innovation as well as some pilot actions to tackle them. These actions will be launched by the end of 2017 to promote larger investments in interregional innovation projects and accompany the industrial modernisation of less-developed regions.

1. Boosting innovation capacity in less-developed regions

Regions undergoing industrial transition face specific challenges and obstacles, notably linked to the fragmentation and sustainability of research and innovation infrastructures, lack of an appropriate skills base and deindustrialisation. Several EU initiatives and funding schemes are helping them to support broad-based innovation and widen their participation in EU research and innovation funds. These include: TAEX Peer-2-Peer, S3 Platforms, Horizon2020 Teaming and Twinning, Stairway to Excellence, and the Lagging Regions initiative. Through pilot actions, the Commission will facilitate the combined use of existing EU instruments, accelerate innovation uptake and remove investment barriers.

2. Increasing cooperation in innovation investment across regions

Smart specialisation strategies, interregional and macro-regional cooperation can help regions to exploit existing complementarities and build EU-wide value chains by encouraging the synergy of investments between the private and public sector and bringing EU-based innovation close to market. Pilot actions will help interregional partnerships to identify concrete business projects and investment opportunities.

3. Further reforming research and innovation systems within regions

Structural reforms and better regulatory and institutional frameworks are essential to improve competitiveness and ensure innovation strategies. The Commission will step up its efforts to encourage Member States to make full use of EU support to facilitate the design and implementation of reforms. This will be achieved through on-demand assistance from the Structural Reform Support Service² and the Horizon 2020 Policy Support Facility³. Finally, the Commission invites Member States to reinforce the dialogue with all stakeholders concerned in the course of the European Semester process.

4. Facilitating synergies between EU policies and instruments

A substantial number of regional, national and European policy programmes and instruments⁴ already exist to encourage innovation, growth and jobs or promote interregional cooperation. The Commission will help national and regional authorities to better combine them and to clarify possible synergies regarding public procurement and state aid.

FIND OUT MORE

<http://bit.ly/2xXgGOF>

<http://bit.ly/2xtHjOD>

<http://s3platform.jrc.ec.europa.eu/>

1) COM(2017) 376 final

2) https://ec.europa.eu/info/departments/structural-reform-support-service_en

3) <http://ec.europa.eu/programmes/horizon2020/en/tags/policy-support-facility/>

4) Joint Technology Initiatives, Public Private Partnerships, European Institute of Innovation and Technology, Knowledge and Sector Skills Alliances under Erasmus+, European Strategic Cluster Partnerships, Enterprise Europe Network, European Innovation Partnerships, Start Up Regions Network, Interreg programmes, etc.



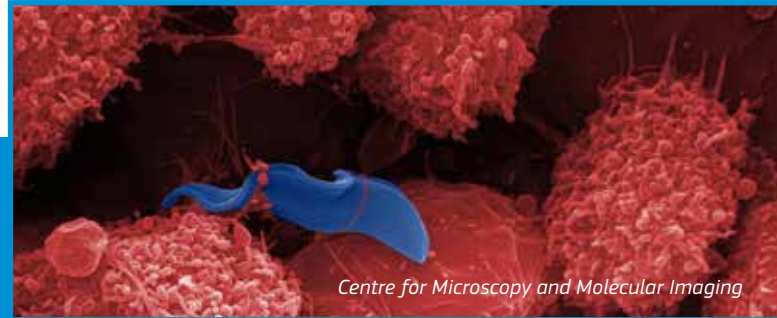
STRONG AND UNITED IN BELGIUM

In 1994, the Université Libre de Bruxelles (ULB) took a gamble and established Charleroi, Belgium, as a biotechnology hub. Thanks to support from Europe and Wallonia, the inauguration of the Institute of Molecular Biology and Medicine (IBMM) took place in 1999.

The ULB's goal was to create a biopark that was both an academic research centre and a driver of economic development for the city of Charleroi which, as the former flagship of the steel industry, was undergoing a complete industrial transformation.

This gamble paid off. Today, the Charleroi Biopark brings together more than 1 100 people within:

- › Four research institutes: the IBMM, the Institute for Medical Immunology, the Centre for Microscopy and Molecular Imaging, and the Plant Biology Research Laboratory;
- › The I-Tech-Incubator, responsible for creating, attracting and supporting the company growth;
- › The HeLSci training centre, which helps companies to grow by developing specific training programmes; and
- › More than 47 companies, several of which are international.



These developments have been possible thanks to the coordination, at the Biopark level, of research activities, training, technology transfer and industrial developments. A smart specialisation strategy has also been implemented to encourage development in three areas: immunology, imaging and cell therapy.

Other determining factors include the will of political bodies to support growth in the sector, the presence in Wallonia of major industry players such as GSK Vaccines or UCB, and the establishment of public and private investor networks – Biopark companies have attracted more than EUR 650 million in private investment.

Without initial investment from the ULB, EU and Wallonia, the Biopark would not exist. However, its ongoing success is also the result of a clear strategy, an alignment of national, regional and local policies, and the convergence of public and private actors. After all, Belgium's motto is "unity makes strength"!

*Dominique Demonté,
Director of BIOPARK Charleroi Brussels South, Belgium*

INVESTING IN SWEDEN'S FUTURE

Sweden's Västra Götaland region is one of Europe's innovation leaders. The country's second largest region, it is home to several large industries, such as Volvo Cars, Volvo Group,

SKF and Astra Zeneca. The region is strong in research and innovation with above-average spending on research and development and five renowned universities. Industry is at the heart of the regional economy and the region is a test bed for many new sustainable technologies.



Smart specialisation is an integrated part of the overall growth and development strategy, Västra Götaland 2020. The strategy prioritises 13 sectors with an emphasis on six areas of strength: life science, transport, green chemistry, materials, textiles, and the maritime sector. Within a framework of thematic programmes, the Västra Götaland region is investing heavily in innovation and development in these sectors, focusing on building long-lasting structures for cooperation, testing and demonstration. Many of these structures are located at the region's six science parks.

Such investments have contributed to preparing the regional economy for economic change. Older, outmoded industries, such as textiles, have managed to transform and remain competitive in the knowledge economy.

Textile production has been the cradle of industrial development in many European countries, including Sweden. During reoccurring economic crises, Sweden lost many jobs when production moved abroad. Nevertheless, the textile industry has never really left the city of Borås, the main hub for textile production in Västra Götaland. Businesses in the region employ two-thirds of the Swedish textile sector. Rather than competing with companies selling cheap t-shirts, innovative new firms in Borås are focusing on niche products.

Västra Götaland is also the main Swedish hub for sustainable transport R&D, employing almost half of the country's automotive sector. Automation, electrification and vehicle ICT are among the industry's competitive sectors. Several large demonstration projects are currently under way in the region, including ElectriCity, where Volvo electric buses are being tested in real life in the city's public transport fleet.

An example of synergies between funds connected to the smart specialisation strategy is Asta Zero, a unique test facility for road and vehicle safety, which opened in 2014. This investment came from regional and national funding complemented with funds from the European Regional Development Fund, and a unique contract signed by the automotive industry promising to use and pay for the facility for several years.

*Hanna Blomdahl,
Senior officer, R&D Unit, Region Västra Götaland, Sweden*

RIS3 AT WORK IN NORTH-EAST ROMANIA



Whether educating a child, building a bridge between two communities, or saving a life in a hospital with cutting-edge technology, we are building trust in human progress through regional planning and by managing EU Structural Funds. We do it is part of our mission, but how and what we do comes from our motivation.

Smart specialisation is crucial to Europeans. S3 has the potential to make significant changes to the entire European economy, by reshaping the dynamic of the whole continent. The European economy is on the move as never before. Our region, North-East Romania, is no exception.

Many improvements have been made in the region thanks to Structural Funds, giving more citizens access to clean water, improved public services, better jobs and greater connectivity, due to new infrastructure. Most public investments have focused on this, and the quality of life has improved consistently ever since.

The S3 in North-East Romania is an inclusive tool for planning and programming – a way to solve societal challenges together and to boost cooperation within the quadruple helix, with the sole purpose of generating development and wealth. A new generation of innovators, start-ups and private players with a global vocation are enabling sectors like agro-food, textiles and new materials, IT&C, healthy living and ageing, biotechnologies and environment to become smart specialisation sectors.

With dedication and hard work, the S3 has generated a pipeline of 129 projects which, if implemented until 2023, will reshape our region forever. There are 65 projects that aim to develop key innovative competences and valorise research results in companies and are targeting financing from OPs. EUR 36.15 million from the Regional Operational Programme (ROP) will support 36 proposals planning to develop technology transfer services. Thanks to an unprecedented effort, the Managing Authority and Regional Development Agencies have created a dedicated objective for RIS3 in the ROP that will use EUR 25 million to support the implementation of the remaining 28 integrated, multi-point intervention projects, focused on key economic regional value chains.

*Vasile Asandei,
Director General of ADR Nord-Est, Romania*



INNOVATION WITHOUT BOUNDARIES



Blauwe As Emerging Disease Campus, Delft

Lying below sea level, the Dutch region of Zuid-Holland is facing a huge challenge adapting to climate change. As a gateway to Europe via the port of Rotterdam, the region is investing heavily in smart and clean transport. Likewise, the metropolitan region must feed the city and provide a safe, clean and healthy environment for its citizens.

Strong economic clusters are bringing innovative solutions in response to these interrelated challenges. This is why the focus is not only on developing but also testing innovations in field labs, as a 24/7 real-life testing ground to develop solutions which can make a real contribution to solving Europe's societal challenges. This approach demands crossovers between disciplines and sectors and sharing expertise with other European cities and regions to continuously improve strategies and learn from one another.

Another important contribution towards Europe's grand societal challenges is reflected in the EUR 1 billion European investments made in the 2007-2014 period and EUR 700 million already funded in the 2014-2020 period. European investments in research and development based on excellence are important and prove the strength of our clusters.

Unique European large-scale open access R&D facilities, like the NeCEN microscope and the Bioprocess Pilot Facility, are financed by the ERDF, along with Dutch valorisation centres and incubators such as YES!Delft. Achievements include 160 start-ups, hundreds of patented technologies, active companies in more than 80 countries, invested capital of over EUR 130 million and more than 1000 jobs.

The InnovationQuarter agency supports regional economic development through a revolving fund – partly financed by the ERDF. In addition, the partners in the region are working with the European Investment Bank on a regional investment platform to boost private investments.

These investments are an important foundation for our regional innovation ecosystem. Companies work closely together and with three universities, two medical centres and universities of applied science to develop and test solutions for today's challenges. Cross-overs include the application of big data for peace and for protection from floods, 3D printing in the maritime and medical industries, and new medicines based on plant extracts. Working closely with other European regions in several EU networks, such as the Vanguard Initiative, is yet another reason for the Zuid-Holland smart specialisation strategy to be widely regarded as a basis for innovation without boundaries: cross-sectorial, cross-border and cross-fund investing.

*Jacqueline Spuijbroek,
EU representative for the Province of Zuid-Holland, Netherlands*

S3 gets results in Centre-Val de Loire

At first glance, S3 could be a nightmare for a region which is neither urban nor high-tech, especially within the diversified economic fabric of France's Centre-Val de Loire. However, since the regional stakeholders decided to support the concept in 2011, many improvements have been made to achieve a more effective regional economic development strategy and get results.

The outcomes are the result of a very integrated approach involving leading policymakers at the highest political level at a very early stage. This gave the entrepreneurial discovery process sound legitimacy while confirming that the five selected specialisation areas are not too broad.

Specialisation areas are now the main reference not only for the European Regional and Development Fund (ERDF) but also for the European Innovation Partnership for Agricultural productivity and Sustainability (EIP-AGRI), the European Agricultural Fund for Rural Development (EARDF) and other policy instruments at the regional level.

The funds' absorption capacity (European, national, regional) has been optimised, thanks to:

- > Management of the regional innovation network which enables the identification of more projects linked to S3 priorities, especially on private-sector research, development and innovation;
- > Continuous communication with the stakeholders alongside a dedicated team to closely manage RIS3;
- > Deep involvement in interregional cooperation programmes like Interreg Europe to benchmark then adapt the RIS3;
- > Links in value chain priorities indicating where to invest, based on evidence and clear criteria, which have also contributed to reinforcing the region's reputation and attractiveness.

