



European
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inforegio

▶ Delivering the EU's investment policy

Impact and benefits
of the European
Structural and
Investment Funds

- ▶ Cohesion policy support to the migration crisis
- ▶ European Fund for Strategic Investments
- ▶ Driving the EU Urban Agenda

Regional and
Urban Policy

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With support from the ESI Funds, the Gdańsk East Sewage Treatment Plant in Poland produces biogas and increases awareness of renewable energy.



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▶ EDITORIAL

Corina Crețu
*European Commissioner
 for Regional Policy*

One of the main challenges the European Union has faced in the last year is the unprecedented refugee crisis. Great efforts are made to alleviate the suffering of migrants arriving in Member States, and it is clear that Cohesion Policy has a role to play in supporting effective integration policies, covering education, employment, housing and non-discrimination policies.

The European Commission is working with Member States affected by the crisis to modify European Structural and Investment (ESI) Fund programmes to respond to emergencies. Two of the largest entry points for migrants, Italy and Greece, have already allocated funds for migration in the 2014-2020 programmes. Greece, for example, includes ERDF support in all 13 of its regional programmes. The money will be used for building, refurbishing and opening reception centres for migrants. Read more in our special report on page 20.

Further ESI Fund resources can be urgently reallocated towards migrants and refugees should the crisis escalate, providing a wide range of support such as for mobile hospitals, sanitation, healthcare or training.

Benefits of ESI Fund programmes

This edition also highlights the real benefits of the EU Cohesion Policy. In particular, it focuses on investments that aim at making an impact upon Europe's economy and people's lives, by bringing and mobilising further investments.

For the new 2014-2020 period, the ESI Funds allocated EUR 454 billion from the EU budget to implement over 500 national and regional programmes, as well as 79 interregional cooperation programmes. Those programmes are designed to get Europe's economy growing again in a sustainable way. The most recent Communication of the European

Commission on the contribution of the ESI Funds to the EU's growth strategy, the Investment Plan and the Commission's priorities over the next decade illustrate and analyse the impact, the expected results and anticipated benefits of these investments on both a Europe-wide and a country-by-country basis.

The ESI Funds are a forward-looking investment policy tool, ready to tackle the present challenges Europe is and will be facing in the years to come. Yet, the success will largely depend on good governance and efficient administrations managing and implementing the programmes.

Promoting synergies between the EU investment funds

The European Fund for Strategic Investments (EFSI) has been launched as part of the Juncker Plan to mobilise private financing for strategic investments in infrastructure, innovation and businesses, so as to overcome the current investment gap in the EU.

EFSI can play a crucial role in optimising the impact of the ESI Funds – and indeed the reverse is also true. Purposely, the ESI Funds contribute to the Investment Plan for Europe and complement the EFSI in several ways. Their joint use can enable greater demand-driven interventions in innovative and infrastructure projects and SME financing, which in turn would lead to more growth, jobs and innovation in Europe. In the near future, the complementarity between these two funds will bring positive results for the proposed goals.

A handwritten signature in black ink that reads "Crețu".

