



European Union
Regional Policy



Regions for economic change

EN



**Fostering competitiveness
through innovative technologies,
products and healthy communities**

March 2007

Contact

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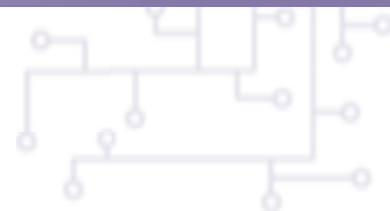
Photographs: © European Commission, Directorate-General for Regional Policy/Mike St Maur Sheil, (p. 13) Economic development
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The new cohesion policy programming period 2007–13 requires intensified cooperation between regions and cities across Europe. I want to ensure that the many bright ideas emanating from regional and urban networks find their way quickly into the next generation of programmes to be implemented by the regions. The ‘regions for economic change’ initiative set out in communication COM (2006) 675 is designed to promote partnership in action — partnership between relevant players in each region, between different regions and between the regions and the Commission. In that latter context, we intend to strengthen the synergy between the various Community policies that contribute to growth and jobs. This can be achieved by ensuring that relevant experiences and good practices from whatever source are shared through interregional cooperation. Through ‘regions for economic change’ we should capitalise in particular on the experience in the period 2000–06 under the Interreg III C initiative supporting interregional cooperation, the Urbact network for exchange of best practice between European cities and, I hope, other Commission networking activities.



The initiative contains four specific innovations in the area of interregional cooperation. Firstly, we have identified 30 priority themes focusing on economic modernisation and the renewed Lisbon agenda. These themes are based on the four strands of the strategic guidelines for cohesion 2007–13: attracting investments; improving knowledge and innovation; creating more and better jobs; and taking account of the territorial dimension. Several of these themes are the focus of specific workshops found in the conference programme.

Secondly, we see a need for enhanced communication to facilitate the exchange of know-how and good practice on regional development and the implementation of the growth and jobs agenda. That is why this annual conference is also launching the process that will lead to the award of ‘RegioStars 2008: awards for innovative projects’ at the second annual conference. I am happy to acknowledge that we already have partners in this communication effort as the Committee of the Regions and the French region of Provence-Alpes-Côte d’Azur have been actively involved in this event by organising a ‘forum for exchanging ideas and experiences’ on 8 March 2007 in the Jacques Delors building.

Thirdly, we plan to build a bridge between the networks and the mainstream programmes. That objective will be encouraged in all networks financed from the EUR 375 million available for these purposes under the ‘European territorial cooperation’ objective 2007–13. But the mainstreaming will be pursued in particular through the fourth innovation, the so-called fast-track option. Under this option, the Commission will work in partnership with volunteer networks (dealing with selected priority themes and comprising 15–20 regions or cities) with the objective of providing a rapid testing ground for new ideas.

This is the first annual Regions for Economic Change Conference. I believe that you will find the programme inspiring, providing new opportunities for the exchange of know-how and good practice in the regional implementation of the growth and jobs agenda.

Danuta Hübner

Member of the European Commission responsible for Regional Policy



Innovating Regions

Statistics on research and development (R & D) and innovation regularly confirm significant disparities between EU Member States and regions.

Since 2002, the European Commission has assessed trends in regional innovation which combine a larger selection of data such as employment in science, technology and high-tech services or patents per million of population. In the latest **European regional innovation scoreboard** published in November 2006 ⁽¹⁾ and still based on 25 Member States, the top 10 performing regions are Stockholm, followed by Västsverige (SE), Oberbayern (DE), Etelä-Suomi (FI), Karlsruhe (DE), Stuttgart (DE), Braunschweig (DE), Sydsverige (SE), Île de France (FR) and Östra Mellansverige (SE). Regions from EU-15 countries dominate the best-performing regions with 47 regions in the top 50 and 94 regions in the top 100. From the new Member States regions, Praha (CZ) is ranked 15, Bratislavský kraj (SK) ranked 27, Közép-Magyarország (HU) ranked 34, Slovenia ranked 63, Mazowieckie (PL) ranked 65 and Jihovýchod (CZ) ranked 100.

The map on the next page illustrates the results of the recent European regional innovation scoreboard. Compared to other regional disparities such as the GDP per head it confirms that the less-developed regions will demand an extra effort to improve their innovation performance, i.e. to create competitive growth



Instituto Tecnológico de Aragón, Zaragoza, Spain, co-financed by the European Regional Development Fund.

and jobs. The significant amounts of Structural Funds available, as well as an increased partnership with the most-performing regions, can make the difference.

Cohesion policy supports innovation in two main ways: the co-financing provided through the Structural Funds and the development of a system of regional governance based on strategic development, partnership, programming, monitoring and evaluation. In many cases, the governance system is an innovative policy in itself. For the cohesion policy programmes during the period 2007–13, the European Commission carried out an **evaluation on innovation and the knowledge-based economy** ⁽²⁾, which aimed to provide guidance on how to implement regional innovation activities under the Structural Funds. The diversity of innovation performance and potential amongst the European regions led to the definition of a typology of various regions requiring different approaches on innovation policies.

The study suggests that it is important to:

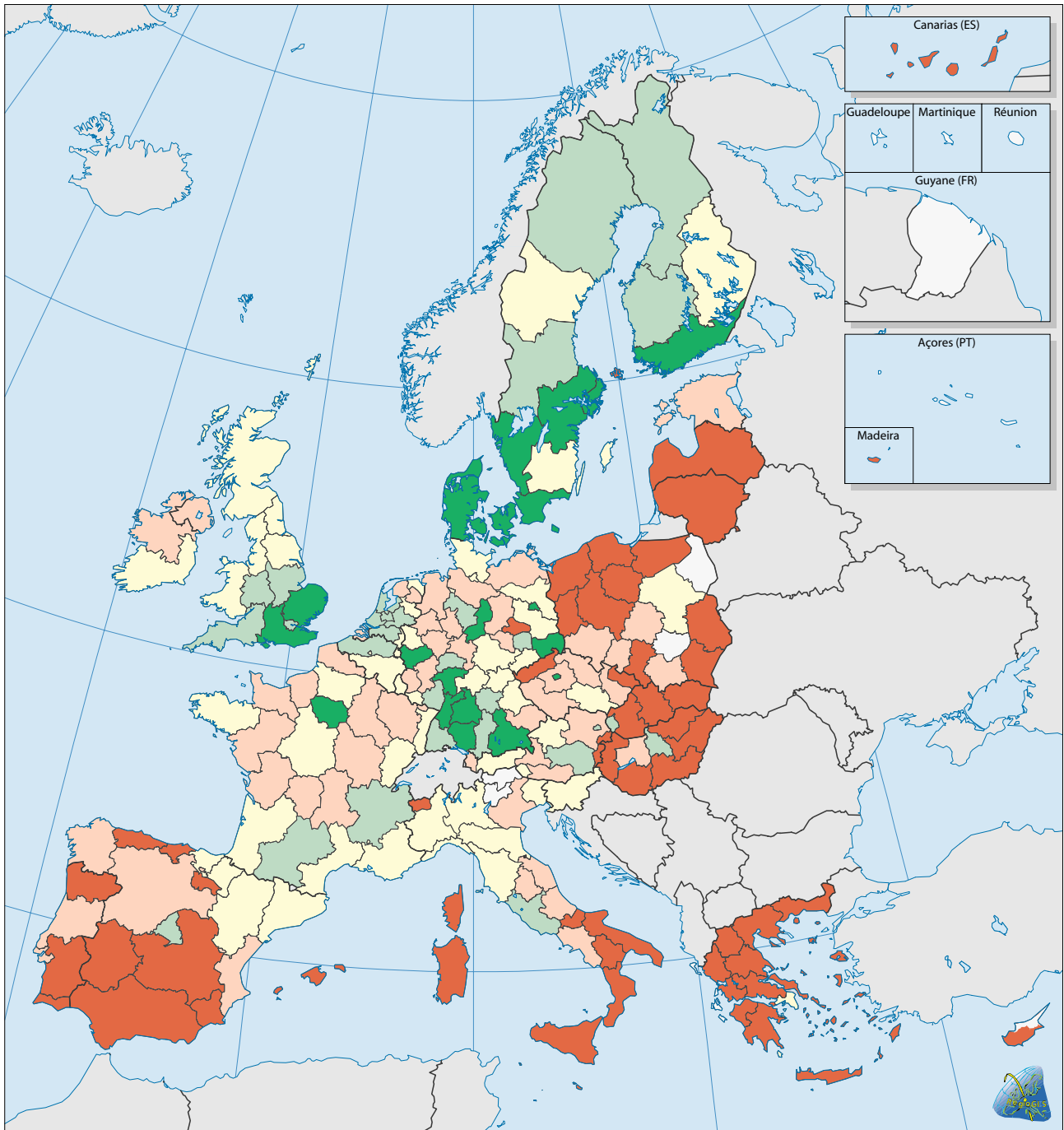
- recognise the diversity of regional innovation potential, which implies distinct 'tailor-made' approaches to target setting and programming of innovative measures in Europe's regions;
- launch and test more 'complex projects' or 'multi-actor-multi-measure' initiatives with a clear focus on marketable applications of new technologies rather than R&D infrastructure-based approaches to technology development and transfer;
- adopt longer-term planning and a more sustainable process of strategic management of regional innovation policies;
- exploit the new European territorial cooperation objective to create interregional networks.