The methodology applied in Centre Val de Loire, in parallel with the critical support of the S3 platform, proved all the more useful since, thanks to its proximity, the Paris region was able to share the socio-economic impacts from RIS3. The more rural the region, the more important these key success factors are.

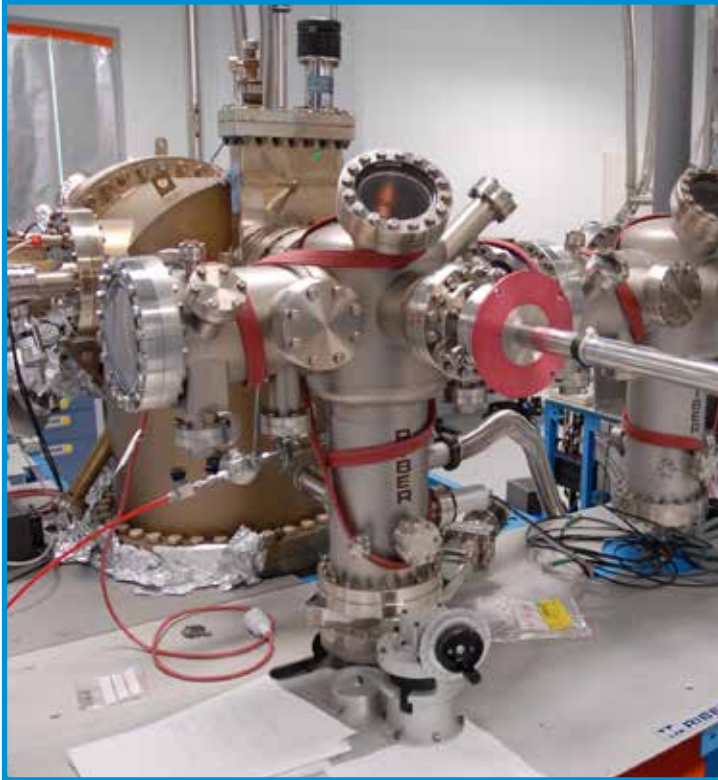
*Frédéric Pinna,
Director of DEV'UP Centre-Val de Loire, France*



Participants of a workshop dedicated to ICT priority for heritage tourism



EUROREGIONAL STRATEGIES CROSSING BORDERS



In 2014–2015, the Mission Opérationnelle Transfrontalière (MOT) conducted a study on economic development in cross-border territories, focusing on the borders France shares with its neighbours, and exploring three other European borders. It shows that cross-border economic development has many facets: corporate partnership, exports or provision of services across the border, bi-location, subcontracting relationships and inter-clustering, but is generally not considered a territorial asset or a potential competitive advantage.

However, free movement of people, goods, services and capital should take place not only in the European area as a whole, but also in cross-border regions, favouring cross-border integration. This is a potential source of prosperity, if it is coordinated through cross-border strategies for economic development, for instance in innovation.

Since all European regions have had to develop their own smart specialisation strategy, this could give rise to joint cross-border initiatives. In the case of the French/Spanish border, the Pyrenees-Mediterranean Euroregion (Midi-

Pyrénées, Languedoc-Roussillon, now merged into Occitanie, Catalonia and the Balearic Islands) drew up a Euroregional Innovation Strategy⁴ following the setting up of a Euroregional Innovation Partnership in January 2013 and a territorial assessment of the partner regions' strategic sectors and innovative potential.

Identifying common ground in these S3 has enabled the targeting of the three shared development pillars in the Euroregional strategy: e-health, water and agri-food (bundled together under 'Innovation for a healthy life and active ageing'). It should also be noted that the Aquitaine-Euskadi-Navarre Euroregion⁵ initiated a similar process in its 2014–2020 strategic plan.

Jean Peyrony, Director General of Mission opérationnelle transfrontalière (MOT), France

FIND OUT MORE

MOT's study on Cross-border economic development co-financed by the ERDF in the framework of the national assistance programme Europ'Act: <http://bit.ly/2wLOONE>

Pyrenees-Mediterranean Euroregion: <http://www.euroregion.eu/en>

Project factsheet on Cross-border Euroregional strategies for economic development and innovation: <http://bit.ly/2jkkZJy>

Aquitaine-Euskadi-Navarre Euroregion: <http://www.aquitaine-euskadi.eu/en/>

POMORSKIE PROMOTES PARTNERSHIPS AND R&D PROJECTS

The development processes identified in the Pomorskie Voivodeship, including the Pomorskie smart specialisation areas (PSS), define the main policy context for regional development and investing public funds in R&D. The first competitions on R&D projects within EU regional funds (spending EUR 34 million) showed considerable application potential. These investments will result in the development of, for example, a small pusher boat with a hybrid drive, a technological platform for aircraft ground handling, and products preventing cartilage degradation. Over 100 projects were co-financed (EUR 41 million) for investments to improve companies' competitiveness and more than EUR 17 million for projects aiming to extend university infrastructure to provide practical education.

In order to encourage partners to think and act in terms of innovation development by implementing R&D projects, Pomorskie applied a bottom-up partnership-based process to PSS selection. The competition was open to all entities in the region – companies, clusters, universities and non-governmental organisations. Over 400 were involved in the two-year process from which the regional government selected four PSS:

- › Offshore, port and logistics technologies
- › Interactive technologies in an information-saturated environment
- › Eco-effective technologies in the generation, transmission, distribution and consumption of energy and fuels and in construction
- › Medical technologies in the area of civilisation and ageing-associated diseases.

Key to the system implementing smart specialisations created in Pomorskie are the so-called horizontal projects that bring potential benefits by developing the



Port of Gdansk

whole specialisation and receive priority access to regional financing. PSS partners agreed on the scope of 17 projects (totalling EUR 75 million) e.g. for R&D infrastructure.

Pomeranian entities' activities are visible via the initiatives to establish a maritime, medical, and space incubator. Furthermore, such entities are becoming involved more and more frequently in international projects: Smart Blue Region (Interreg) or INNOLABS (Horizon 2020).

To facilitate contact between PSS members and the self-government, as well as shared activities in a specialisation area, the so-called PSS councils were established comprising representatives of companies, the scientific sector and institutions from business surroundings, including clusters.

Dialogue in Pomorskie is a constant feature of local government policy on economic, social and cultural development. The example of bottom-up selection of a PSS is certainly an interesting experience for regional partners. Thanks to unconventional and consistent decisions and a partnership-based approach we can certainly compete on the international market.

*Karolina Lipińska,
Department of Economic Development, Office
of the Marshal of the Pomorskie Voivodeship, Poland*



RegioStars Awards 2017: 24 finalists projects in the spotlight

Once again, this year's RegioStars Awards have put the spotlight on Europe's most outstanding regional projects. The expert jury selected 24 finalists, coming from 20 Member States and one neighbouring country, from the 103 applications received. The Awards will be presented to the winners on 10 October during the European Week of Regions and Cities 2017.

THIS YEAR, MANAGING AUTHORITIES
COULD SUBMIT PROJECTS IN FIVE
AWARD CATEGORIES:

**SMART SPECIALISATION FOR SME
INNOVATION:** from start-up to scale-up

ENERGY UNION: Climate action

**WOMEN EMPOWERMENT AND ACTIVE
PARTICIPATION**

EDUCATION AND TRAINING

CITYSTARS: Cities in Digital Transition

THE FINALISTS

Smart Specialisation for SME innovation: from start-up to scale-up

1. Bio Base NWE: Flanders, Belgium (European Regional Development Fund – ERDF)

The Bio Base NWE project provided bio-economy innovators and SMEs with a voucher-based financing system for equipment and technical support. This support for developing pilot products attracted attention from investors, turning the pilot projects into a reality. <http://www.biobasenwe.org/>

2. 3D Boost and 3D Invest: Western Finland, Finland (ERDF)

The 3D Boost and 3D Invest project pooled the 3D printing knowledge and resources in the region's educational institutions. These were then made available to companies lacking the resources to test new techniques to help them with the research, development and manufacture of new products. <http://cleancluster.dk/>

3. Science Link: Baltic Sea Region (ERDF)

A cooperation network of major research centres measuring photons and neurons in the Baltic Sea Region, the Science Link project launched calls for proposals to use the centre's facilities and offered free advice and support to SMEs.

Improved products developed within the project's remit included better life jackets, electronic devices and skincare products. <https://www.science-link.eu/>

4. IPN TecBIS – Technology Business Innovation Sustainable Growth – Business Accelerator: Centro, Portugal (ERDF)

Business accelerators play a key role in Portugal's economic development. Since May 2014, TecBIS has helped over 23 technology SMEs to innovate, grow and export. Together, these firms now employ over 550 highly qualified professionals. <http://www.ipn.pt/>

5. SEREN: Wales, United Kingdom (ERDF)

This project helped small businesses in Wales to exploit low-carbon energy sources from the earth's crust with the use of technology demonstrations, expert support and industrial input. SEREN supported 90 SMEs, created 111 jobs, set up 28 projects and developed 36 processes and products. <http://grc.engineering.cf.ac.uk/>

Energy Union: Climate action

1. Construction of Gymnasium of Põlva: Põlvamaa, Estonia (ERDF)

A nearly carbon-neutral school has been built in the Estonian region of Põlva. Everything about the school is focused on energy efficiency, with LED lights powered by 144 solar panels on the roof as well as a highly effective heat-recovery system, special insulation and environmentally friendly windows and furnishings. <http://www.greenbizz.brussels/en/>

2. Innovative Low-Carbon Public Services: Manner-Suomi, Finland (ERDF)

The Finnish municipality of Ii has cut its CO₂ emissions more quickly than anywhere else in the country by switching to renewables and redesigning its public services. The project enabled citizens to share ideas with the authorities on how to make climate-friendly choices desirable and easy. <http://www.greenpolis.fi/en/projektit/>

3. Îlot allier moderate-temperature water network: Provence Alpes Côte d'Azur, France (ERDF)

This project delivers heat and air-conditioning to buildings by capturing energy from the sea. A temperate water-loop connects the sea-water energy-recovery station in Marseille's harbour to pumps in the urban districts from which energy is dispatched to provide heat, cool air and hot water. <http://www.massileo.fr>; www.europe.regionpaca.fr

4. Impianto di teleriscaldamento dell'abitato di Montieri: Tuscany, Italy (ERDF)

A new state-of-the-art heating system has connected the Italian town of Montieri to the geothermal power plant in neighbouring Travele, providing citizens with safe, dependable and affordable heating and hot water. The system replaces the use of wood burning stoves and gas boilers, significantly reducing energy consumption, costs and greenhouse gas emissions. <http://www.comune.montieri.gr.it/>

5. SEAP_Alps: Alpine Region (ERDF)

Europe's Alpine communities are particularly vulnerable to global warming. This project creates a common platform for Alpine municipalities to lead successful mitigation/adaptation strategies and energy action plans together despite the difficulties posed by the challenging terrain and different countries involved. <http://seap-alps.eu/>



Women Empowerment and Active Participation

1. Enhancing Respect for Gender Equality in BG-TR Cross-Border Area -Equity: Bourgas, Bulgaria; Kirklareli, Turkey (IPA Cross-Border Cooperation Programme)

This project set up workshops on gender equality issues and entrepreneurship in Bourgas, Bulgaria and Kirklareli, Turkey with the aim of creating more job opportunities for women in the border region. This resulted in the establishment of women's entrepreneurship committees in both countries' chambers of commerce. <http://www.cci-bourgas.org/>; <http://www.genderequality-cbc.eu>

2. Women and Construction: Île-de-France, France (European Social Fund – ESF)

The Women and Construction project provides women-only professional training in skills such as plastering, painting, tiling and floor-laying in a bid to challenge the prejudices around female roles in the workplace. 98% of building-site workers are male, but thanks to the project's network of local building firms, over 62% of the project's trainees secured job contracts in the industry for a year or more. <http://www.habiter-au-quotidien.fr/>

3. Back2Job – Engineers wanted!: Leine-Weser, Hannover, Germany (ESF)

Despite the shortage of workers with skills in mathematics, science or technology, women with professional qualifications in these subjects often find a return to work difficult or discouraging after taking family leave. This project provided women with individual coaching, training, trade fair visits, mentoring and work experience while also raising awareness among employers of the need for flexibility. <https://www.bnw.de/>