▶NEW COMMISSION COMMUNICATION SHOWCASES KEY BENEFITS OF 2014-2020 INVESTMENT PROGRAMMES

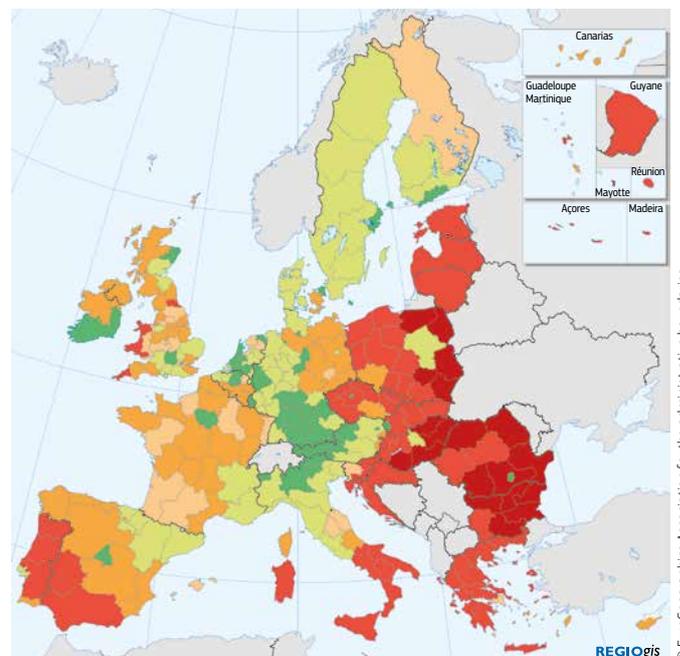
Between 2014 and 2020, the European Structural and Investment Funds (ESI Funds) will deliver a critical mass of investment in a number of key EU priority areas. Following the conclusions of negotiations with Member States and regions on their Partnership Agreements and Programmes, the Commission has published a report on the anticipated benefits and deliverables of Europe's main investment policy tool.

With a budget of EUR 454 billion for 2014-2020 the ESI Funds will be focused on the real needs of the European economy and support job creation and a variety of programmes designed to get Europe's economy growing again in a sustainable way.

National co-financing is expected to add at least a further EUR 183 billion, taking total investment to an impressive EUR 637 billion.

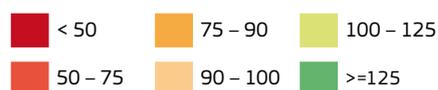
This makes the ESI Funds an essential component of public investment in many Member States especially in times of decreasing investment from national budgets, which has fallen by around 15% (in real terms) between 2008 and 2014. The new and refined investment tool places the focus on results and mechanisms to ensure high performance in all regions in Europe. This will enable less developed regions to catch up and maximise their potential by building on existing resources to address local priorities and serve the wider regional needs. ▶▶

GROSS DOMESTIC PRODUCT PER INHABITANT – IN PURCHASING POWER STANDARD



BY NUTS-2 LEVEL, 2013

Index: % of the EU-28 average, EU-28 = 100

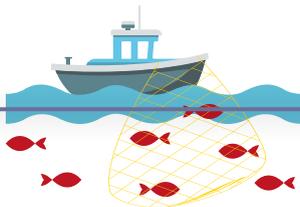


Source: Eurostat

EMPLOYMENT, JOB CREATION AND TRAINING



29 370 new jobs for **researchers**.



10 200 new jobs in **fisheries and aquaculture**.



2.3 million people in **employment** through ESF Funds.



3.9 million farmers and rural **SMEs** offered training.

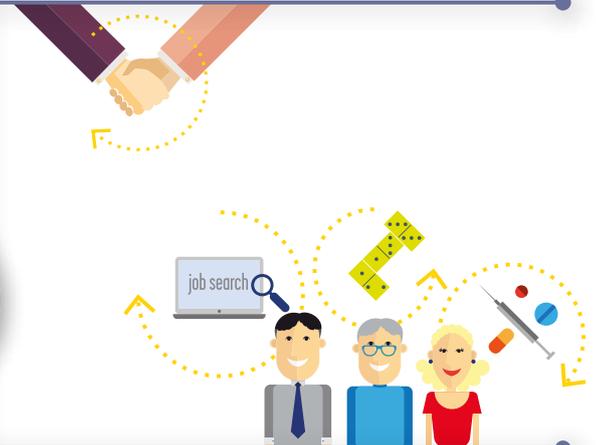


237 700 people to take part in job mobility and training initiatives.

354 300 new jobs in **SMEs**.



ESF will help **10.1 million unemployed people** improve their chances of finding a job.