From an operational perspective, the study highlights the need for better coordination amongst regional programmes and policies and investment in strategic intelligence tools, such as policy benchmarking, foresight and interregional cooperation programmes. It also recommends a phased approach to implementing innovation and knowledge interventions and avoiding the funding of sub-critical programmes or measures in favour of larger and 'riskier' but, if successful, more structuring projects. Lastly, it recommends more systematic relations between policymaking institutions in order to constantly review regional networks in research and innovation.

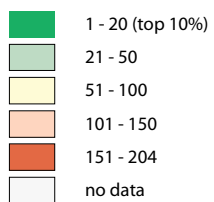
¹ See: <http://trendchart.cordis.lu/>

² See: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/rado_en.htm

Regional innovation performance in Europe, 2006



Ranking of NUTS2 regions



BE, PL4, PL5, PL6, UK : NUTS1

0 100 500km

© EuroGeographics Association for the administrative boundaries



Regions for Economic Change: Partnership in Action

Cohesion policy and its instruments and programmes are managed in a decentralised way, fully respecting the subsidiarity principle. The choice of investments to benefit from the Union's support in 2007–13 will be made, for the most part, by the Member States, regions and cities themselves. In November 2006, the Commission published the communication on regions for economic change⁽³⁾ which proposed new ways to energise regional and urban networks under the 'European territorial cooperation' objective. With the regions for economic change initiative, the Commission is promoting 'partnership in action'. The Commission services are working together to address the core issues that European regions are facing, making a strong link between the exchange of good practice and the mainstream funding of cohesion policy instruments.

The regions for economic change initiative involves two European Regional Development Fund instruments — the interregional strand of the European territorial cooperation programme⁽⁴⁾ and the urban development network programme 'Urbact'. It proposes that these programmes focus on economic development themes which have been set by the Commission and are coherent with the Community strategic guidelines on cohesion 2007–13⁽⁵⁾. In total, the two instruments will have a budget of EUR 375 million for the period 2007–13.

The regions for economic change initiative will feature the following innovations.



José Manuel Barroso, President of the European Commission, opening the first Regions for Economic Change Conference on innovation in June 2006.



Bridge linking Spain and Portugal over the Guadiana river, Algarve, Portugal.

- Regions and cities will continue to have the possibility to form and manage their own networks but will be asked to do so around **themes selected to connect Union policies to the modernisation agenda**. The Commission has, through a coordinated effort by its services and in cooperation with Member States, set out the themes to be pursued (see list on the next page).
- A new **fast-track option** will provide a rapid testing ground for policy ideas emanating from the experience of regions and the Commission services. In such networks, the Commission will play a particular role in supporting the exchange of experience and efforts to mainstream the results in relevant operational programmes.
- A **'two-way bridge'** between thematic development of the networks and mainstream European regional policy programmes will be encouraged. Through this two-way bridge, projects tested under the regions for economic change instruments will be rapidly integrated into mainstream programmes.
- The initiative will incorporate an **enhanced communication effort** to spread best practice rapidly among all regions and cities of the EU. This will include the introduction of 'RegioStars — awards for innovative projects', which bring high-quality results in terms of economic modernisation, an annual conference and reinforced diffusion of good practice examples.

These innovations will ensure that the regions for economic change initiative provides the EU with a reinforced and integrated instrument

⁽³⁾ COM (2006) 675/SEC (2006) 1432 of 8 November 2006.

⁽⁴⁾ The legal basis is provided by Article 7(3) of Council Regulation No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999. For further details regarding the implementation provisions see the ERDF Regulation (EC) No 1080/2006 of 5 July 2006.

⁽⁵⁾ Council Decision (2006/702/EC) of 6 October 2006 on Community strategic guidelines on cohesion; Official Journal of the EU L 291 of 21 October 2006.



with which to prompt economic modernisation and enhance competitiveness, with a role for the Commission within the fast-track option. It will provide an opportunity for regions and cities to work on specific themes geared to economic modernisation. This new

instrument will further stimulate progressive thinking in the implementation of programmes assisted by the funds made available under the cohesion policy and ensure a steady improvement in their contribution to the Lisbon modernisation objectives.

Regions for Economic Change: 30 priority themes

The themes for regions for economic change and its fast-track option have been grouped into specific policy fields, following the Community strategic guidelines on cohesion 2007–13. This document contains three sets of thematic guidelines and a crosscutting territorial dimension, as follows:

- making Europe and its regions more attractive places to invest and work;
- improving knowledge and innovation for growth;
- more and better jobs; and
- the territorial dimension of European cohesion policy.

Particular attention will be paid across all of these themes to improved governance and to the involvement of the private sector. The 30 priority themes within the initiative are the following.

1. Increasing adaptability. Regions working on this theme will exchange experience on how to deal with short-term economic shocks and on the appropriate instruments to mitigate negative effects and take advantage of opportunities which arise. Regions will also share best practice on steps they can take to prepare for, and take advantage of, planned and predictable changes in the economic environment, such as those arising from increased liberalisation of trade and reductions in trade protection arising from international trade agreements.

2. Improving air quality. Regions working on this theme will develop and share measures to reduce their measured levels of particulate matter, NO₂ and CO through integrated packages of measures.

3. Moving to a low carbon economy. Regions working on this theme will develop actions and exchange experience on measures to improve Kyoto performance and to contribute to the 2010 national indicative EU-25 global target of 21 % of electricity from renewable energy sources, and 5.75 % for the market share of biofuels (for transport as well as the increased use of renewable energy sources for heating and cooling).

4. Improving quality of water supply and treatment. Regions working on this theme will develop measures, and share best practice, on assuring better water quality and more efficient consumption.

5. Moving to a recycling society. Regions working on this theme will develop measures, and share best practice, on assuring reduction of waste generation and recovering/recycling valuable resources embedded in waste.

6. Making healthy communities. Regions, cities and rural areas working on this theme will aim to improve the overall 'state of health' of inhabitants through extending healthy and active ageing and via measures to prevent health risks and fill gaps in health infrastructure, including ICT-based tools.

7. Integrated policies on urban transport. Cities working on this theme will aim to improve their citizens' quality of life by providing high-quality public transport and better management of traffic as part of an integrated strategy to improve their transport systems.

8. Developing sustainable and energy-efficient housing stock. Cities and rural areas working on this theme will aim to achieve a higher level of sustainable development and energy efficiency in housing stock.

9. Improving the monitoring of the environment and security by and for the regions. The aim of regions working on this scheme will be to overcome the problem of fragmented information systems and to develop customised information services in various areas such as cross-border spatial planning (for transport infrastructure, tourism development, land monitoring) or emergency responses (focused on common risks areas such as alpine regions, cross-border rivers or Mediterranean forest).

10. Improving the regions' capacity for research and innovation. The aim of regions working on this theme will be to develop measures to improve the proportion of their workforce employed in science, technology and high-tech manufacturing and the number of patent applications and licensing agreements. Under the fast-track option, support could be given to regions to facilitate their participation in different EU-level activities such as the European Institute for Technology.

11. Bringing innovative ideas to the market more quickly. The aim of regions working on this theme, which will be especially important in regions with strong SME sectors, will be to develop measures to increase awareness of the potential benefits of research for selected business sectors, including the possibilities which might flow from projects like Galileo; to facilitate knowledge transfer from research to innovative products and services; and to promote non-technological innovation, e.g. by providing counselling and networking measures. The exchange of best practice would include the use of risk capital to finance the proof-of-concept stage of the innovation process.