4. Together Beyond Silence: Riga, Latvia (Human Resources and Employment OP)

In this project, the Latvian Association of the Deaf worked with Riga Maternity Hospital to provide information and support for deaf mothers during childbirth and the first few days of motherhood. The service proved so popular that the partnership continued beyond the project lifetime. <http://www.lns.lv/lat/>

5. Coordination to Improve Gender-Based Violence Survivors' Labour Market Integration and Social Inclusion: Region of Murcia, Spain (ESF)

Women are more likely to be unemployed than men in the region of Murcia, and survivors of gender-based violence (GBV) often lack the skills and confidence to re-enter the labour market. This project supported GBV survivors with action plans, training and grants. By June 2016, 57% of women participating had already found work. <http://www.sefcarm.es/>

6. Agile Nation 2: Wales, United Kingdom (ESF)

In Wales, twice as many women as men work in low-paid jobs. Agile Nation 2 is a career development programme which offers advice, training and mentoring to encourage and empower women to take on management and non-traditional jobs. To date, it has supported 1 336 participants and 304 businesses. <https://www.cteg.org.uk/>

Education and Training

1. EkoBiz: Split-Dalmatia County, Croatia (Human Resources OP)

With the aim of reversing rural depopulation and unemployment in the region, the EkoBiz programme gave over 100 young and new farmers specialist training and business advice on organic farming. With the help of EU funding, 15 trainees have already started a new farm. <http://www.rera.hr/>

2. Dote Unica Lavoro: Lombardy, Italy (ESF)

This project is promoting entrepreneurship in Lombardy by profiling individual jobseekers based on their experience, length of unemployment, gender and age to provide them with tailored support. During the first stage, 54 275 people began a work-experience placement. <http://www.fse.regione.lombardia.it/>

3. PFK - Podmiotowe Finansowanie Kształcenia: Małopolskie, Poland (Program Operacyjny Kapitał Ludzki)

PFK's simplified voucher system giving SMEs access to funded training programmes avoids administrative constraints and guarantees high training standards. The system removes complicated procedures and ensures public funds are used appropriately. It has already benefitted more than 7 000 employers. <http://www.wup-krakow.pl/>

ec.europa.eu/regional_policy/en/regio-stars-awards/



4. European Coworkings EOI: Madrid, Spain (ESF)

This programme gives Spanish entrepreneurs the opportunity to engage with and gain insight from a variety of experienced mentors from other countries. Each entrepreneur benefits from a tailor-made plan, online and face-to-face training sessions, and the chance to network with local business owners and potential partners. 102 internationally focused Spanish businesses have been created so far. <https://www.eoi.es/>

CityStars: Cities in Digital Transition

1. SOHJOA: Helsinki-Uusimaa, Finland (Cohesion Policy)

The SOHJOA project is trialling automated mini-buses to provide a 'last-mile' service, generally considered the most difficult and costly part of public transport. The trials – already taking place in open roads and mixed traffic – aim to contribute to a shift away from private cars towards sustainable, autonomous, non-polluting transport solutions. <http://www.regione.umbria.it/home>

2. Smart Service Power: Düsseldorf and Amsberg, Germany (ERDF)

To enable senior citizens to continue to live independently in their own homes, the project has developed an Internet of Things platform that manages diverse technologies remotely. These user-friendly devices can collect data on weight and hydration, detect falls, dispense daily medication and call for assistance. <http://bit.ly/2xhKQhN>
<http://bit.ly/2eRPNUh>

3. The Małopolska Agglomeration Card (MKA): Małopolskie, Poland (ERDF)

The MKA project has developed an integrated ticketing solution for all commuter trains, urban transport and park-and-ride facilities in the Polish cities of Krakow and Tarnow. Via one single card, mobile app and subscription, MKA allows travellers to purchase single, integrated or season tickets with a few simple clicks. <http://www.mka.malopolska.pl/>

4. Integrated Public Services Platform Implementation and Electronic Payments of Olsztyn: Region Północny; Warmińsko-Mazurskie, Poland (ERDF)

The Municipality of Olsztyn has integrated and implemented e-services for local tax returns, property declarations, parking tickets and fines, and more. The electronic portal saves time and effort, giving citizens easier access to their personal information without having to visit the town hall, and enabling them to submit paperwork and payments online and on time. <http://www.olsztyn.eu/> ■

FIND OUT MORE

http://ec.europa.eu/regional_policy/en/regio-stars-awards/

Doing business in EU regions and cities

'Doing Business in the European Union' is a series of reports analysing business and regulatory environments in EU cities and regions. It is produced by the World Bank Group in cooperation with the European Commission. The first report, covering 22 cities in Bulgaria, Hungary and Romania, was presented on 13 July, in Sofia, Bulgaria.

The report, the first in a number of sub-national reports produced by the World Bank Group at the request of and funded by the European Commission, Directorate-General for Regional and Urban Policy, addresses a number of questions, such as: How can European countries and regions improve their business environment to boost competitiveness of the local economy? Why are local governance and institutions so important for creating conditions for sustainable and equitable growth? What kind of instruments do local decision-makers have to make companies stay and grow in their region or city?

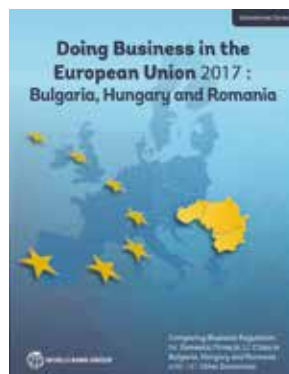
The report has been produced in cooperation with the governments of the three countries concerned: Bulgaria, Hungary and Romania. Following the World Bank's traditional model of 'Doing Business', which ranks the largest business cities in the world each year, for the first time this goes beyond Sofia, Budapest and Bucharest to cover 22 additional cities: six in Bulgaria, seven in Hungary and nine in Romania.

It analyses business regulations affecting small and medium-sized domestic firms in five areas, dealing with construction permits, accessing electricity: registering property, and enforcing contracts.

Good practice

The report also includes notable comparisons with 187 other economies worldwide and, more importantly, provides practical recommendations and good practices for improving the business environment.

The main findings of *Doing Business in the European Union 2017: Bulgaria, Hungary and Romania* evidences differences and common trends across both the countries and cities.



Business regulations and their implementation vary substantially both among and within Bulgaria, Hungary and Romania – with the biggest differences in Bulgaria and Romania.

No city excels in all five areas measured; among the 22 cities benchmarked, each ranks in the top half in at least one indicator and in the bottom half in at least one other.

Each country has cities that outperform the EU average in at least one area: Varna and Pleven in Bulgaria in starting a business, Pecs and Szeged in Hungary in dealing with construction permits, all Hungarian cities and Oradea in Romania in registering property, and most cities in enforcing contracts. However, no city is close to the EU average in accessing electricity.

Budapest and Sofia both lag behind most of the smaller cities in their countries. Yet Bucharest ranks in the top half among Romanian cities in most areas measured, demonstrating its potential for dealing efficiently with the high demand for business services.

Reform-minded officials can make tangible improvements by replicating good practices in other cities in their country. Bulgarian cities could make starting a business easier by adopting the good practices applied in Varna.

Hungarian cities could improve access to electricity by emulating the good practices of Szeged and Szekesfehervar. And Romanian cities could look to Timisoara's example to improve contract enforcement.

Exploiting local assets

Commenting on the report, Commissioner for Regional Policy Corina Crețu said: "Through this report, the Commission and the World Bank again join forces in creating an enabling business environment as an important part of the competitiveness and growth agenda in the EU regions. It shows how important it is to focus on creating the right conditions while

HOW CLOSE ARE THE 22 CITIES TO THE BEST REGULATORY PRACTICES IN THE WORLD?

City (Country)	Starting a business		Dealing with construction permits		Getting electricity		Registering property		Enforcing contracts	
	DTF score	Rank	DTF score	Rank	DTF score	Rank	DTF score	Rank	DTF score	Rank
Burgas (Bulgaria)	90.05	3	69.23	11	65.49	3	70.67	18	72.68	15
Pleven (Bulgaria)	90.50	2	71.92	8	54.66	13	70.44	19	73.63	12
Plovdiv (Bulgaria)	90.05	3	68.30	12	65.06	5	69.59	21	72.36	17
Ruse (Bulgaria)	88.33	11	71.34	9	54.71	12	71.53	17	75.38	7
Sofia (Bulgaria)	86.82	21	72.75	6	54.64	14	69.23	22	67.04	20
Varna (Bulgaria)	90.56	1	70.53	10	59.05	10	70.19	20	74.23	9
Budapest (Hungary)	87.28	20	67.89	13	63.25	7	80.08	6	73.75	11
Debrecen (Hungary)	87.61	13	72.71	7	63.36	6	81.16	1	81.72	1
Gyor (Hungary)	87.32	18	73.35	5	63.25	7	80.80	4	74.20	10
Miskolc (Hungary)	87.61	13	73.47	4	61.76	9	80.92	2	79.53	2
Pecs (Hungary)	87.61	13	75.58	1	65.21	4	79.96	7	77.07	4
Szeged (Hungary)	87.57	16	74.38	2	67.46	1	80.80	4	75.98	6
Szekesfehervar (Hungary)	87.32	18	73.70	3	65.53	2	80.92	2	79.12	3
Brasov (Romania)	88.78	9	56.28	17	49.56	19	74.65	9	64.24	22
Bucharest (Romania)	89.53	5	58.09	15	53.23	15	74.65	9	72.25	18
Cluj-Napoca (Romania)	88.78	9	54.32	20	50.41	18	73.81	16	73.34	14
Constanta (Romania)	87.52	17	49.26	21	49.06	20	74.65	9	75.04	8
Craiova (Romania)	86.27	22	61.31	14	53.01	16	74.65	9	73.37	13
Iasi (Romania)	88.28	12	56.01	18	57.76	11	74.65	9	72.64	16
Oradea (Romania)	89.53	5	57.84	16	50.80	17	75.48	8	72.01	19
Ploiesti (Romania)	89.53	5	54.40	19	47.22	21	74.64	15	65.86	21
Timisoara (Romania)	89.53	5	48.92	22	43.56	22	74.65	9	76.13	5

Source: Doing Business database.

Note: The distance to frontier (DTF) score shows how far a location is from the best performance achieved by any economy on each *Doing Business* indicator. The score is normalized to range from 0 to 100, with 100 representing the frontier of best practices (the higher the score, the better).

relying on local potential and assets. Such an approach based on the territorial level was also at the heart of the report on strengthening innovation in Europe's regions."

The World Bank Group's Regional Director for the European Union, Arup Banerji added: "We want to provide policymakers at different levels – European, national and local – with evidence for their strategic choices, helping them promote a better regulatory framework for development and growth."

The series *Doing Business in the European Union 2017* builds on the earlier national editions in Italy, Spain and Poland. It will continue in the coming months in another four countries: the Czech Republic, Slovakia, Portugal and Croatia.

This report represents valuable input to the country reports in the European Semester and is closely linked with the lagging regions initiative. The latter was launched by Commissioner Crețu

in June 2015 to examine the factors holding back growth and investment in the EU's low-income and low-growth regions (the lagging regions). Identifying critical development aspects could help to suggest possible solutions to boost growth and increase income within those regions.