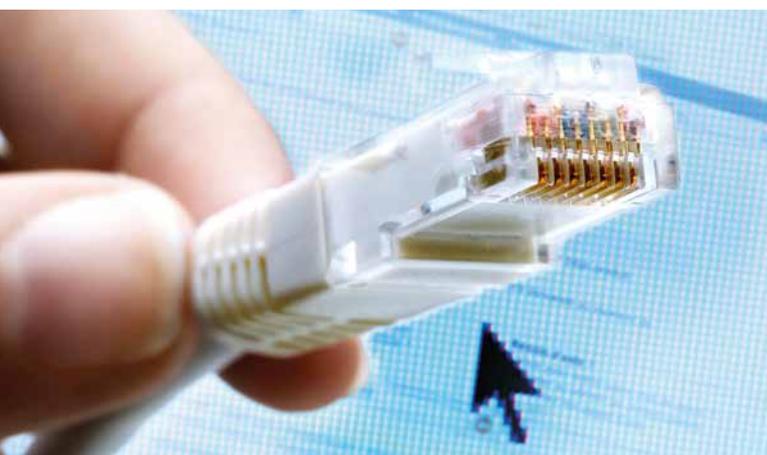


2.6 million **inactive people** supported by ESF Funds.



Between **2 and 2.5 million disadvantaged people** will benefit from ESF Funds.

▶EU FUNDS MAKE AN IMPACT



▼GERMANY

The ESF can help in achieving the economic and employment opportunities the internet offers: at the University of Dresden, the ESF supported young researchers who worked at the frontier of R&D in the field of IT technologies. The **RESUBIC LAB** project comprised 19 young researchers working on cyber-physical systems, software for decision planning, and architectures for cloud computing.

▶**FIND OUT MORE**
<http://ec.europa.eu/esf/main.jsp?catId=46&langId=en&projectId=375>

Forward-looking investment

The ESI Funds are an umbrella structure of five individual funds: the European Regional Development Fund, Cohesion Fund, European Social Fund, European Agricultural Fund for Rural Development and European Maritime and Fisheries Fund. Following the recent reform process the ESI Funds are now a forward-looking investment policy tool, ready to tackle the challenges facing Europe today and in the years to come.

Over the next spending period, the ESI Funds will provide investment in all Member States, in line with the priorities set out by the new Juncker Commission. The ESI Funds will make a substantial contribution to the Commission's political priorities: the Digital Single Market, the Energy Union and climate change policies, the Single Market and economic governance.



▼HUNGARY

'**I'M LEARNING AGAIN**', a project co-financed by the ESF, offers unskilled and low-skilled people the chance to boost their employability by offering training options that match the needs of the country's economy. By January 2015, 129 000 people, including some 34 000 Roma, had already successfully completed training modules.

▶**FIND OUT MORE**
<http://europa.eu/!Cu66cm>

All ESI Fund support is ultimately focused on boosting jobs, growth and investment across Europe. This will bridge development gaps across regions building inclusive and stronger economies and, on the whole, a territorially more equal European Union – a trend that was reversed with the 2008 global financial crisis.

More than 500 innovative programmes, defined in the Partnership Agreements with Member States, will help deliver EU policy goals by both mobilising financial resources and improving investment conditions. Over two million enterprises will receive support to increase their competitiveness, develop products, find new markets and create new jobs. Investment in infrastructure will help Member States, particularly those which are less developed, to improve the competitiveness of their business environment and the connectivity to bigger markets.

Significantly, the Funds will invest in the skills and adaptability of Europe's workforce, giving tens of millions of people, including young people, opportunities to (re)train or start businesses. Such opportunities will also be available for refugees and legal migrants.

HOW THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS ARE CONTRIBUTING TO DELIVERING THE COMMISSION'S PRIORITIES



BULGARIA

The third **METRO EXTENSION** in Sofia makes it the main transport system of the city. Better connections with European, national and local transport networks are now a reality.

►FIND OUT MORE

http://ec.europa.eu/regional_policy/en/projects/bulgaria/sofia-welcomes-third-metro-extension

This will directly help to meet employment and poverty targets, but also cater for the growing demand for research into innovation and new product development – areas where progress has been most limited.

Financing fit for purpose

The Commission is strongly encouraging the use of financial instruments instead of traditional grants in ESI Funding, particularly in areas such as SME support, CO₂ reduction, environmental and resource efficiency, ICT, sustainable transport, and research and innovation.