12. Training and retaining researchers. Regions working on this theme will develop programmes to train students and researchers in local companies, to establish offices to facilitate the exchange of personnel and knowledge, and to attract young people to research and scientific careers.

13. Helping to restructure regions most heavily dependent on traditional industries. The aim of regions working on this theme will be to develop policy mechanisms on how best to anticipate, or respond to, closures through restructuring and diversification, or through retraining, business support, advice and financing and nurturing local clusters.

14. Bringing e-government to regions and businesses. Regions working on this theme will benefit from experiences in those which are more advanced in the provision of administrative, library and other services through electronic communications.

15. Better ICT connections between regions. Regions working on this theme will use broadband connections and digital ecosystems technologies to help retain and establish new businesses, reduce out-migration, and enable global cooperation among the various socio-economic actors.

16. Improving qualifications for innovation. The aim of regions working on this theme will be to address the shortage of qualified workers for research, technology or innovation jobs, through actions to increase the education level of the population and to train both unemployed and those in employment (updating skills, lifelong learning).

17. Promoting entrepreneurship. Regions working on this theme will focus on measures to increase the number of start-ups and their survival, to encourage an entrepreneurial mindset in schools, and provide business advice, mentoring, financing and support to innovation centres.

18. Meeting the demographic challenge. Regions working on this theme will pool their experience in dealing with the effects of demographic change and shape measures which could be applied elsewhere. Special attention will be paid to the intergenerational balance and the effects of immigration, both legal and illegal.

19. Promoting a healthy workforce in healthy workplaces. Regions working on this theme will aim to reduce the number of working days lost to sickness by sharing best practice on health promotion, including health promotion in the workplace.

20. Integrating marginalised youth. Cities and rural areas working on this theme will aim to strengthen the integration of unemployed and under-skilled young people by providing them with access to job opportunities through education, training, micro-credits, improved infrastructure and advisory services. Crime prevention measures could also be highlighted.

21. Managing migration and facilitating social integration. Cities and regions working on this theme will aim to strengthen their integration by giving these groups access to job opportunities through education, training, micro-credits, improved infrastructure and advisory services.

22. Improving the adaptability of workers and enterprises. Regions working on this theme will aim to strengthen their lifelong learning performance and improve systems to promote better design and dissemination of innovative and more productive forms of work organisation.

23. Expanding and improving education and training systems. Regions working on this theme will aim to improve their education and training systems and curricula.

24. Increasing employment of older workers. Regions working on this theme will aim to raise the employment rate of older workers. A multitude of active and preventative approaches could be followed, depending on national and regional particularities.

25. Managing coastal zones. Investments in the environment help to ensure the long-term sustainability of economic growth, decrease external costs to the economy and stimulate innovation and job creation. Regions working on this theme will develop and share measures to prevent or reduce coastal pollution, to manage coastal erosion in a sustainable manner, and mitigate the effects of a rise in sea level in view of a global strategy for adapting to climate change.

26. Reaping the benefits of the sea. Regions working on this theme will exchange best practices on how the economies of maritime regions can benefit from growth in areas such as transport, tourism, energy production, aquaculture, and emerging marine technologies.

27. Achieving sustainable urban development. Cities working on this theme will aim to share experience and benefit from the application of this integrated sustainable urban development approach.

28. Reusing brown-field and waste-disposal sites. Cities and regions working on this theme will aim to develop projects to reuse abandoned urban industrial, military or port sites.

29. Preventing and reducing floods. Cities and regions working on this theme will develop projects to restore river meanders, prepare dry polders, carry out afforestation projects and create wetland areas.

30. Supporting the economic diversification of rural areas. Regions working on these themes will exchange best practices on how the economies of rural regions can be further diversified.



How it works



Discussion with Commissioner Hübner at the first Regions for Economic Change conference in June 2006.

Under the regions for economic change initiative, networks will be set up by application to the **future interregional cooperation and urban development (Urbact) network programmes**, which are likely to be adopted in the second half of 2007. According to the programme procedures, a lead region will apply for funding for a network from the appropriate programme. The monitoring committee will be responsible for choosing the projects based on the selection criteria it has established.

Under the interregional cooperation and Urbact programmes, regions and Member States can continue to establish networks as they have in the past. Following a call for proposals, a group of regions or cities wishing to set up a network — under one of the 30 themes or the other priorities agreed — will designate a lead region which will make a project application on a specific subject to the appropriate programme. Commitment to dissemination and mainstreaming of results in convergence and competitiveness programmes will be strongly encouraged.

For **fast-track networks**, regions and cities will (in accordance with procedures to be set out in the programme) work closer together with the European Commission. Fast-track networks will be selected on the basis of additional criteria, such as the presence of deeper partnerships with economic and social partners, and committing to transfer results to the mainstream convergence and competitiveness programmes.

Conferences

A series of three Regions for Economic Change Conferences was announced in January 2006. The first took place on 12 and 13 June 2006, the second on 25 and 26 January 2007 and the third is planned for 7 and 8 March 2007. These events aim to showcase themes where cohesion policy can support the Lisbon modernisation agenda, provide examples of good practice and provide a learning opportunity for Structural Funds managing authorities. The third conference will also constitute the first annual conference to coincide with the spring European Council and the launch of the regional innovation awards for 2008.

Innovating through Regional Policy (12-13 June 2006)

This conference focused on examining best practices as regards fostering knowledge transfer, innovation and clusters, with particular attention to those strategies and projects which have succeeded in less prosperous regions. Key speakers included Commission President Barroso, Commissioner Hübner and Commissioner Verheugen. Workshops addressed the role of public authorities in managing innovation and nurturing clusters, the development of innovation infrastructure and support services, financial engineering, developing poles of excellence, commercialising research results, the role of networks in knowledge transfer, developing transregional projects, and experience in combining national and Community funding.

Around 600 people participated in the conference. They came from the national and regional authorities involved in drawing up and implementing Structural Funds programmes, representatives



At the Innovating through Regional Policy conference in June 2006.

of business organisations, universities, technology transfer specialists and specialist networks involved in research, innovation and knowledge transfer. Alongside the conference, there was an exhibition of innovative projects from across the EU which had received support from the Structural Funds, stands with information on relevant Community programmes and advisory booths. Products included a conference brochure and proceedings.

Regional Policy responses to Demographic Challenges (25-26 January 2007)

The purpose of this conference was to raise awareness of demographic change as a driver of socio-economic change and demonstrate how European regional policy and its instruments allow European regions to respond to the challenges and make the most of the opportunities presented by demographic change. Key speakers included Commissioners Hübner and Špidla, Presidents Dimitriadis of the EESC and Delebarre of the Committee of the Regions and ministers and experts from Member States and regions. During the conference, a Eurostat representative announced the latest 25 year regional population projections while the Committee of the Regions launched 'An age-proofing toolkit'.

In addition to the plenary sessions, the conference focused on three workshop sessions, with three parallel workshops per

session. The event showcased examples of good practice and provided a learning opportunity for Structural Funds managing authorities. In total, more than 500 representatives of national, regional and local administrations, institutions and networks, civil society organisations and representatives of universities were represented.

Fostering competitiveness through innovative technologies, products and healthy communities (7-8 March 2007)

This conference aims to facilitate the exchange of good practices for pursuing the implementation of the Lisbon strategy at regional level through cohesion instruments. Through an 'exchange and networking forum' the event will offer learning and networking opportunities for authorities managing the Structural Funds, regional development agencies, business organisations and other partners with up to 500 participants. In particular, during nine workshops the event will showcase examples of good practice and governance in European regional policy under three themes:

- small and medium-sized enterprises, transfer of technology and governance;
- innovative technologies, products and markets for sustainable growth;
- improved regions and cities for businesses and citizens.



At the second Regions for Economic Change conference in January 2007.

A 'forum' will be organised in cooperation with the French region of Provence-Alpes-Côtes d'Azur and the Committee of the Regions. The latter will present the 'Lisbon monitoring platform', a network of more than 60 regional and local authorities which monitors in detail the progress of the implementation of the Lisbon strategy and its governance process.