The document, published in April 2017, analyses the investment needs, growth determinants, macroeconomic framework and need for structural reforms. Moreover, it presents concrete ideas to address obstacles to growth in the pilot regions of Poland and Romania. In so doing, the authors make a strong case for Cohesion Policy investment to continue helping Europe's regions improve their citizens' daily life. ■

FIND OUT MORE

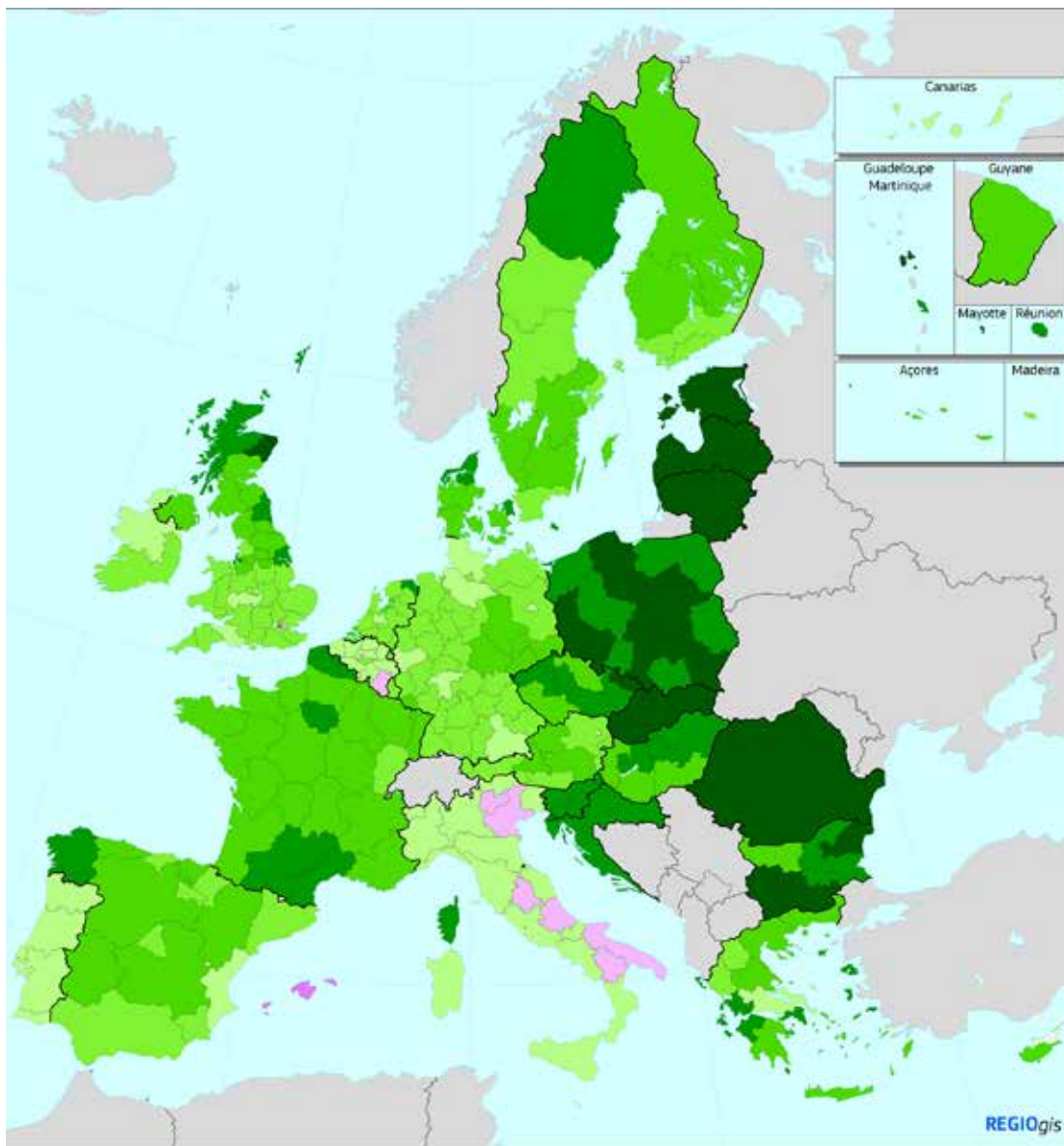
<http://www.doingbusiness.org>

Economic growth recovers in EU regions

After the double-dip recession in 2008 and 2011, the EU economy is now growing at around 2%. Virtually all EU regions experienced growth in GDP per head from 2001 to 2008 (Map 1) with rates of over 5% a year in many EU-13 regions. Growth was higher than average in both the less-developed and transition regions, which helped them to catch up. The economic crisis resulted in a reduction in GDP

per head between 2009 and 2015 in around 40% of regions, mainly in Ireland, Italy, Spain, Portugal and Greece. In most Greek regions, the crisis reduced GDP per head by more than 3% a year (Map 2). The crisis halted the reduction of disparities, with many less-developed and transition regions either shrinking or growing more slowly than the EU, but in 2015, economic disparities started to shrink again.

1. GROWTH OF GDP PER HEAD IN REAL TERMS, 2001-2008



Annual average change on previous year, in %



EU-28=1.8

Sources: Eurostat, DG REGIO estimates



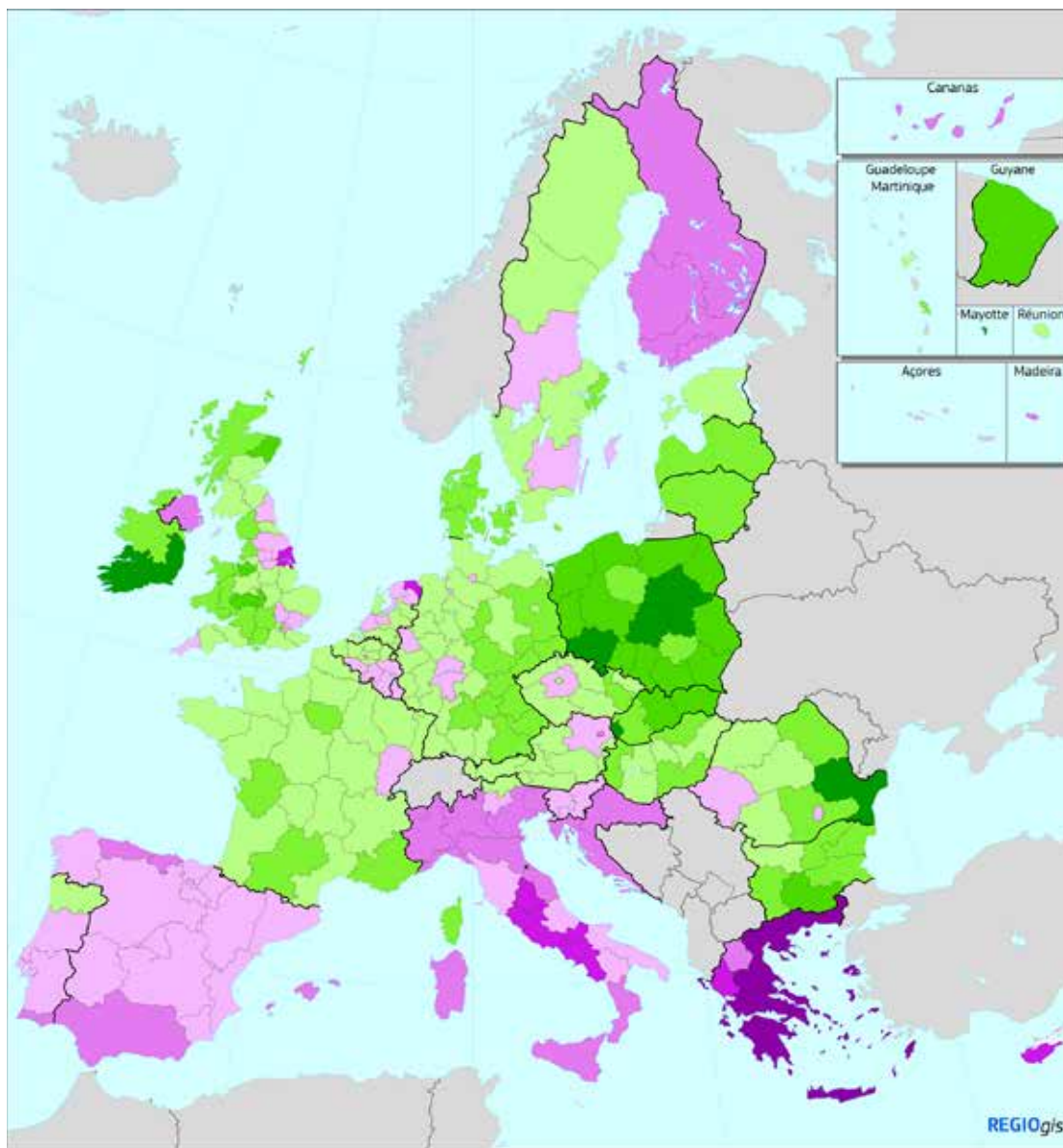
© EuroGeographics Association for the administrative boundaries

Cohesion Policy helped to safeguard growth-friendly public investment by reducing the national co-financing requirements for Cohesion Policy programmes in the most affected Member States. Through these investments, these Member States strengthened their long-term economic growth potential and supported the recovery.

According to recent model simulations, GDP in the EU is significantly higher due to the Cohesion Policy 2007-2013 programmes, particularly in the Cohesion countries. Thanks

to the policy, the Member States that joined in 2004 and 2007 recorded a GDP that was 4% higher in 2015. In Southern Europe, Cohesion Policy helped to limit the fall in GDP. For example, without Cohesion Policy, GDP in Greece would be 2% lower and 1.5% lower in Portugal. The highest impacts are found at the regional level. In 2015, GDP in the less-developed regions of Dél-Alföld, Dél-Dunántúl (Hungary) or Severen Tsentralen (Bulgaria) were 6.9%, 5.9% and 5.4% higher, respectively, thanks to Cohesion Policy. ■

2. GROWTH OF GDP PER HEAD IN REAL TERMS, 2009-2015



Annual average change on previous year, in %



EU-28=1.8

Sources: Eurostat, DG REGIO estimates

0 500km

© EuroGeographics Association for the administrative boundaries



Transforming North Middle Sweden through innovation

A wealth of natural resources has helped to make North Middle Sweden, in the European Union's northern reaches, into a strong industrial area. But its geographical location is also one of the challenges that mean European Cohesion Policy backing is vital – now and in the future.

Covering almost 64 000 km² – 16% of the country's land area – North Middle Sweden is home to just 11% of the population. Situated in the central part of the country, the region combines three administrative counties: Gävleborg, Dalarna and Värmland, with Gävle – a city of some 100 000 inhabitants – as its largest urban centre.

Well-endowed with natural resources, forestry and ore deposits fuelled the development of traditional manufacturing sectors such as steel and paper, contributing a large share of Swedish exports with a turnover of billions of euros. But these industries are declining as newer sectors like ICT and tourism become more significant. Innovation is key to the future prosperity of this part of Sweden.

As one of the richer countries in the EU, Sweden nationally is a leader in innovation. However, when compared to neighbouring regions, North Middle Sweden lags behind, with fewer centres of excellence in research and development, as well as lower growth. Karlstad University is the exception, maintaining close cooperation with local businesses and active participation in the European Commission's Horizon 2020 research and innovation projects.

Smart specialisation, building on regional strengths and bringing together stakeholders, including businesses, researchers and public bodies, has proved crucial in boosting investment, developing new strategies, and looking outward for new partnerships. For example, Dalarna is a member of the successful Vanguard Initiative, launched in 2014 to foster industrial modernisation and collaboration. Smart specialisation is benefitting not only high-technology sectors, but also services such as tourism and welfare.

"North Middle Sweden is very much committed to the smart specialisation strategy and considers that process extremely important in identifying the region's priorities in the best possible way," confirms Sune Ekbåge, chairman of the Structural Fund Partnership North Middle Sweden (see interview).

“ Smart specialisation, building on regional strengths and bringing together stakeholders, including businesses, researchers and public bodies, has proved crucial in boosting investment, developing new strategies, and looking outward for new partnerships. ”

Towards a knowledge society

One challenge is that the proportion of the working-age population with full tertiary education is lower than the national average, while unemployment is higher – especially among young people. Therefore, developing new skills and an education system that fosters a knowledge society and circular economy is urgent. European Social Fund (ESF) support has been important in improving skills and tackling youth unemployment.

Providing jobs for young people will help to arrest the slow decline of an already sparse and ageing population. Long distances between urban centres make transport expensive and

hamper cooperation. Yet, in the past, access to broadband internet was limited, restricting the development of crucial ICT-based services for industries as well as isolated households.

Therefore, one of the top priorities for EU Structural Fund investment between now and 2020 is expanding broadband access across the region. Better communication will boost local competitiveness, and also show the citizens of North Middle Sweden that EU support can make a real difference to their lives.



The percentage of the region's population born abroad is below the national average in Sweden, and social exclusion has been a problem for immigrants from outside the Nordic countries. But with the recent arrivals of refugees in municipalities across Sweden, ESF funding has been helping to support integration in North Middle Sweden: for example, offering education and language-training to enable newly arrived men and women to find work. In Gävleborg, the ESF-funded project KIVO has developed a model for faster integration of new staff in the health and social care services.

North Middle Sweden is also active in cross-border activities in and beyond the EU, among other things by participating in the Interreg programmes of Sweden-Norway and the Baltic Sea region. For example, the latter is supporting a project which is promoting interaction between science parks around the Baltic Sea.