It is expected that the funds committed to innovative financial instruments during the 2014-2020 period will have a direct leverage effect and will generate additional investment of EUR 40 to 70 billion. This will drive an even higher multiplier effect on the real economy by attracting private

POLAND

A new **BIOGAS POWER PLANT** is helping improve the energy efficiency of sewage treatment in Gdańsk, as well as providing opportunities for young people to learn more about renewable energy.

►FIND OUT MORE

http://ec.europa.eu/regional_policy/index.cfm/en/projects/poland/new-biogas-project-brings-green-energy-to-gdansk



investment. The planned allocations from all ESI Funds into financial instruments have consequently increased considerably.

The synergy between the ESI Funds and the European Fund for Strategic Investments (EFSI) will also be maximised, while ESI Fund resources can be additionally combined with financial instruments under Horizon 2020 and other EU programmes (LIFE+, Asylum, Migration and Integration Fund, COSME, Erasmus+ or the Connecting Europe Facility).

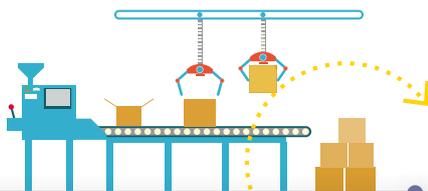
To allow more flexibility in tailoring the delivery of ESI Funding based on the needs of the territory concerned, new and improved delivery mechanisms have been put in place.

Integrated territorial investments (ITI) make it possible to combine funding from different ESI Fund programmes to support the implementation of territorial development strategies. Some 20 Member States will use ITI in areas ►►

SUPPORT FOR BUSINESS



396 500 micro- and SMEs to invest in developing human capital through the ESF.



ERDF will help companies to introduce **15 370 new products** to market.



ESF Funds will support around **801 500 enterprises**.

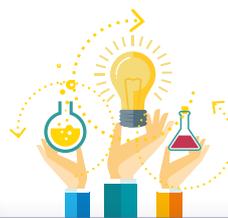


77 500 companies will receive ERDF support to boost ICT services and products.

RESEARCH AND INNOVATION



EUR 2.6 billion from the ERDF allocated to research and innovation and adoption of low-carbon technologies.



129 460 companies supported to increase their research and innovation capacity.



71 960 researchers will benefit from improved ERDF-supported research facilities.



EAFRD will provide support to more than **3 000 innovation projects** under the European Innovation Partnership.

ranging from deprived urban neighbourhoods to metropolitan areas, from cultural heritage routes to sub-regions hit by economic restructuring.

Support to sustainable urban development strategies where urban authorities have a role in implementation will exceed EUR 16 billion. The bulk of this funding will support urban areas in managing the transition to a low-carbon economy through investment into energy efficiency and renewables,

sustainable urban mobility, and improvement of the urban environment. Funding will also address the challenges of physical and social deprivation in urban areas.

The issue of youth unemployment remains endemic to most of the EU Member States. In response to a European Council recommendation in 2013 on Establishing a Youth Guarantee, 20 Member States are eligible for the Youth Employment Initiative (YEI), which has been integrated into 34 ESF

EXPLORING OPEN DATA ON THE **ESI FUNDS**

More detailed information about the investments made and the results obtained through the ESI Funds during the 2014-2020 period is available through the new **cohesion policy open data platform**. This database provides up to date information, as well as contextual data on the socio-economic situation in each EU country. The figures concerning the outputs of EU programmes are based on reports provided to the Commission by Member States. Data can be searched through four options – at EU level, by theme, country or by fund – giving insights into investments and expected achievements. Data sets can be visualised, downloaded for analysis or embedded into other sites.

► FIND OUT MORE

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



TRANSPORT



7 515 km of railway lines to be constructed or upgraded.



3 100 km of new roads constructed and 10 270 km upgraded.



748 km of tram and metro lines constructed or improved.