On 8 March 2007, Mrs Danuta Hübner, European Commissioner for Regional Policy, will launch the 'RegioStars 2008: awards for innovative projects' which aims to identify best European practice in regional development.

RegioStars 2008 – awards for innovative projects

Calling all regional authorities! Submit your most innovative project to a competition which will spotlight good practice in regional policy.

The award

The first RegioStars will be awarded in March 2008 at the Regions for Economic Change Conference which will profile the best practice examples from the competition and facilitate exchanges of experience.

The objective of RegioStars is to identify good innovative practices in regional development in the following categories:

- Regional economies based on knowledge and technological innovation:
 - supporting clusters and business networks,
 - technology transfer from research institutes to SMEs;
- Sustainable economic development:
 - energy efficiency and renewable energies,
 - environmental technologies.

Application

One application may be submitted by each of the 268 regions of the EU-27 by **29 June 2007**. RegioStars is open to all projects that have received ERDF or pre-accession funding. In this context, a project is an action which has a strategic dimension and has potential impact on the region.

Prizes

Two prizes will be awarded in each sub-theme — one to a project in a convergence objective region and the other to a project in a regional competitiveness and employment region.

Further information can be found at: http://ec.europa.eu/inforegio/innovation/regiostars_en.htm

Regions for economic change

RegioStars 2008
The Awards for Innovative Projects

Deadline for submissions: 29 June 2007

European Union
Regional Policy

http://ec.europa.eu/inforegio/innovation/regiostars_en.htm
regio-stars@ec.europa.eu

Case studies

To coincide with the launch of RegioStars 2008, the Directorate-General for Regional Policy has produced a publication called **Examples of regional innovation projects**. This is a collection of summaries of 40 project case studies from the regional innovative actions programmes which have been co-funded by the ERDF to help regions experiment with new approaches, partnerships and regional development. The full texts of the case studies can be consulted on the regions for economic change website at: http://ec.europa.eu/regional_policy/cooperation/interregional/ecochange/index_en.cfm



Bridging the Gap: The Lisbon Monitoring Platform



Michel Delebarre,
President of the Committee
of the Regions

'The need for increased ownership at all levels of government has been recognised as one of the key factors for the success of the Lisbon strategy... The Lisbon reforms must involve EU regions and local authorities to a greater extent and at an early stage of the governance cycle... The Committee of the Regions (CoR) has committed itself to contributing to the monitoring of local and regional involvement in the Lisbon process and implementation of the reforms for jobs and growth... There is considerable room for more involvement at local and regional levels in the jobs and growth strategy. The Lisbon agenda must be owned by all stakeholders at EU, national, regional and local levels, and mobilisation is only possible if the various players feel that the policies proposed concern them and that they are truly involved in the decision-making and implementation process.'

The Committee of the Regions' Lisbon monitoring platform was launched on 1 March 2006, with the following aims:

- to form a close community to support the partnership for growth and jobs by facilitating the exchange of information between local and regional policymakers;
- to voice the identified challenges and obstacles and find realistic and valid solutions.

What is this platform?

It is the partnership principle put into practice, a network of regional and local authorities and an electronic platform all at the same time. The platform provides information on the local and regional dimensions of the strategy, gives an overview of the development of these local and regional dimensions through an interactive scoreboard and offers a space for discussion. First and foremost, it aims to create a community among local and regional authorities who are working on the implementation of the growth and jobs strategy and those who would like to learn more about it. In 2006, 65 local and regional authorities took part, and this number will rise to 100 this year.

Why a platform?

- to introduce transparency through the follow-up of what happens at the 'grass-roots' level with the national reform programmes (action plans drawn up by Member States to boost jobs and growth);
- to monitor the progress of the Member States' implementation of the growth and jobs strategy from the regional and local authorities' perspective;
- to benchmark by achieving better knowledge of what is happening in other countries and regions;
- to monitor the involvement of the regional and local level in the governance process of the EU's cohesion policy;
- to examine the evolving relationship between the Lisbon strategy and the cohesion policy, and to raise awareness of the

national reform programmes and national strategic reference frameworks (strategic documents laying out the implementation arrangements for Structural and Cohesion Funds) for local and regional authorities;

- to identify specific trends amongst the 11 groups of regional and local authorities;
- to identify the obstacles encountered by regional and local authorities in implementing the Lisbon strategy, voice these politically and find realistic solutions;
- to mobilise the regional and local level to exchange information (best practices, challenges);
- to create a productive network of regional and local authorities whose experiences and contributions will feed into the Committee of the Regions' Lisbon-related political messages;
- to help regional and local authorities make their case more effectively in national debates.

How does the platform work?

The Lisbon monitoring platform aims to be a useful operational tool for regional and local authorities across the EU, containing detailed regional statistical data, a documentation centre and interactive forums, through which regional/local representatives will be able to exchange information (best practices, challenges) on Lisbon-related subjects.

In addition to the electronic aspect of this platform, several workshops are taking place with the participants within it in order to build a real 'community' with the participants of the LMP project.

The results of this monitoring exercise will contribute to the Committee of the Regions' report for 2008, which was requested in the 2006 European Council Presidency conclusions. They will also support other Committee of the Regions' activities.

Further information: <http://lisbon.cor.europa.eu/analysis@cor.europa.eu>

Austria/Estonia/France/Germany/Romania/Sweden/Russia

CLOE – Clusters Linked over Europe



Clusters are networks of compatible or competitive interrelated companies working together to strengthen an industry in a particular area. They make it easier for companies to gather good practice and exchange information in a given region and within a specific industry. However, little information is exchanged between clusters, and cluster managers often struggle to get a concise overview of what works well and how good results are achieved within clusters developed in other industries. Clusters also lack visibility as they are often missing the critical mass needed to advertise their existence and their ideas to other regions inside and outside of Europe.

The main aim of the project 'Clusters linked over Europe (CLOE)', which is funded under the Interreg III C initiative and the European Regional Development Fund (ERDF), is to create a European network of clusters. For this purpose, public and private partners from regions in six Member States and Russia are working together between July 2004 and June 2007. The project's key objectives are: (a) learning from what has been developed by clusters in other industries and regions; (b) fostering the exchange of knowledge and expertise between cluster SMEs operating within the same industry; and (c) increasing cluster visibility within the partner regions, in other European regions and in countries such as China and the USA.



CLOE stand at TCI Congress in Lyon, France.

Project: CLOE — Clusters linked over Europe
Programme: Interreg III C (West)
Total cost: EUR 1 808 000
EU contribution: EUR 800 000
European Regional Development Fund (ERDF)
Implementation: July 2004–June 2007
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CLOE's workshops are providing the platform for a cluster management guide, based on the best practices the network has identified for setting up and managing clusters. The network is also developing a website that is being used for internal and external communication: it provides information about the activities of the SMEs and other organisations involved in each cluster. Through the network, the cluster companies are learning about good practice in organisation and resources, qualification and training, cooperation tools and methods. They are developing cooperation and synergies with other cluster companies operating in the same industry; and are getting involved in a joint international marketing strategy allowing CLOE to position itself internationally and gain access to target markets.

The project has received publicity on the European cluster scene and several milestones have already been reached. Having developed a good, informative website (clusterforum.org), the platform has now moved from a 'pure' information source to an interactive forum with a search engine on more than 230 cluster contacts in the CLOE database. Another major milestone was the completion of the *Cluster management guide* in 2006, a reference book for setting up and managing clusters. Also, an industry-specific workshop in Linz was a successful event, with 80 participants, which was dedicated to CLOE regions' companies and interested cluster managers from all over Europe.

Austria/Germany/Hungary/Italy

REGINS – Integrating small and medium-sized enterprises in the European economy

Regional development depends on competitive small and medium-sized companies and their integration in European and global markets. Therefore, efficient networking between them, in particular for technology-oriented branches, is important at regional and international levels. There is, however, little information on the effectiveness of networks and clusters in different regional environments. Moreover, network and cluster activities are mostly local or regional and little cooperation exists on an interregional or European level. The Regins project examines the status quo of thematic cluster management in the participating regions and implements sub-projects linking institutions from the participating regions in the automotive, logistics and biotechnology sectors.