EU Cohesion Policy and investment, up until and after 2020, are playing a very important role in North Middle Sweden's evolution towards a smart, knowledge-based society, and in advancing the prosperity of its people. ■

FIND OUT MORE

North Middle Sweden Operational Programme 2014-2020
<https://tillvaxtverket.se/>

The specific objectives of North Middle Sweden's Operational programme 2014-2020 include stronger research and innovation, especially among small and medium-sized enterprises (SMEs); rolling out high-speed broadband networks, digitalisation and e-commerce; promoting start-ups and entrepreneurship; and adopting new technologies to shift towards a low-carbon economy.

Confronting discrimination

North Middle Sweden's traditional industrial base tended to create a gender-segregated labour market. To tackle this challenge, the three regions have highlighted the principles of equality and non-discrimination in EU research and innovation policy. Värmland was the first region in Europe to undertake a review of the smart specialisation strategy from a gender perspective, while Dalarna and Gävleborg have also taken steps to integrate principles of gender equality and social tolerance into innovation initiatives.



Recognising the benefits of EU membership

Sune Ekbåge, chairman of the Structural Fund Partnership North Middle Sweden, tells *Panorama* how this sparsely populated region has used Cohesion Policy and the Structural and Social Funds to impact both major strategic and community-related issues.



How do you respond to the perception that Sweden, as a net contributor, does not need the help of the Cohesion Policy?

If the EU is to remain a union for all its Member States, for the benefit of all its citizens, it is dangerous to think that certain parts of it do not need the Cohesion Policy or the Structural Funds. It is extremely important to see the big picture with all kinds of issues and in all specialist areas. There is a tendency among some in the general public to view the EU as something unnecessary and/or alien. The complete abolition of the Structural Funds could possibly enhance such tendencies. The Structural Funds help people to realise in concrete terms that EU membership brings benefits and results, not only for major strategic issues, but also for community-related issues, such as youth unemployment and integration.

Sweden is a rich country but even here some regions face greater challenges than others. The North Middle Sweden is one such region. Centralisation and

urbanisation affect development levels in Swedish regions, too. The Structural Funds help to improve conditions for regions with tougher challenges in terms of unemployment, innovation strength, etc. Some parts of our region are suffering from high unemployment. Several European Social Fund (ESF) projects have played an important role in reducing youth unemployment, by focusing on young people who reside a long way away from, or are struggling to relocate to, the nearest job opportunities. As we will continue to face societal challenges, these funds will have a major impact.

The Communication on Smart Specialisation was adopted by the Commission in July. To what extent is your region involved in tapping the potential for innovation and competitiveness in Europe's regions?

The three regions that make up North Middle Sweden have each developed their own strategies for smart specialisation based on each region's strengths and opportunities for growth. Looking at North Middle Sweden, this has contributed to better

cohesion within the region, stronger collaborative links among the business community, organisations and universities/colleges, and a political focus on priority areas. Some of the strengths highlighted include smart industry, bioeconomy, digitisation, and an innovative experience industry. The strategies have a gender perspective, which is necessary because we have a highly gender-segregated labour market. Smart specialisation strategies have also played a major role in the Structural Funds partnership when it comes to identifying project priorities.

Smart specialisation has proven to be an effective and transformative tool for increased research and innovation (R&I), contributing to higher competitiveness at regional and European levels. The approach has been successful in refining priorities and achieving a more long-term and systematic approach to R&I policy. Our region is a member of the Vanguard Initiative, which has proved very successful through internationalisation.

To answer your question: North Middle Sweden is very much committed to the smart specialisation strategy and

considers that process extremely important in identifying the region's priorities in the best possible way.

What result do you expect by the end of the 2014-2020 period?

What lessons have you learned from the previous programming period?

One of the most important issues during the programming period was identifying opportunities to finance broadband deployment through the Structural Funds. Within that area, we will see highly concrete and important results. The funds have initiated processes and generated further funding to ultimately enable the deployment of broadband reaching the region's residents and businesses. This is a crucial developmental issue which is necessary for our region's survival. You must be able to run a business wherever you live in Sweden and broadband is an important factor in competitiveness. We will be seeing some really good results here. This is also vital in demonstrating to our citizens that the EU has an important role to play at the local level, as well.

For our region, R&I investments, supported by these funds, are extremely important for maintaining existing industry, retaining and attracting the necessary skills. The funds have enabled collaboration between businesses and higher education institutions. We may not see tangible results in the short-term, but the results will manifest themselves in the form of new businesses, new innovations, etc. during the next programming period.

“For our region, R&I investments, supported by these funds, are extremely important for maintaining existing industry, retaining and attracting the necessary skills.”

The ESF has played and continues to play an important role in societal challenges that sometimes arise all too quickly. One example is the stream of refugees who have recently come to Sweden, which has imposed an economic burden on several regional local authorities in the short-term. ESF projects have helped our local authorities to integrate these people who will become an asset to our region.

North Middle Sweden is a sparsely populated region in the north of the EU. With this in mind, would you say you are able to benefit in any way from European Territorial Cooperation?

There are several examples of projects and initiatives in which players from North Middle Sweden participate in the context of territorial cooperation. Our region is mainly involved in the Sweden-Norway Interreg programme, but also has the opportunity to participate in the Interreg programmes of the Baltic Sea

Region and the North Sea Region, as well as Interreg Europe. One example is a project aimed at increasing knowledge and interaction between science parks in the Baltic Sea Region. In addition, this project will establish a mode of structured cooperation at the institutional level, which in turn will bring benefits to our companies. Firms will have access to networks and contacts in other Baltic countries, allowing them to expand their markets. It is extremely important that our companies develop a more international outlook so that they can reach new customers and partners.

Even though Norway is not a member of the EU, it is Sweden's largest trading partner and we benefit greatly from the Sweden-Norway Interreg Programme, which stimulates cross-border cooperation. Among other things, this takes the form of improving rail traffic across the border or working to reduce trade barriers. ■

North Middle Sweden

POPULATION: covering an area of 63 968 sq. km with a population of 833 580 in 2014, comprising approximately 11 % of the country's total population.

RESEARCH CAPABILITIES: lots of strong actors and stakeholders within research and innovation in the region but few traditional centres of excellence. There are three universities in the region, Karlstad University, Dalarna University and University of Gävle. Karlstad University has been very successful in working closely with the business community and has a successful track record in securing Horizon 2020 funding.

LABOUR MARKET: the manufacturing sector is the main source of employment followed by the service sector with a share of 16.8 % of the region's employment. The challenges facing North Middle Sweden include low growth, high youth unemployment, low R&D intensity and poor access to broadband in the sparsely populated region spread over a very large area, incurring high transport costs. It has been actively pursuing horizontal social issues in relation to regional growth, R&I policy and integrating equality and non-discrimination.

STRENGTHS: dominated by traditional capital-intensive sectors, such as steel and engineering and pulp and paper. Other important sectors are machinery, transport vehicles, food processing, ICT and tourism. With strong export companies with top skills and world-class industrial know-how, the region is at the cutting-edge of several fields, such as advanced materials, forest-based bio-economy, renewable energy and power transmission. Business clusters in advanced industry and service innovation partner with universities and colleges and government to address societal challenges through shared expertise in energy, healthy work/life, and innovative welfare services.

SMART SPECIALISATION: each of the three regions in North Middle Sweden has their own smart specialisation strategy and has identified their specific areas of strength. The regions and clusters in the area have a long tradition of cooperation and experience-sharing. Within the ERDF project Smart Specialisation in North Middle Sweden, the three regions are pursuing a networking exercise between universities and cluster organisations.



BROADBAND IN NORTH MIDDLE SWEDEN'S RURAL AREAS

For many years, the availability of high-speed broadband in rural and sparsely populated areas in North Middle Sweden has been very limited. Värmland has had much poorer availability than other counties in Sweden, one of the reasons being the lack of local interconnecting networks (regional transport networks).

As Värmland, like North Middle Sweden in general, is sparsely populated, villages and households are very dispersed and it has an ageing population. Public and private broadband operators have shown little interest in expanding their broadband networks in these rural areas.

The lack of high-speed broadband is a significant obstacle for companies here, risking further urbanisation and a barrier to integration. Companies in rural areas are driven by women to a greater extent than in urban areas.

Värmland has a highly internationalised and export-dependent industry requiring stable broadband networks. Manufacturing industry in the region is characterised by steel and engineering, paper and pulp as well as the mining and mineral industry. These industries are restructuring towards a model with a higher capital, service and knowledge content and thus depend on the availability of broadband. Tourism is also growing in North Middle Sweden, along with the food industry, trade, forestry and farms.

With funding totalling SEK 200 million (around EUR 20 million) from the European Regional Development Fund, three projects are building local interconnecting networks (regional transport networks). Together with public and private broadband operators building last-mile access networks, these projects will greatly increase access to high-speed broadband. Some of the projects building last-mile access networks are financed through the European Agricultural Fund for Rural Development.



“Our company is in the tourism industry and operates hotel, restaurant and adventure tourism. We are located far out in a sparsely populated area in the northernmost parts of Värmland county, and it's very difficult to get a stable internet connection here. Periodically we have big problems with our Internet connection and e-mail delivery lasting several days. This means an income loss every time it happens as guests who wish to book online are unable to get a response from us. Our customers expect quick answers when they want to book – if they don't get quick answers, they will choose another destination. We are delighted our company can now connect to high-speed internet via the ERDF-funded optical fibre network. This will facilitate our entire business and is a crucial prerequisite for our company to survive.”

Annika Jonsson, Långbergets Sporthotell AB



SLIM

Clusters are central to innovation and business development in North Middle Sweden. The region, comprising the counties Värmland, Dalarna and Gävleborg, is home to world-class clusters in established areas such as steel and materials technology, forest-based industry and tourism, as well as more recent regional strengths like digitalisation and renewable energy.



The RegioStars-awarded SLIM project (2007-2013) was key to this cluster development. It included 700 companies with 60 000 employees, via 15 clusters, focusing on process support for clusters, measurements at cluster and company level, and policy learning. The project created new contacts and increased mutual trust among participants, stimulating a higher growth rate among the participating companies as just one of many benefits. Social and environmental sustainability was also at the core of the project. For instance, the project promoted gender awareness as a way of tackling skills gaps in traditionally male-dominated sectors.

During the current programming period, several ERDF-funded projects led by clusters which participated in SLIM are engaging hundreds of companies, supporting



“For me, the SLIM project was a perfect introduction to the world of clusters when I arrived as process leader at the industrial IT cluster FindIT from the business sector. I quickly developed an understanding of the other clusters in the region and their areas of excellence. It also resulted in a joint project with several clusters and many additional joint activities.”

Britta Haag
Process Leader, FindIT

innovation, internationalisation and business development for regional transformation and solutions to societal challenges. Furthermore, all the regions and clusters are continuing their cooperation with SLIM in the ERDF project Smart specialisation in North Middle Sweden, bringing their experience in smart specialisation.

FIND OUT MORE

SLIM: <http://bit.ly/2hOEPfD>

SLIM (in Swedish): <http://bit.ly/2xsOCpL>

ERDF-project NMS3 (in Swedish): <http://bit.ly/2wXDzTR>

GENDER ACADEMY FOR SMEs

The Gender Academy for SMEs is a three-year project which gets under way in September 2017. It is led by the Karlstad University and involves municipalities in the Värmland region.

The project aims to develop and apply knowledge on gender, organisational change processes, gender integration and normative innovation for increased innovation capacity, R&D intensity and growth among the region's SMEs.

It has three main objectives: (i) to develop concepts and practical tools SMEs can use to develop gender integration efforts easily and cost-effectively; (ii) to develop and operate a network for regional growth and business promotion actors, such as corporate organisations, clusters, county administrative boards, municipalities, chambers of commerce and other key players; and (iii) to further develop and establish the gender academy for SMEs, investigate the impact of companies working with gender integration, and develop an evaluation model.

The project is targeting SMEs in industries such as paper, IT and digitalisation, as well as creative and cultural ones, which are some of the most gender segregated in the Värmland region. Expected results include companies developing their internal recruitment processes, working conditions, work environment and organisation, and corporate culture from an equality perspective, thereby improving the recruitment and retention of both women and men.

A long-term goal is that by the end of the project the Gender Academy for SMEs will be established as a resource bank and centre for gender issues, gender equality, innovation and growth, in cooperation with industry in the region and nationally.