977 km of inland waterways constructed or improved.

programmes. Member States will use funding allocated to the YEI to invest in quality apprenticeships, traineeships and jobs that could help bring about lasting labour market integration and increase the employability of young people.

Looking to the future

The ESI Fund resources pave the way for long-term sustainable growth and a better life for citizens in a better Europe, primarily by striving to support structural change recommendations made by the European Semester (see article on page 22). Improving the business environment and boosting administrative capacity will also contribute to meeting future challenges, as it will develop complementary projects and financing opportunities as well.

This should go alongside a readiness to adapt to changing circumstances, such as the refugee crisis. Areas that particularly require continued efforts throughout the 2014-2020 implementation period are related to ensuring the focus on results and the level of ambition for targets, maximising the use of financial instruments, and making full use of the synergies between ESI Funds, EFSI and other funding sources such as Horizon 2020 at project level, financial instrument level and through investment platforms.

The Open Data platform, launched by the DG for Regional and Urban Policy in December, makes it possible to keep an eye on progress to delivering the promised targets. This in itself is a major step forward to provide more transparency on where the funds are spent in addressing the needs of the European economy.

▶ INVESTING IN JOBS AND GROWTH

Commissioner Corina Crețu speaks to *Panorama* about maximising the contribution of the European Structural and Investment Funds to EU goals of growth and jobs.

▶ **This Communication presents the main results of the negotiations between the Member State authorities and the European Commission for the 2014-2020 period. How would you evaluate the negotiation process?**

Our efforts in the negotiation process on the Partnership Agreements and the programmes have paid off: we now have solid, result-oriented programmes which will have a tangible and positive impact in the EU's real economy over the decade.

The performance of our investments and a greater focus on key growth-generating sectors were at the heart of the discussions we had with the stakeholders involved in the implementation of our policy. Together we committed to strategically target our investments where they could have the maximum impact – Research & innovation, the support to small businesses, to the low-carbon economy, and to the EU's digital agenda – in order to exploit the full potential of the European Structural and Investment Funds in terms of growth and job creation.

The adoption of the programmes took time, as it was out of the question to compromise quality over speed. Now we have hundreds of high-quality investment packages, and the funds are ready to flow into our regions and cities, for the direct benefit of the citizens.

▶ **The expected achievements of the ESI Fund programmes mentioned in the Communication are quite detailed. How can the Commission ensure that these results will be reached? How will they be measured?**

The reformed Cohesion Policy for 2014-2020 is a fully fledged, performance-oriented investment policy. The new Regulation established the obligation for clear, transparent and measurable aims and targets for accountability and results. Countries and regions had to announce in their



‘All ESI Funds are geared towards growth and job creation, with a particular focus on the least developed regions in Europe. This is aligned with the priorities of the Juncker Commission.’

▶ CORINA CREȚU – EUROPEAN COMMISSIONER FOR REGIONAL POLICY

programmes the objectives they intended to achieve and how they would measure progress towards those goals.

A yearly monitoring will help taking action if progress is insufficient. A reward system based on performance reserve has also been put in place to motivate commitment and better performance.

But I want to stress that the impact of the ESI Fund programmes will have on local economies will largely be determined by the dedication of the stakeholders in charge of the implementation of the programmes.

As I said, the funds are now ready to flow, but I want to stress that a solid administration is as important as the money itself. People living in Europe's regions are not going to feel the benefit of projects supported by our policy if local and national administrations managing these funds are not robust and efficient. Helping Member States reinforce their administrative capacity is therefore one of the priorities of my mandate.

▶ **How are the ESI Funds contributing to the 10 Commission Priorities for 2014-2020, such as the Juncker Investment Plan for Europe?**

All ESI Funds are geared towards growth and job creation, with a particular focus on the least developed regions in Europe. This is aligned with the priorities of the Juncker Commission. The ESI Funds contribute to achieving the objectives of the Digital Single Market, the Energy Union and climate change policies, the single market and economic governance, in line with the European Semester country-specific recommendations.