Four regions from Austria, Germany, Hungary and Italy cooperate in the Regins project ('regional standardised interfaces for a better integration of regional SMEs in the European economy') which is receiving support between 2004 and 2007 from the Interreg IIC initiative and the European Regional Development Fund (ERDF). The overall objective of Regins is to stimulate the transfer of know-how on cluster management, regional innovation and SME-support policies between the partners, laying the foundation for long-term and strategic cooperation. Sub-objectives of the project are: (a) fostering public-private partnerships; (b) stimulating the experience of exchange and know-how transfer on specific themes; (c) establishing regional network offices to support networking between partners in the region; (d) assessing the state



REGINS Steering Committee and staff at one meeting in Gmunden, Austria.

of the art with regard to cluster management in the participating regions; and (e) enabling standardised interfaces to numerous SMEs via existing regional networks within the participating regions.

REGINS will provide a comparative overview of the partner regions' cluster-management policies and instruments and their effectiveness. Existing structures will be reviewed and benchmarked. New approaches will be developed. A mentoring scheme will support the integration of results into regional support policies and networking instruments. Common networking activities and structures (standardised interfaces) will enable interregional cooperation of cluster management structures, which should lead to a reduction of project initiation and transaction costs, a shortening of reaction times, and improved matching of project contents with SME targets. Sub-projects within the selected thematic priorities will create stable interregional links among regional network coordinators and network members.

Based upon the current state analysis and an interregional evaluation system, a good practice guide was produced which summarises cluster management activities in the partner regions and provides general recommendations regarding the set-up and management of regional clusters, in particular for the automotive, logistics and biotechnology sectors. All partners participated and promoted Regins at different regional, interregional and international fairs and events. In addition, the Regins project was promoted at a number of international workshops and visits by delegations in Upper Austria, Stuttgart Region, Lombardy and West Pannon.

Project: REGINS — Regional standardised interfaces for a better integration of regional SMEs in the European economy

Programme: Interreg IIC (East)

Total cost: EUR 7 035 223

EU contribution: EUR 3 667 611

European Regional Development Fund (ERDF)

Implementation: February 2004–March 2007

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Austria/Czech Republic/Germany/Poland/Slovenia

RegioSustain – from biomass to energy – sustainability for regional economic cycles

Cultivation and utilisation of biomass for energy production is an innovative way to create regional value cycles in which the entire value added — from the cultivation of biomass to energy generation and consumption — remains in the region. Experience shows that the use of biomass as an alternative energy source can support regional economic development, especially in regions dominated by agriculture and forestry. Many of these regions, however, lack the know-how and tools required to properly establish regional cycles of biomass production, energy generation and consumption.

RegioSustain is an interregional network created under the Interreg III C initiative and financed by the European Regional Development Fund. Combining 14 public and private partners and research facilities in regions and cities from five Member States, RegioSustain aims to enable regions to benefit from neglected potential in agriculture and forestry through the use of biomass for energy generation. More specifically, the project aims to enhance available know-how and tools required to use biomass effectively for energy generation and as a tool for sustainable development, and to create awareness among local and regional stakeholders and the general public.

RegioSustain helps regions to further develop alternative energy sources and become more independent from external energy supply. It also assists regions in their efforts to diversify the sources of income from forestry and the agricultural sector and supports the preservation of traditional cultural landscapes. Activities include analyses of available know-how and the local potential to



Exchange of experiences is one of RegioSustain's main objectives. Regular field trips with project partners to model initiatives - here a heating system based on the combustion of wood chips - probably are the most practical way to exchange and transfer best practices.

Project: RegioSustain
Programme: Interreg III C (East)
Total cost: EUR 704 000
EU contribution: EUR 507 000
European Regional Development Fund (ERDF)
Implementation: June 2004–June 2007
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utilise biomass for energy generation. Through a number of workshops, conferences, exhibitions and training events, partners transfer and disseminate know-how and tools. They also establish information and service centres in the regions to support information, dissemination and training activities.

Between June 2004 and June 2007, the objectives of the project are: (a) to establish a network of competence through the exchange of experience and best-practice examples and transfer of know-how; (b) the promotion of structural change in rural areas by providing alternative sources of income, by improving the competitiveness of agriculture and forestry and by taking into consideration the principle of sustainable development; (c) the utilisation of existing potential in agriculture and forestry; and (d) the stabilisation of disadvantaged regions by the establishment of regional economic cycles.

The implementation of RegioSustain is not directly linked with the building of heating plants. Rather, it is laying the foundations for the implementation of such projects by transferring know-how about the specific potential, possibilities and also deficits within the project regions to set up economic cycles, and about possibilities for financial support. The variety of activities can be divided into four groups: analysis, training, meetings, and dissemination of results and public relations. A core element for the successful implementation of the operation within the project regions are the regional working groups. They come together regularly and serve as a platform for discussions with local actors as well as with external experts.



Éire-Ireland

Growth through nature

The re-development of Lough Key Forest and Leisure Park in the West of Ireland gives new life to an established visitor attraction and a new dynamism to the local economy.

Located in a scenic and historical area, Lough Key Forest and Leisure Park consists of approximately 350 hectares of mixed woodland, a lake and a number of small islands. The three-mile wide Lough Key lake is the star attraction of the park. Writers have chronicled the history of lake for over 1 000 years, starting in 1041 with the *Annals of Lough Key*, now preserved in Trinity College, Dublin. In more recent times, the lake and the surrounding lands formed part of the Rockingham Estate, which was owned by Sir John King and his successors until 1957. The estate was then sold to the Irish Land Commission and soon afterwards the Lough Key Forest Park was established. The park constitutes one of the most extensive and picturesque forest parks in Ireland. Some of the notable features of the park include the gardens, nature walks, archaeological sites, ring-forts and underground chambers, the viewing tower, and boats trips to the islands. At its peak in the 1970s and early 1980s, the park attracted up to 250 000 visitors annually. However, due to changes in tourist and recreational patterns, and lack of investment in the park, visitor numbers gradually declined thereafter.

A view from the tree tops

In the mid-1990s, Coillte, the State owned forestry and land management company that owns the park, initiated a major redevelopment project in partnership with Roscommon County Council. The project involved the demolition of some of the park's existing structures and the renovation and re-development of others. Many new features were also added to the park during the re-development. One of the more innovative new additions is a



Playground at the Lough Key Forest & Leisure Park, Ireland.

new tree-canopy walk, which meanders at tree-top level through the tree-canopy running from the visitor centre along the shore of Lough Key.

Other new developments include two new indoor adventure centres for adults and children and a new visitor centre, which provides interpretation of the rich and diverse landscape of Lough Key. While the upgrading of the park included new pay-to-use facilities and attractions, the park also continues to offer free access to the traditional forest recreation users.

Results

The re-developed Lough Key Forest and Leisure Park will open to the public in April 2007. Projected visitor numbers for the first year of operation are 60 600, rising to 121 300 by the fifth year.

When fully operational, the park will directly provide in the region of 12–16 jobs. It will also facilitate the creation of further indirect employment opportunities in areas such as catering, education, and water and land based recreational activities. Lough Key Forest and Leisure Park is a flagship project for the region and will also act as an anchor for a number of other visitor attractions in the area, thereby supporting the establishment of a regional cluster of tourism products and services. The re-development of Lough Key Forest and Leisure Park provides a useful model for cooperation between a State-owned forestry or land management company, a local authority and tourism development body in the development of high-quality visitor attractions.

Project: Lough Key Forest and Leisure Park
Programme: Objective 1 (2000–06)
Total cost: EUR 9 000 000
EU contribution: EUR 5 700 000
European Regional Development Fund (ERDF)
Implementation: 2000–06
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Belgium/Germany/the Netherlands

Caring across borders

A new cross-border alliance of health-care actors in the Euroregio Meuse-Rhine (EMR) demonstrates the benefits of looking at health service systems from a European perspective.

EMR is a cross-border region encompassing parts of Belgium (Liège and Limburg), Germany (Aachen) and the Netherlands (Limburg). The region has a population of approximately 3.7 million people who speak three different languages, are subject to three different legal systems, and have four very distinct cultures. Despite these differences, the EMR has a long history of cross-border cooperation, most notably in the area of healthcare services. An Interreg I project, which started in 1992, laid the initial foundations for healthcare cooperation. This was further developed with support from the Interreg II and Interreg III programmes, which lead to more intensive cooperation between hospitals, healthcare insurers and other healthcare actors in the region, and to the development of a range of cross-border healthcare services. The current cross-border network includes hospitals, health insurance companies, patient organisations, doctors, public health services, health policymakers and administrations.