KNOWLEDGE EXCHANGE – A WIN-WIN CONCEPT

KTP, Knowledge Transfer Partnerships, is a project about knowledge exchange between small and medium-sized enterprises (SMEs) and the academy. For a period of one to two years, a newly graduated academic is given the role as a KTP-project leader at an SME where he/she takes care of a strategic developing project. The projects may include developing new markets, new products or new processes. The project leader is supported by a business coach and a supervisor from the academy.

The KTP project is solving some of the major problems concerning a SME's growth, such as time to develop work and financing and recruiting the right competences. So far, the project's results show that 75 % of the KTP project leaders have been offered a permanent job at an SME.

FIND OUT MORE

Dalarna University: <http://www.du.se/ktp>



GENDER EQUALITY - ALL THE TIME COUNTY ADMINISTRATIVE BOARD OF DALARNA

Gender equality has been identified as a key factor for economic growth and more employment. The County Administrative Board of Dalarna is leading a three-year project called Gender equality - all the time. Funded by the ESF, it is focusing on counteracting gender segregation in the labour market and increasing women's full-time employment opportunities.



KIVO

In recent years, an ESF-funded project which has developed the KIVO method (Quality inclusion in health and social care) has emerged as an employer-driven tool to meet the rapidly growing recruitment shortage in the care sector. The KIVO method enables a broadening of the recruitment base through systematic collaboration to include people outside the labour market. Establishing inclusion-friendly workplaces is central to this success, which relies on tools for active inclusion being made available to supervisors, to achieve sustainable long-term social development.

Systematised KIVO cooperation includes employers, training providers, the trade union, and employment services. KIVO has developed nine possible steps leading from unemployment to permanent employment. The first step is ensuring that the individual is suitable for a job within the care sector and that he or she really is interested in working in that sector. Participants with

The target group is elected representatives, employers, and employees in eight participating municipalities. Through gender equality training, the project is integrating new knowledge, methods and tools across the entire organisations.

FIND OUT MORE

(in Swedish): <http://bit.ly/2w3wYZj>

no previous experience of working in the care sector are given the opportunity to do a two-week internship to determine whether or not the job suits them. They are also offered apprenticeships and language courses. The result is much less friction surrounding collaboration with individuals, which increases the likelihood that those offered workplace-based learning will be successful in moving towards employment. The aim is for employers to be actively involved in creating the competences they see their organisation requires.

FIND OUT MORE

(in Swedish):

<http://www.ya-delegationen.se/kivo-metoden/>
<http://bit.ly/2fiEnJR>

“*At first, I did not see the need for the long introduction period since I managed the study programme just fine. However, during the introductory employment period I realised there were many words I did not fully understand. Communication with the elderly is very important in order for them to feel safe and comfortable with the services provided in the care sector. After completing the KIVO programme, I felt more confident in my role in the organisation due to the thorough introduction.*”

NawlBik Cen, KIVO participant

EQUAL REGIONAL GROWTH AND DEVELOPMENT 2016-2018, REGION GÄVLEBORG

Equal regional growth and development 2016-2018 is a project led by Region Gävleborg and funded by the Swedish Agency for Economic and Regional Growth. It derives from the national strategy for business promotion on equal terms. The strategy's overarching goal is that both women and men – regardless of ethnic background or age – can avail themselves of business promotion initiatives and resources, such as advice, business development assistance, cluster and business incubator activities and financing, on equal terms. The starting-point is that the development of equal terms within the business promotion system will contribute to sustainable growth and increase competitiveness in companies and regions alike.

Region Gävleborg is focusing on developing equal and regional development with an intersectional starting point, ensuring equal terms contributing to a more socially sustainable region.

This will be achieved, for example, by: (i) a funding strategy for managing and distributing resources for regional growth, already developed and established; (ii) finalising a survey on the distribution of regional project funds and direct business support on gender, country of origin and line of business; (iii) efforts to increase competence aimed at strategically important participants in the fields of gender and equality; and (iv) implementing a regional process for development and method support to advance the use of Structural Funds and funds for regional growth.

FIND OUT MORE

National Strategy for Business Promotion on Equal Terms 2015-2020: <http://bit.ly/2wmnQKB>
 Equal regional growth and development (in Swedish): <http://bit.ly/2gYAMUY>

ACADEMY FOR SMART SPECIALISATION

The Academy for Smart Specialisation is a tool for the transformation and renewal of private and public sectors in Region Värmland, and for developing research and education at Karlstad University. It aims to use research for the benefit of industry, the county council and the municipalities in Värmland, and to strengthen the region's research environment. High-quality research is expected to attract more external funding to the university.

The Academy will support and create stronger collaboration between academia, industry and society in order to promote research where smart specialisation is at the core of the content. The six areas identified as smart specialisations in the Värmland research and innovation strategy for smart specialisation (VRIS3) form the foundation of the Academy. The six areas are: value-creating services; forest-based bioeconomy; digitalisation of welfare services; advanced manufacturing and complex systems; digitalised experience of nature, culture and places; and systems solutions with photovoltaic. By linking research, innovation and education, the Academy will prepare students at Karlstad University for employment to drive industrial development in the six prioritised areas in Värmland.

The Academy is expected to strengthen the region's research environment and contribute to: major research and innovation projects; investments, increased export and economic growth; setting up companies, international demo sites and test centres; and policy impact in support of the six specialisations.

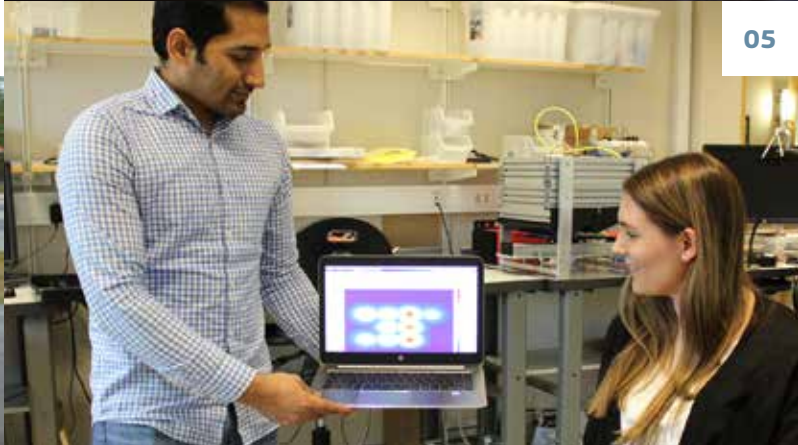
In a first phase, the Academy, which is a partnership between Karlstad University and Region Värmland, will be implemented as a project from 2016-2020. The region and university will commit approximately EUR 5 million each to fund research until 2020. Additional support is expected from external sources, such as national funding, Horizon 2020 and the European Structural and Investment Funds.

FIND OUT MORE

Karlstad University: <http://bit.ly/2eRPyIT>

CAPTURED ON CAMERA

Sweden is home to strong actors and stakeholders in research, innovation and smart specialisation with great potential to boost regional growth, competitiveness and jobs.





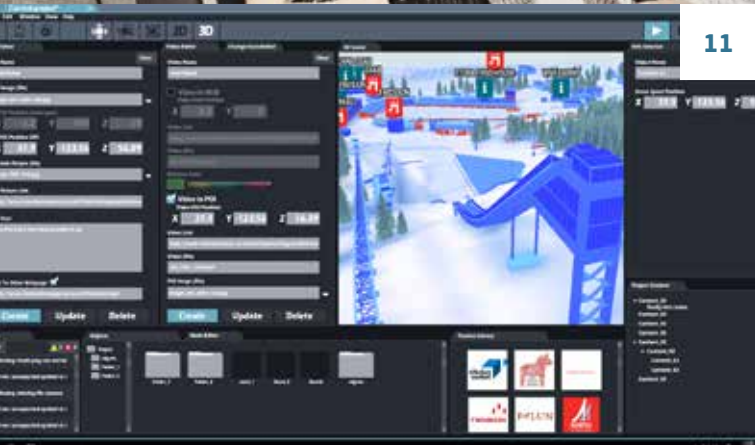
09



10



11



12



01 Mittstråket is developing a functional and sustainable cross-border transport route for people and goods in Central Norrland.

02 The BOOST project aims to develop and present physical and virtual prototypes for sustainable living and building in glass and wood.

03 Destination Capacity Building in Swedish Lapland is developing the tourism industry in Swedish Lapland by networking, building strategic alliances and stimulating product development and innovation.

04 The Lopme Laante (Sami Land) project is building two Sami theme parks to illustrate the Sami people's role in society and development of the Härjedalen region.

05 SMART researchers and industry are collaborating to solve research challenges concerning the Internet of Things.

06 Safety & Security Test Arena is a cooperation project aiming to make northern Sweden a leading region for R&D in the safety sector.

07 Arena Grön Tillväxt supports new ideas in green innovation, including a material developed to replace plastics in health care applications.

08 The SREss project is involved in securing the infrastructure for the European Spallation Source research facility being built in the Skåne region.

09 Framtidens soler i Östra Mellansverige is aiming to increase the rate of investment in solar energy in SMEs in East-Central Sweden.

10 In the Kronoberg region, the Step Two project is developing a method for stimulating growth among small businesses with foreign-born entrepreneurs

11 The goal of the Gamification of Dalarna project is to set up a technical platform that uses game-development technology to attract more visitors to the region.

12 The VIRUS project runs a visitors' centre at the world's first fossil-free electric road for truck traffic in Region Gävleborg.

Speaking from experience

Panorama has gathered a selection of heartfelt comments and observations from project participants and citizens who have benefited from the Cohesion Policy and regional funding in all aspects of everyday life.

“Diversity is normal, diversity is natural... The goal of the ‘Diversity for Kids’ project is to prepare children and teenagers for life in a more tolerant, open and compassionate society.”

Paul Jüttner, Teacher
Diversity4Kids (DE)



“It wants to be inclusive and this project has made it possible. It has brought policymakers and citizens together to build a low-carbon society.”

Teijo Liedes,
Chair of Li City Council and the
environmental association (FI)
RegioStars 2017 finalist: Innovative
Low-Carbon Public Services



“This project helps us to convince communities, nursing care services, health insurance companies, housing associations and – most importantly – senior citizens and their relatives that smart technology can be a big part of their solution.”

Bettina Horster, Director of Business Development,
VIVAI Software AG (DE)
RegioStars 2017 finalist: Smart Service Power

“It’s helpful for Europe to give money to projects that are innovative or are not necessarily profit-oriented. No one would be able to launch places like this because they’d need a much larger return on investment. We work with human beings and the human return is very important. And if Europe can help finance projects which have a larger human return, that’s great.”

Sophie Desilly,
Story2Work Coordinator
Art2Work (BE)



“MAD is a Brussels’ platform for fashion and design – it’s a fantastic project because it really helps designers and creators in Brussels develop their projects and careers, and it also offers them a great place to showcase their work.”

Silvia Martinelli, Communication Project Manager
MAD (BE)



“BEACON has been successful in facilitating business growth that would not have otherwise happened. Businesses have seen increased sales, developed new products and processes – and created new jobs.”

Iain Donnison, Project Director
RegioStars 2014 winner: BEACON (UK)



“Open partnership and transparent activities are the cornerstones of increased mutual trust, to inspire the creation of services and products for people and shape lasting connections and perspectives.”

Irena Krivienė
Director General, Vilnius University, Library
Scholarly Communication and Information Centre
and Central Library
RegioStars 2016 finalist: Jonvabaliai (LT)



“I continue to be impressed with the knowledge gained and the contacts made during the EWRC across borders, regions, cultures. This is where future consortiums are formed, replication activities decided, questions asked and advice given, spontaneous lunches arranged, and most importantly, long-lasting friendships made – all of which makes this event one of EU’s greatest paeans to local democracy.”

Anya Margaret Baum, Managing Director, The Keryx Group, Poland

“Interreg Volunteer Youth”:

promoting cooperation and solidarity across borders

The European Solidarity Corps (ESC) is a new European Union initiative creating opportunities for young people to volunteer or work in projects in their own country or abroad to benefit communities and people across Europe. EU regional policy has joined the initiative with EUR 1 million to give cross-border, transnational or interregional programmes and related projects the opportunity to host volunteers (EU citizens between 18 and 30 years old) for two to six months. The aim is to support, promote and report the achievements of Interreg programmes and projects while increasing awareness of the benefits of collaboration across EU internal borders. Here are the testimonies of four young volunteers participating in the Interreg Volunteer Youth (IVY) initiative, managed by the Association of European Border Regions.