Free movement of patients

The initial stages of cooperation only involved the hospitals and focused mainly on assessing healthcare needs and investigating the structures required to establish a cross-border healthcare service. An alliance between hospitals and healthcare insurers was then developed which provided the framework to address more practical issues of cross-border healthcare provision and to resolve impediments to the free movement of those seeking such services. This included the introduction of a special international health insurance card in 2000 which allowed those insured to access healthcare services across the border.

The subsequent Interreg III project 'Cross-border healthcare provision in the Meuse/Rhine region of Europe' (Zorg over de grens, 2002–05) was built around an expanded network of 10 health-funding organisations and five hospitals. The hospitals and funding bodies signed special cooperation contracts and worked together on aspects of about 15 cross-border projects. The project also facilitated cross-border contact between patient groups and networks for the care of the elderly, cooperation in the care of drug addicts, cooperation among institutes for higher education, and cooperation in the implementation of Euroregio environmental health projects. It also led to collaboration on a Euroregio health report and to the organisation of Euroregio health conferences.

Project: Cross-border health-care provision in the Meuse/Rhine region of Europe (Zorg over de grens)

Programme: INTERREG IIIA

Total cost: EUR 1 670 000

EU Contribution: EUR 835 000

Implementation: 2002-2006

European Regional Development Fund (ERDF)

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Model

Some of the main achievements of cross-border cooperation on healthcare in the EMR include:

- clinical cooperation between hospitals, e.g. heart surgery for children, PET scan, child oncology, treatment of burns, vascular surgery and morbid obesity, etc.;
- quality circle of Euregional hospitals;
- cooperation of healthcare funders;
- an international health insurance card;
- information site and platform on cross-border healthcare in the EMR;
- expanded alliance of hospitals, insurers, patients, doctors, pharmacists and other relevant partners, such as universities;
- comparison of the costs of specific hospital services in the three countries in the EMR;
- comparison of hospital services costs and transparency in regulations and reimbursements for medical aids in the EMR;
- comparison of the services for the chronically ill in the EMR, i.e. diabetes;
- cross-border cooperation of ambulance and emergency services in the EMR.

The Meuse-Rhine Euregio provides a useful model for future cooperation on cross-border healthcare services in Europe. The success of the project has already prompted a shift in European Union policy, which now recognises the benefits of looking at health-service systems from a European perspective.



Denmark/Sweden

Biotechnology across borders

Cross-border co-operation between public authorities and the life science industry in the Øresund region has led to the creation of Medicon Valley, a world-leading biotechnology cluster.

When the Swedish and Danish governments decided to build a fixed link across the Øresund strait in 1991, they also had the idea of establishing a cross-border region that would create a common area for economic, social and cultural cooperation. The result was the Øresund region, which includes greater Copenhagen and the region of Scania in southern Sweden, covering an area of about 100 square kilometres with a population of 3.5 million inhabitants. To promote economic development in the region, the Øresund science region (OSR) was subsequently established through cooperation between industry, universities and the public sector.

A priority objective of the OSR was to build up platforms or clusters in some of the region's best-performing sectors, such as biotechnology, ICT, environment and food. To date, the biggest and most successful cluster is the biotechnology/medical sector, known as Medicon Valley. The idea for Medicon Valley took hold in the mid-1990s when public authorities and the life science industry in the region agreed to work together to market the region internationally and to strive for a common goal: to be the most attractive bio-region in Europe among the five most attractive bio-regions worldwide.

From cluster to community

Since 1997, the regional development agencies, Copenhagen Capacity and Position Skåne, have jointly promoted inward investment into Medicon Valley. At the same time, the established

Medicon Valley community has also acted to stimulate its own continued growth and development, starting with the establishment of the Medicon Valley Academy (MVA) in 1997. The MVA acts as a facilitator organisation, fostering information and knowledge exchange, and collaboration between companies, universities, hospitals and other organisations in the Valley. The MVA was supported financially through the Interreg IIA Øresund programme and by public and private stakeholders from the region.

Cooperation between the region's universities also led to the establishment of the 'Øresund University' which coordinates teaching and research and helps to oversee the creation of new research institutions in life science in the region. Another notable area of collaboration has been the establishment of the region's first venture capital company, Medicon Valley Capital. MVC was formed by investors from both countries and supports start-ups and developing companies in the area of life sciences.

Pharmaceutical Silicon Valley

Today, Medicon Valley contains a concentration of major pharmaceutical companies, unmatched in Europe and possibly in the world. With support from the region's thriving academic and clinical life science research, this unique sectoral cluster has made Medicon Valley a world leader in four of the most commercially important areas of medicine: diabetes, inflammation/immunology, neuroscience and cancer. This confluence of experience and expertise has also made Medicon Valley a fertile environment for new life science enterprises. Since 1997, Medicon Valley has given birth to 114 new start-ups (an average of 13 per year for the period 1997–2005) and attracts more foreign direct investment within life science than any other region in Europe. Medicon Valley is now home to more than 300 companies operating in the biotechnology, mediatechnology and the pharmaceutical sectors, accounting for approximately 60 % of all Danish-Swedish drug and device exports.

Some notable features of Medicon Valley include:

- 300 companies operating in the life sciences;
- 14 universities;
- 26 hospitals, of which 11 are university hospitals;
- 41 000 people employed in life sciences
- 14 000 researchers;
- 150 000 students, of whom 2 000 are PhD students in the life sciences.

The Valley also accounts for 60 % of Scandinavia's life science output.

Project: Medicon Valley
Programme: INTERREG programme
Total cost: EUR 3 950 000
EU contribution: EUR 1 980 000
European Regional Development Fund (ERDF)
Implementation: 28 February 2002–27 February 2005

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Italy

The Wood and Technologies Cluster in Bolzano: co-operation and innovation among small traditional family-run businesses

The Bolzano region supported the creation of a 'wood and technologies cluster' ('Cluster Holz & Technik') which includes 175 member companies. Mainly small family-run enterprises with a low innovation profile, the members cooperate on new innovations in areas such as well-being, sustainable buildings, light and acoustic optimisation.

The Autonomous Province of Bolzano (Südtirol in German, the language spoken by most of the inhabitants) is an alpine region where timber construction and wood products represent a traditional sector of the local economy. However, working in a relatively sheltered market place and with limited R&D competences, local companies (mainly very small enterprises) are not well equipped to face the challenges of globalisation and, generally speaking, are not competitive outside the regional market. The main challenge for the wood sector is to modernise and expand its market as well as to promote technological transfer in order to identify new products, know-how and production processes.

Regional support

The regional authorities encouraged the creation of a cluster and launched three open calls inviting SMEs to submit cooperation projects aimed at promoting innovation. Eight projects were eventually financed, involving 28 companies and focusing on the following fields: upgrading acoustics and lighting; interior furnishing in the wellness sector (hostelry, spa, etc.); development and marketing of ergonomic design furniture; product/market/technology innovation; and an information platform for the wood sector.

For example, 'Eurokustik' (one of the projects financed) was submitted by three joiners who wanted to develop new ways to design rooms for optimum acoustics. After specific training provided by two Austrian experts, the joiners built a first prototype of an acoustic chamber. It was then tested by the Symphonic Wind Orchestra during a concert tour, which enabled measurement of the impact of furniture arrangements on the diffusion of sound and music. The project was so successful that it resulted in a new company securing contracts in the private sector (conference/concert rooms for hotels or music bands, working space for enterprises) and the public sector (sports areas, fire station).

At the same time, some horizontal actions were also developed, including: support for participation in international fairs and the organisation of study visits; specific training sessions on relevant new technologies; a study of the wood sector market in northern Italy; the setting up of a technological certification (label) on acoustics and lighting; the development of a company-profile

Project: Cluster Alpine Network (CAN) Wood and Technologies Cluster
Programme: Innovative Actions (2000-06)
Total cost: EUR 740 360
EU contribution: EUR 370 180
European Regional Development Fund (ERDF)
Implementation: January 2002-December 2004

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database; the organisation of regular workshops and events (e.g. 'Conversations on wood'); the development of a competence centre on 'wood acoustics and lighting'; and the creation of an information and communication hub.

The cluster, which includes both manufacturing companies and service providers, is made up as follows: 60 % carpenters, 20 % joiners, 10 % architects and 10 % other companies (designers, technicians for acoustics and lighting).

Further developments

By the end of the programme in 2004, the cluster included 130 members and an elected representative committee. Two years later, the membership has risen to 175. Three working groups ('Innovative wood constructions'; 'Optimal indoor use of light'; and 'Health, alpine wellness and innovative surfaces') have also been established and provide members with information, know-how, training and support for cooperation projects. Seven of the eight cooperation projects being financed are continuing without support from the European Regional Development Fund (ERDF) and two new projects are planned ('Spas for three-star hotels' and 'Wood house building to fit the southern climate'). A technological quality label has also been developed and an interregional cooperation project ('Added value wood', financed under Interreg IIIC), is ongoing.



Sweden

A network of innovation advisors for SMEs

In West Sweden, a team of 'innovation advisors' are working with SMEs to identify their innovation needs and, where appropriate, to source expertise to assist them with their future development.

Västra Götaland is Sweden's leading industrial region and the industrial sector is the backbone of the regional economy and employment outside greater Gothenburg. Around 40 % of the population of the region is employed in industry or industry-related services.

A RITTS⁽¹⁾ study, carried out in 1999–2000 and based on 900 interviews with businesses, showed that SMEs had development needs which were not being met and that there was a low degree of innovation and risk-taking among industrial SMEs in the region. Knowledge resources were scattered and SMEs were unsure who to approach when they required assistance. SMEs had different needs, specifically in terms of technical competence but also in the areas of marketing and networking to reach potential clients. Better contacts were needed between knowledge providers and SMEs.

During 2003, the region of west Sweden ran a 'World class regional innovation system for industrial SMEs' project in the three sub-regions of Fyrbodal, Sjuhärad and Skaraborg. The project was terminated prematurely due to limited support in the sub-region of Fyrbodal, which received funding from the innovative actions programme for its own project to experiment in this field.

Second phase

A second phase of the project continued with the two remaining sub-regions between April 2003 and August 2005. IVF, the Swedish engineering industry research institute, was the manager of the

project, which was called 'World class regional innovation service – IF-net Västra Götaland'. The project worked on the following activities.

- A network bringing together all the industrial knowledge providers was built up. It was coordinated by a management group consisting of the project manager from the region, industrial research institutes and a business development association.
- 'Innovation advisors' were recruited and trained within the network. The criteria used by the managing group for the selection of the advisors were: previous experience in industry; ability and willingness to communicate with and establish trust of key persons in SMEs; the ability to 'see the bigger picture', i.e. approach the SME's situation in a holistic manner, rather than looking for specific problems within one's personal area of expertise. The innovation advisors received training to enable them to act as ambassadors of the network's joint competence.
- The innovation advisors visited industrial SMEs to assist them with their development. Personal visits were found to be best to establish contact and trust, with brochures and information material serving only as reminders. The initial visit lasted 1–2 hours, with a further maximum of 20 hours for analysis and preparation of a proposal for the development project.
- When the visit resulted in an identified demand, the advisor submitted a specific proposal for a development project which the company could evaluate. The best expertise was then identified and recommended to the SME. The development project was then paid for by the SME, with a contribution of EUR 1 800 provided by the project.
- An overall policy covered procedures, coordination, reporting, etc., with regard to company visits and services offered by representatives of the regional knowledge network, in order to ensure consistency and quality. These details were documented in a handbook, based on a study carried out by the BIC (business innovation centre) before the start of the project.
- Some 318 company visits were carried out, resulting in 100 proposals for development projects of which 75 were initiated.

The region is continuing to fund the project as part of its strategy to build a 'world class innovation support system for SMEs'.

Project: World class regional innovation system for industrial SMEs

Programme: Innovative Actions (2000-06)

Implementation: January 2003 – September 2005

Total cost: EUR 1 714 000

EU contribution: EUR 727 000

European Regional Development Fund (ERDF)

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¹"Regional Innovation and Technology Transfer", a European programme co-financed by the Structural Funds and organised by the Directorate General for Regional Policy in the mid 1990s to encourage regions to develop research and innovation strategies.



Estonia

Innovation in the construction industry: Loodesystem

Development of a new production line for thermoprofiles.

Loodesystem Ltd is an Estonian producer of building materials and prefabricated houses. Established in 2000, it was the first company in Estonia to start the production of supporting walls for prefabricated or element houses, using sheet steel or so-called 'thermoprofile' as the structural material.

Thermoprofile is a thin-walled galvanised steel sheet which is used for the production of exterior walls and façades. The strength of the steel and its good flexibility allows for the production of sheets which are light and thin but, at the same time, strong and durable. Thermoprofile providers generally offer uniform products that make the production of prefabricated houses rather labour intensive. This creates difficulties in Estonia and in neighbouring countries where there are labour shortages in the construction sector.

Therefore, Loodesystem Ltd decided to develop a new production line for thermoprofiles to try to overcome these problems. In order to reduce the potential economic and technological risks associated with this research and development project, Loodesystem decided to apply for a grant from the Structural Funds through Enterprise Estonia (EAS), the national agency for business support.

Partnership

The engineers at Loodesystem collected and analysed on-field data to identify the main factors hindering the faster assembly of elements for prefabricated houses. The results of the analysis revealed the additional functionality of thermoprofiles that would lead to a faster assembly of elements compared to other available thermoprofiles.

The production line was developed in partnership with Samesor Oy, a Finnish company which is a leader in this field. The new ideas



The new production line.

Project: Development of novel production line for thermoprofiles
Programme: Objective 1 Programme (Priority 2: Competitiveness of Enterprises)

Total cost: EUR 261 223

EU contribution: EUR 104 486

European Regional Development Fund (ERDF)

Implementation: December 2004-September 2005

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provided by Loodesystem were put into practice within nine months by the partnership.

The new innovative line (called 'strip rollforming line') was tested during the third quarter of 2005, less than a year after the completion of the initial analysis on the required functionality. This pace of development would not have been possible without the cooperation of Enterprise Estonia and assistance from the Structural Funds. The associated economic and technological risks would have been too prohibitive for an SME.

Faster and cheaper

Loodesystem Ltd has developed an innovative proprietary CAD/CAM production line for thermoprofiles. This includes several extra operations which help to shorten the time needed to manufacture a wall element. The extra operations are unique and provide customers with unparalleled functionality.

Using thermoprofiles produced by Loodesystem, a wall element:

- can be produced 20–40 % faster than using any other competing thermoprofile product;
- requires less manpower to assemble than using any other competing thermoprofile product.

The new products have attracted the attention of potential customers in different parts of Europe. Loodesystem has already started to export its products to the Ukraine and has found new partners, mainly construction companies, in the Baltic Sea region and in Spain.

France/Greece/Italy/Spain/Morocco/Tunisia

The Mediterranean Basin, a laboratory for energy innovation

In the face of growing environmental and climatic concerns, the Mediterranean basin, with its island, mountain and urban areas, is distinctive for a diversity which is conducive to acquiring varied experience in the use of renewable energies as complementary electricity sources. Renewable energies are a key element in combating the greenhouse effect as well as in permitting decentralised electricity production. Hence, the benefits of cooperating at Mediterranean level within partnerships and networks include promoting the sharing of knowledge, choosing the most efficient energy systems in a given context, and appropriate spatial planning decisions while, at the same time, helping to meet the objectives of the Kyoto Protocol and the European energy White Paper. Another goal is to render currently costly renewable energies more competitive, especially in the case of photovoltaic energy and fuel cells.

North Shore/South Shore

It was considerations of this nature that gave rise to the Emergence (1) 2010 project, recently launched by the Region Provence-Alpes-Côte d'Azur (PACA, France) under the European Interreg IIIB Medocc (2) programme. The objective is to ensure a reliable and continuous energy supply through decentralised production from renewable sources by engaging the participating territories, as of now, in a process of integration aimed at creating tomorrow's energy landscape.

The Emergence 2010 partners include the Balearic Islands Chamber of Commerce, Industry and Energy (Spain), the Province of Cagliari (Sardinia, Italy), the Regional Province of Caltanissetta



Photovoltaic cells: exchange of experience on renewable energies is part of the "EMERGENCE 2010" project.

(Sicily, Italy), the Prefecture of the Dodécanèse and the Centre for Renewable Energy Sources (CRES) in Greece, alongside, on the southern shores of the Mediterranean, the Renewable Energies Development Centre (CDER, Morocco) and the National Agency for Energy Control (ANME, Tunisia).