Sylvia and Laura have been Interreg reporters at the ALCOTRA Joint Secretariat since 21 May 2017. Here are some of their impressions:

Sylvia says that right from the start you cannot avoid succumbing to the spirit of collaboration and mutual support of the secretariat team. “You could not ask for a better introduction to cross-border cooperation, which I did not know much about prior to taking part in the initiative. Now I feel more informed and knowledgeable on the benefits that European citizens can get from this.

“Much of this help, such as the restoration of historic buildings or support for border medical facilities, is merely material, but the added value is in two nations deciding to unite their

strengths to work in a common project. This collaboration puts into practice the idea of belonging to a single territory and having a common citizenship – European. Galvanising and taking responsibility for this community spirit, which sees borders as a meeting place rather than a barrier to be policed, is perhaps one of the more important challenges that European institutions and citizens are now finding they have to face.”

Sylvia, Italy

Laura explains that volunteering as an Interreg reporter in Turin was, for her, an opportunity to engage in furthering a cause that was close to her heart: “the European Union and the benefits for its citizens. Being French and having

affinities with Italy, I was curious to find myself at the centre of a cooperation effort between these two countries. This experience is very exciting and allows me to understand how the EU encourages regions to develop joint cross-border solutions.

"This experience is very exciting and allows me to understand how the EU encourages regions to develop joint cross-border solutions."

"I have had several opportunities to meet with leaders of projects financed by the programme and to observe their actions and results in situ. I discovered projects that dealt with issues present on both sides of the border, such as the struggle against depopulation in mountainous areas, an appreciation of cultural and natural heritage, and better prevention of natural hazards."

Laura, France

Thanks to the fresh approach of the IVY initiative, Laura and Silvia feel they are contributing to the promotion of civil engagement and increasing the sense of belonging to the European Union. IVY has allowed them to bring a new feel to an instrument that has existed for more than 27 years, and this makes them very proud.

Working on a borderless future

"I don't know, but those Germans have quite a good taste in music!" This quote from a Dutch secondary school student touches the core of the project in which we volunteer.

The project is called 'Nachbarsprache & buurcultuur', the German and Dutch words for 'neighbouring language' and 'neighbouring culture'. Through exchanges, it puts secondary 'schoolers' in contact with their peers from across the border. This helps reduce barriers to make them aware of the limitless possibilities for future studying, working or living that the other country has. Understanding that 'the other' isn't all that different is the first step in this process.

Radboud University Nijmegen (the Netherlands) and the University of Duisburg-Essen (Germany), separated by only 100 kilometres and a border, recently initiated the project. As students in the binational master's programme 'European studies: Dutch-German Studies', we are both well aware of the importance of

crossing European borders and minimising their impact. Our professor, Paul Sars, who is the project coordinator on the Dutch side, gave us a chance to contribute.

"You have three months of semester holidays," he said. "Why don't you join our team and gain experience in your future work field?" So he arranged a sixth-floor office with a beautiful view and put us in touch with IVY. To get a picture of the project, we travelled to some participating schools and observed exchanges. We experienced first-hand what a positive impact student exchanges can have. With the rise of social media and vloggers, more than ever they now share the same interests and youth culture. It feels great to see them realise this similarity!

An integral part of our job is to give the students opportunities to share their experiences with their environment. We assist them while they write blog posts in which they can focus on their personal perspectives on the exchanges. We also organise Instagram 'takeovers' that give them an opportunity to express themselves in an even more familiar environment.

To create publicity in the border region, we also write press releases and invite local and regional journalists. We created a platform on social media to share the students' content and the media attention, so both the students and the population in the border region become more aware of the great opportunities the other country holds.



We also discovered that designing flyers, posters and templates is a hidden talent of ours. We were even entrusted with creating the project's logo. In short, the team gives us lots of freedom and responsibilities which makes our IVY experience very enjoyable!

Xander and Yonec, Netherlands



FIND OUT MORE

https://europa.eu/youth/solidarity_en

<https://www.interregyouth.com/>

BORDER REGIONS MEASURES TO BOOST GROWTH AND JOBS

The **Single Market and freedom of movement** are EU rights. Citizens enjoy being able to move, work, study or use services in other EU countries. These rights are especially important for **border communities**.

1 in 3 Europeans live in these regions – **150 million people**

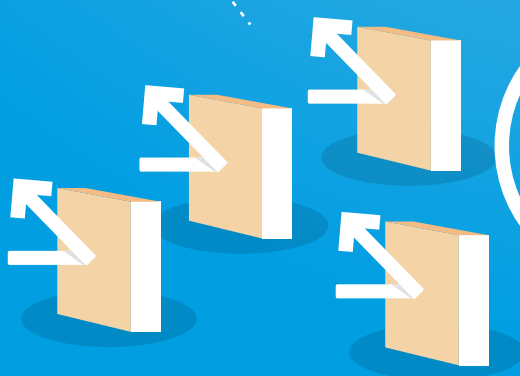
2 million EU citizens are **frontier workers or students** – they travel to work or school across a border **daily or weekly**.



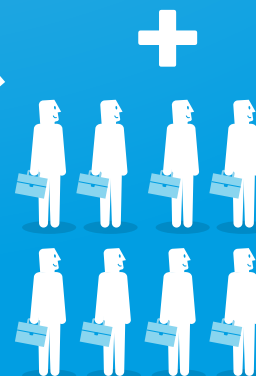
The process should be smooth and easy.
But for many it is not.

Varying **national laws and administrative procedures** hinder access to work, education, emergency services, business, local public transport, and health care.

Removing only **one fifth** of all obstacles could lead to:



GDP +2% in border regions



1 million new jobs

These challenges will be addressed by the following **10 measures**.

The creation of a '**Border Focal Point**' within the Commission will facilitate and support their implementation.



deepen cooperation and exchanges



e-government to enable cross-border public administration



improve the legislative process



provide reliable and understandable information and assistance



support cross-border employment



promote greater pooling of health care facilities



promote border multilingualism



consider the legal and financial framework for cooperation



facilitate cross-border accessibility



build evidence for better decision-making

28 EU countries, together with Norway, Switzerland and Lichtenstein, share close to **40 land borders**, with over **440 regions** located alongside at least one border.



“Border regions are essential for Europe's growth. With more than a quarter of the EU GDP being produced there, we are looking at a gold mine of opportunities.”

European Commissioner for Regional Policy Corina Crețu



DATA POINT: 4 – 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

A bird's-eye view of regional investment

The EU is unlocking EUR 454 billion for investments through European Structural and Investments Funds (ESIF) in the Multiannual Financial Funds (MFF) 2014-2020. Where do we stand in terms of EU payments in the middle of the programming period?

While investments are inherent in regional development and deeper cohesion, public money is an important catalyst. To enable citizens to follow-up on European taxpayers' money made available in their region and country, the EU is poised to offer them a real-time (daily) 360° bird's-eye overview of the grass-roots source.

ESIF yearly outlook

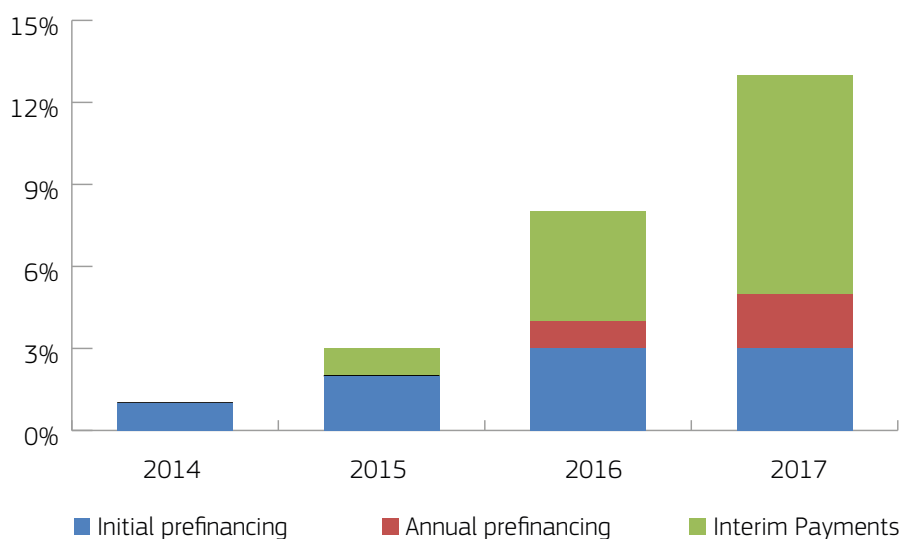
Analysis of the Multiannual Financial Framework 2014-2020 financial execution from the EU payments perspective shows that the trend of previous programming periods persists for all funds under the European Structural and Investment Funds

umbrella. The programmes start their journey with financial support from advances received, this time, in the first three years (initial pre-financing) and later declare expenditure to the Commission to secure reimbursement (interim payments).

Influenced by the effects on EU economies caused by past financial crises, the Union decided to increase its upfront support for investments by injecting cash in the Member States, also via an extra advance (annual pre-financing). This is made available on a yearly basis between 2016 and 2023. The lifetime of each annual pre-financing is one accounting year in which the Member States have to cover it with expenditure declared to the Commission and, implicitly, retain it as an interim payment. Otherwise, that advance is recovered by the Commission with no prejudice to the allocation of the Member State concerned.

The time series below presents these three types of payments on a cumulative basis for all ESI Funds showing a financial execution of 13% at the end of August 2017.

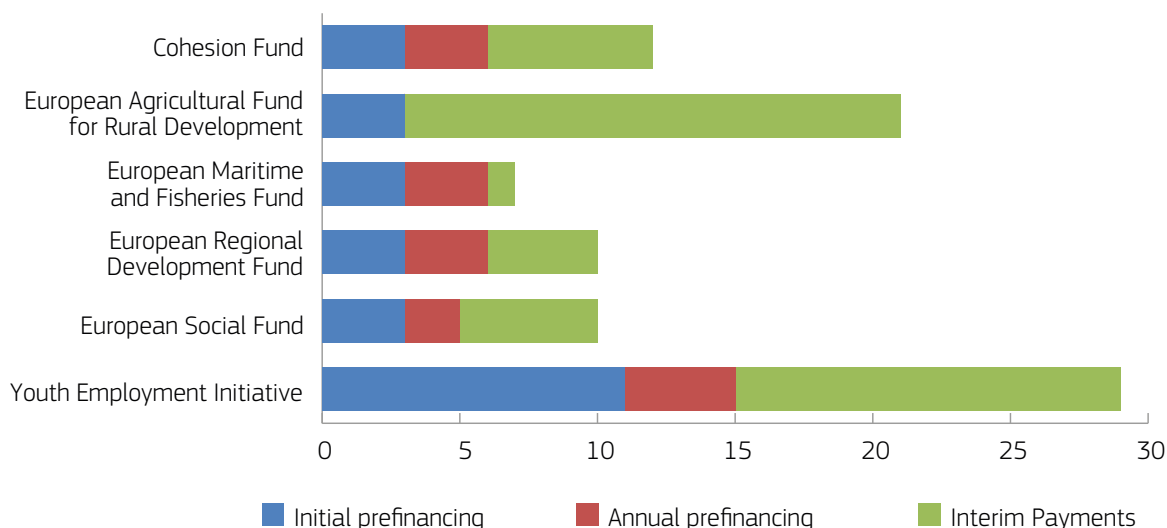
Total EU payments all ESI funds



Over half of all EU funding is managed via ESI Funds (i.e. EUR 454 billion) with a large part being channelled through the European Regional Development Fund (EUR 196 billion) to promote balanced development and boost shared prosperity across the 276 EU regions. From the funding available under ERDF, 9% was consumed by the end of August 2017 in actions supporting jobs, growth and investment.

or northern sparsely populated regions are also recognised individually and show great progress in terms of financial execution, with 11 % of their allocation of EUR 2 billion consumed by the end of August 2017. The rest of the ERDF allocation, i.e. EUR 9 billion, is implemented through INTER-REG programmes whereby regions and Member States cooperate across borders.