From 'sticking points' to 'model cases'

An initial phase (June–December 2006), based on a rigorous methodology defined at an opening seminar, included the choice by each partner (with the aid of computer software developed by the CRES) of the energy systems and study areas to be submitted for joint evaluation, the identification of the areas and players involved, the launch of technical and economic studies, the creation of a directory and website, and compilation, by the PACA, of an initial list of 'sticking points' with a view to developing the technologies envisaged.

The second phase (January–June 2007) includes the presentation of case studies and strategies, work at the sites following validation and in line with a roadmap drawn up by the CRES, and an exchange of opinions on the said sticking points.

Finally, between July 2007 and April 2008, phase three will see the drawing up of specifications to launch a 'model case' proposed by each partner, possibly culminating in a full-scale realisation. Possible operational start-ups and the appropriate European support (including that within programmes under the Structural Funds' new 'European territorial cooperation' objective) will be assessed. The project will end with a closing seminar and statement.

Sowing the seeds of alternative energy

In addition to the studies, Emergence 2010 must permit the creation of growth centres at sites where economic activity is penalised in terms of energy supplies due to their isolation, specific needs for a decentralised energy source, or the demands.

Project: EMERGENCE 2010

Programme: INTERREG IIIB MEDOCC, axis 2, measure 1.

Total cost: EUR 1 210 000

EU contribution: EUR 722 500

European Regional Development Fund (ERDF)

Implementation: 1 July 2006–30 June 2008

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¹ EMERGENCE: 'Etudes en Méditerranée pour les Energies Renouvelables Garantissant l'Electrification de Noyaux de Croissance Ecologique.'

² INTERREG IIIB: transnational co-operation (2000–2006). MEDOCC: Western Mediterranean.



Glossary

Cohesion Fund: Applying to Member States with a gross national income of less than 90 % of the Community average, the Cohesion Fund co-finances projects in the field of transport and environment, including trans-European networks (TENs), energy efficiency and renewable energy. For the period 2007–13, EUR 69.6 billion will be available for the Cohesion Fund in the framework of programmes managed by the Member States.

http://ec.europa.eu/comm/regional_policy/index_en.htm

Convergence objective: During the period 2007–13, the rationale of this objective is to promote growth-enhancing conditions and factors leading to real convergence for the least developed Member States and regions. This objective concerns (within 17 Member States) 84 regions with a population of 154 million, whose per capita GDP is less than 75 % of the Community average, and (on a 'phasing-out' basis) another 16 regions with 16.4 million inhabitants with a GDP only slightly above the threshold as a result of the statistical effect of the larger EU. The amount available under the convergence objective is EUR 279.8 billion representing 81.5 % of the total. It is split as follows: EUR 199.3 billion for the convergence regions, EUR 13.9 billion reserved for the phasing-out regions and EUR 69.6 billion for the Cohesion Fund, the latter applying to 15 Member States.

CSG (Community strategic guidelines for cohesion): These give an indicative framework for Structural Funds interventions. Based on a proposal of the European Commission, the Council and the European Parliament adopted the CSG for the period 2007–13 on 6 October 2006.

http://ec.europa.eu/comm/regional_policy/index_en.htm

ERDF (European Regional Development Fund): Together with the Cohesion Fund and the European Social Fund, this is one of three financial instruments of EU cohesion policy and the major financial source to develop the endogenous potential of regions. Set up in 1975, the ERDF can contribute to the financing of productive investment, entrepreneurship, transport and environment infrastructure, research and technological development, innovation, the information society, sustainable development and other activities. The specific priorities of ERDF support are defined in the framework of multiannual programmes jointly managed by the Commission and the Member States and regions.

http://ec.europa.eu/comm/regional_policy/index_en.htm

ESF (European Social Fund): Created in 1957, this is one of the EU's three cohesion instruments and the main EU source of financial support to develop employability and human resources.

http://ec.europa.eu/employment_social/esf2000/introduction_en.html

European territorial cooperation objective: The approach of the former Community initiative Interreg will be supported by the European territorial cooperation objective stimulating cross-border, transnational and interregional cooperation between the EU regions. It is financed under the European Regional Development Fund (ERDF) and an amount of EUR 7.85 billion has been allocated to co-finance about 80 cooperation programmes.

http://ec.europa.eu/regional_policy/interreg3/index_en.htm

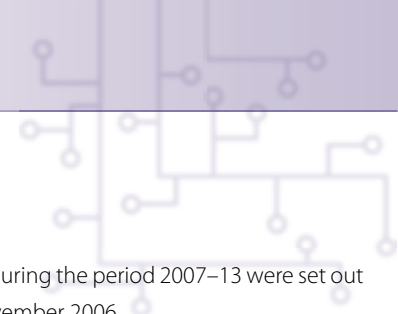
Innovative actions: During 2000–06, some 181 regional programmes of innovative actions were financed in 156 eligible regions in the EU-15. The objective was to test new approaches and actions which, if successful, can improve the quality of the operational programmes. The focus of these risk-taking 'laboratories' was on strengthening regional economies based on knowledge and technological innovation, putting the information society at the service of regions and promoting sustainable development.

Integrated guidelines for growth and jobs: Assessing the achievements of the Lisbon strategy by 2004, the European Council agreed in spring 2005 to refocus common efforts on growth and employment. The integrated guidelines comprise 23 actions, and a governance cycle between 2005 and 2008 includes a set of structural indicators and annual progress reports on national reform programmes (NRP).

Mainstream programmes: This term is used for the 450 programmes financed by the ERDF, the ESF and the Cohesion Fund under the 'convergence' and 'regional competitiveness and employment' objectives between 2007 and 2013.

National reform programmes: Following the endorsement of the new integrated guidelines package by the European Council in June 2005, Member States have to identify their priorities and share best practices in meeting key economic challenges through their NRP. These set out the Member States' strategies for delivering long-term sustainable growth, high employment and a fair and inclusive society. An annual report on progress made in achieving the programmes must be made by each Member State to the spring European Council meeting.

NSRF (national strategic reference framework): When programming the Structural Funds interventions for the period 2007–13, Member States have to present an NSRF which ensures that the interventions are in line with the Community strategic guidelines on cohesion.



Operational programme: Document submitted by a Member State and adopted by the Commission setting out a development strategy with a coherent set of priorities to be carried out with the aid of a Fund or, in the case of the convergence objective, with the aid of the Cohesion Fund and the ERDF.

Regional competitiveness and employment objective:

Between 2007 and 2013, this objective aims at strengthening regions' competitiveness and attractiveness, as well as employment, using a twofold approach. Firstly, development programmes will help regions to anticipate and promote economic change through innovation and the promotion of the knowledge society, entrepreneurship, the protection of the environment and the improvement of their accessibility. Secondly, more and better jobs will be supported by adapting the workforce and investing in human resources. Covering all regions in 19 Member States outside the 'convergence' objective, 168 regions are eligible, representing 314 million inhabitants. The amount of EUR 54.9 billion (of which EUR 11.4 billion is for the 'phasing-in' regions) represents just below 16 % of the total allocation.

Regions for economic change: The Commission proposals for strengthening the exchange of good practices in the context of

interregional cooperation during the period 2007–13 were set out in COM (2006) 675 of 8 November 2006.

http://ec.europa.eu/regional_policy/cooperation/interregional/ecochange/index_en.cfm

URBAN II: The URBAN II Community initiative (2000–06) is a specific instrument for the regeneration of urban neighbourhoods. URBAN II seeks to tackle the problems facing these areas and to improve the attractiveness of cities. Seventy European cities have been funded from a total ERDF budget amounting to EUR 730 million. Through the integrated approach, several dimensions are addressed such as improving access to jobs and training, fostering cultural potential, and promoting physical and environment regeneration.

Urbact: Co-financed by the ERDF, the Urbact programme is based on a network of European cities which have been involved in the URBAN Community initiative programmes. Urbact fosters exchanges of experience and peer learning among actors. Many actions have been funded, among them the creation of 30 networks bringing together between eight and 20 cities, each around a specific theme of urban policy. The next phase will be open to all cities from the 27 Member States.

<http://www.urbact.eu/>



Inforegio

Consult the Inforegio website for an overview of EU European Regional Policy:

**http://ec.europa.eu/regional_policy
regio-info@ec.europa.eu**