Total cumulative EU payments by fund



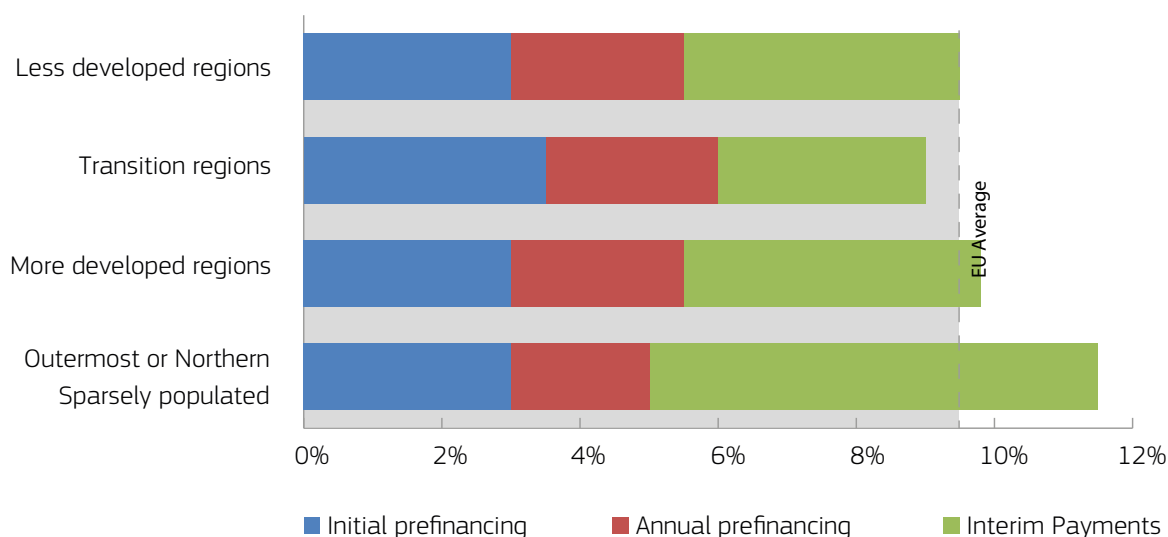
Focus on ERDF: where do we stand?

With this considerable emphasis placed on EU regions, the story of 2014-2020 ERDF programmes is shaped on the categorisation of EU regions into three main types: less-developed regions receiving EUR 129 billion over the seven-year period; transition regions with EUR 24 billion; and more-developed regions receiving EUR 32 billion. Outermost

When comparing the performance of Member States in terms of expenditure declared to the Commission, it can be concluded, on one hand, that the vast majority tend to maximise the use of the available funds by requesting reimbursements from the Commission, with Finland leading at the end of August 2017.

On the other hand, it can be observed that some Member States pitch for extending the use of the advances and delaying the

Total EU cumulative payments by category of region: European Regional Development fund



possibility of receiving reimbursements. In light of this, the Commission brings discipline by imposing the use of the committed EU funds¹ no later than the end of the third year counted from the moment they were made available (known as “n+3 de-commitment rule”), otherwise they are lost by the Member State.

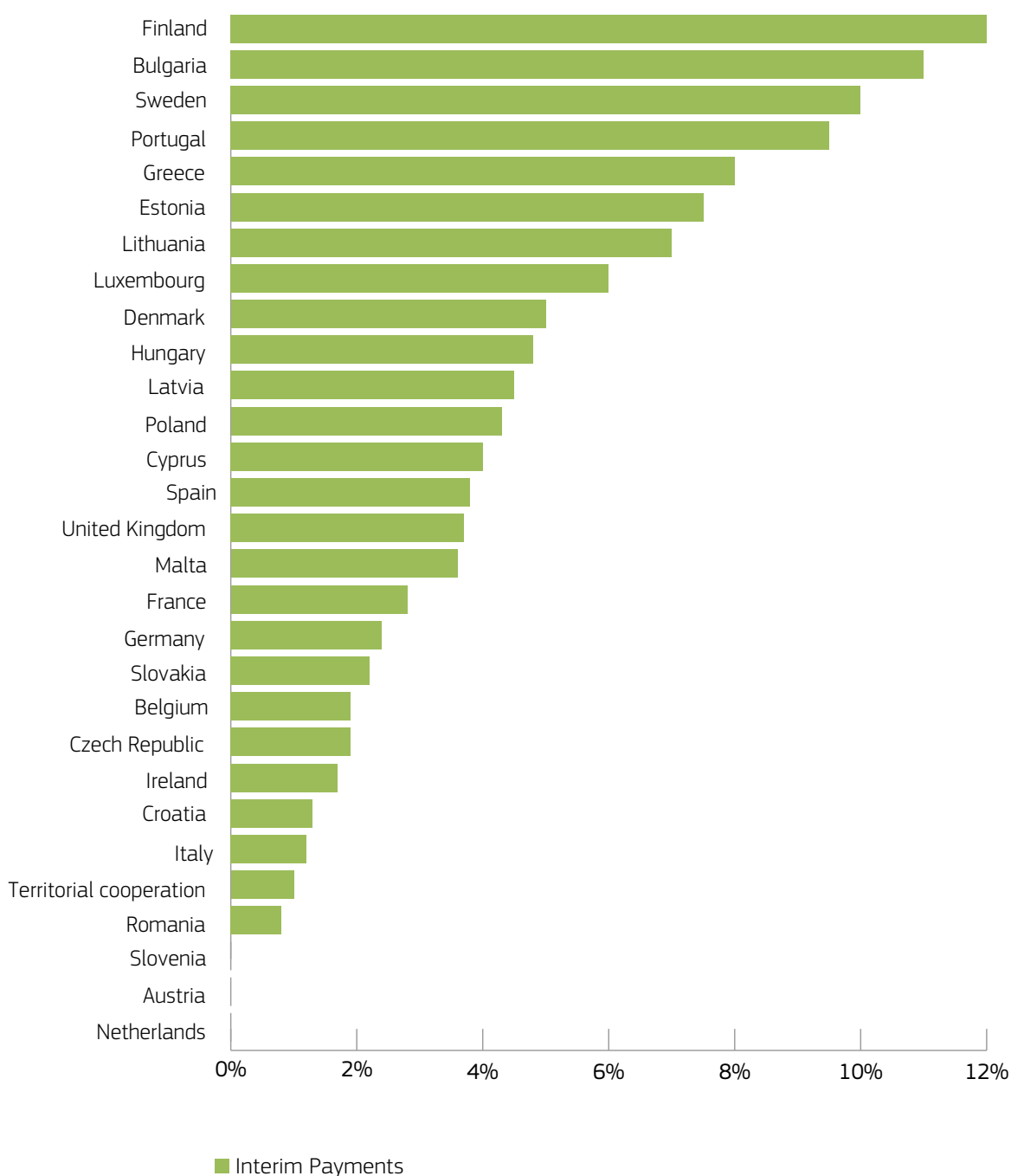
With an eye on the impending post-2020 MFF, a new moto is emerging: knowledge is empowering citizens. Each and every citizen is invited to follow-up on the use of EU funds in order to be able to form an accurate opinion and take part in debates on the future of Europe.

Do you want to find out where your region and country stands in terms of EU payments received? ■

FIND OUT MORE

Take advantage of our new daily updated data set and customise your own graphs at: <http://europa.eu/!Vh74Pj>

Total cumulative EU payments by Member State



PROJECTS

SAFE HARBOUR FOR CRUISE SHIPS BOUND FOR PORTO

**TOTAL INVESTMENT:
EUR 45 541 041**

**EU CONTRIBUTION:
EUR 25 495 826**

A newly constructed cruise terminal building is enhancing passage to the north of Portugal for luxury liners, boosting tourism and economic growth in the region. The European Regional Development Fund (ERDF) has funded a project enabling the port to welcome larger cruise ships.

Porto – the second largest city in Portugal, located on the Douro River beside the coast – is a must-see destination for many tourists. However, despite its shoreline location, international luxury ocean vessels have previously been denied access, as the facilities in Leixões were unable to accommodate them.

The ERDF-funded project grew out of the realisation that passengers on large cruise vessels could be attracted to Porto if the facilities at Leixões were upgraded. As a result, tourism in the region surrounding Porto has seen a surge in visitors since the construction of a new cruise terminal building in the harbour.

Shipshape

Thanks to the new building, 210 jobs have been created and the local community is benefitting even further as the terminal is now home to the University of Porto's Centre for Marine Science and Technology. Facilities at the university include laboratories, a nursery for marine organisms as well as vivaria for keeping marine animals and plants.

Leixões is strategically placed as the westernmost hub of the Atlantic Trans-European Transport Network (TEN-T) Core Network Corridor, part of the EU's key multinational transportation route initiative.

Designed by Luis Pedro Silva, the modern white building is shaped like a ship's hull – arching 800 metres from the shoreline, it has already become an architectural landmark in the region. A mooring pier was built to accommodate larger cruise vessels up to 300 metres long, along with a marina housing 170 new berths specially adapted for long liners. The existing outer harbour wall was extended to a diameter of 600 metres and the sea floor dredged to a depth of 10 metres. A river-sea quay has also been built specifically for smaller vessels taking tourists on short tours along the River Douro.

The European Commission invested EUR 25 million into funding the construction of the terminal and its associated marina and facilities, 45% of the total budget of over EUR 57 million. Since it was opened, the number of cruise ships and passengers in the area has increased significantly, including some of the world's most luxurious vessels, giving Portugal's tourism industry a significant boost. ■

FIND OUT MORE

<http://bit.ly/2xhSBoe>

PROJECTS

GUT CELL INTERACTIONS UNDER THE MICROSCOPE

**TOTAL INVESTMENT:
EUR 5 160 086**

**EU CONTRIBUTION:
EUR 2 580 043**

Backed by the European Regional Development Fund, the Alimentary Glycoscience Research Cluster (AGRC) in Galway, Ireland, is studying how our guts respond to harmful and non-harmful organisms. This collaborative effort is the first step towards new drug developments for improving gut health.

Ireland is advancing towards the cutting edge of new developments in the relatively recent field of glycoscience. This emerging area focuses on the roles of complex sugars in interactions with both harmful and non-harmful bacteria. Cancers, microbial infections and inflammatory diseases are all impacted upon by gut-bacteria relationships, which is why the research is crucial. Results from the cluster should feed into new drug developments, preventative measures and diagnostic methods.

By teaming up scientists from a range of disciplines – microbiologists, computational scientists and chemists alongside glycoscientists themselves – the AGRC aims to build on the foundations of glycoscience expertise already established in Ireland. Advances in the sector will add to the country's already strong research profile in alimentary health, stem cell therapy, cancer and immunology.

The results could also have a knock-on effect on the development of drugs and therapies for non-gut-related infectious diseases, as the researchers uncover general data about pathogen behaviour and cell response which could be applied to other body systems.

Smart approach

The AGRC will initially focus on gut-cell responses to infiltration by harmful and non-harmful organisms, before developing new glycan analysis platforms for further research. It is also forging partnerships between scientists and engineers in academia

and industry, combining different skills and experience to foster technology and innovation.

This research is expected to have an important commercial impact on the pharmaceutical, bio-analytical, dairy and food sectors, contributing to Ireland's growing economy.

In line with the national innovation strategy and contributing to the 'smart economy', the AGRC is one of Ireland's Strategic Research Clusters, specialist centres of expertise located throughout the country. The Irish foundation for investment in scientific and engineering research – Science Foundation Ireland – promotes the establishment of such clusters to address key research questions in specific areas, support the development of technology companies in Ireland, and contribute to Ireland's overall economy.

Strides made in glycoscience to date have been driven by recognition of the importance of glycomics in improving gut health. In particular, the cluster aims to provide the building blocks for the next wave of diagnostics and therapeutics, enabling cancer sufferers, inflammatory disease patients and those with microbial infections to access better remedies in the future. ■

FIND OUT MORE

<http://www.agrc.ie/>

AGENDA

18-19 OCTOBER 2017

Budapest (HU)

6th EUSDR annual forum

23-24 NOVEMBER 2017

Munich (DE)

EUSALP annual forum

27-29 NOVEMBER 2017

Rotterdam (NL)

Cities Forum

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



Publications Office

European Commission,
 Directorate-General for Regional and Urban Policy
 Communication – Agnès Monfret
 Avenue de Beaulieu 1 – B-1160 Brussels
 E-mail: regio-panorama@ec.europa.eu