For example, over EUR 20 billion from the ESI Funds will be invested in digital projects, such as broadband deployment, online public services or better access to ICT for small businesses. In parallel, more than EUR 38 billion from the European Regional Development Fund will support the low-carbon economy, in order to enable regions and cities to invest in energy-efficient buildings, renewable energy, smart grids and sustainable urban transport.

Now, in 2007-2013 our policy has helped create almost a million jobs and our overall objective over the next decade is of course to top that.

▶**The ESI Funds refer to five funds (ERDF, Cohesion Fund, ESF, EAFRD & EMFF). What is the value-added of combining the five funds in the new programming period?**

All five funds are designed to support the socio-economic development of Europe, as we are today faced with interconnected and intricate issues which need to be addressed in an integrated and coherent way. Merging the five funds into a common strategic framework leads to better coordination and complementarity, enhanced targeting and a clearer focus on results. This also facilitates the synergies with other EU instruments, such as Horizon 2020, COSME or the Connecting Europe Facility. ■

ENVIRONMENT



7 670 MW of additional renewable energy production.



3.3 million additional energy users connected to smart grids.



4 million hectares of agricultural and forestry land to benefit from carbon sequestration and conservation.



5.8 million tonnes/year additional solid waste recycling capacity.



10 million hectares of farmland supported for organic farming.



Investments in climate change adaptation will protect **13.3 million people** from floods and 11.8 million from forest fires.

▶**FIND OUT MORE**

http://ec.europa.eu/contracts_grants/funds_en.htm

▶ THE INVESTMENT PLAN FOR EUROPE AND THE ESI FUNDS

LAUNCH OF THE IMPLEMENTATION PHASE

The European Fund for Strategic Investments (EFSI) aims to mobilise private financing for strategic investments in infrastructure, innovation and businesses. The Directorate-General for Urban and Regional Policy considers the way in which European Structural and Investment (ESI) Funds can support the impact of the EFSI.

The legal puzzle is in place – first investments

On 25 June 2015, the Council adopted a regulation⁽¹⁾ establishing the new European Fund for Strategic Investments, thus paving the way for new investments to begin in mid-2015. The European Commission and the European Investment Bank (EIB) signed the EFSI Agreement on 22 July 2015, which completes its formal establishment⁽²⁾, as well as that of the European Investment Advisory Hub (EIAH)⁽³⁾.

The EFSI will be established within and managed by the EIB. It will be endowed with a EUR 16 billion guarantee from the EU budget and EUR 5 billion from the EIB's own resources. The EIB will use the EFSI funds and guarantee to leverage additional financing of at least EUR 315 billion for investment in strategic infrastructure, innovation, and small and medium-sized enterprises. EFSI operations will take place within the EIB and there will be wide sectorial and product eligibility for EFSI operations, but no country or sectorial allocation quotas.

In this context, the EIB has already started pre-financing, or 'warehousing', projects which are backed by the EU guarantee. This means that the EIB is approving projects on the basis of an EU guarantee coverage, granted by the Commission pending the appointment of the Investment Committee members.

The EFSI governance structure

On 22 July 2015, the four members of the EFSI Steering Board were appointed: **Ambroise Fayolle**, Vice-President, EIB; **Maarten Verwey**, Secretariat General, European Commission; **Gerassimos Thomas**, DG Energy, European Commission; **Irmfried Schwimann**, DG Competition, European Commission. The Steering Board sets the investment guidelines and the operating policies and procedures. On 13 October 2015, the European Parliament voted in favour of the EFSI Steering Board proposal to appoint **Wilhelm Molterer**⁽⁴⁾ (see page 14) as EFSI Managing Director and **Iliyana Tsanova**⁽⁵⁾ as Deputy Managing Director. They will coordinate EFSI activities within the EIB Group and support EFSI Investment Committee meetings, which the Managing Director will chair.

The Investment Committee shall be accountable to the EFSI Steering Board and shall be composed of eight independent experts and the Managing Director. The Investment Committee shall be responsible for examining, in a transparent and independent manner, potential projects in line with the EFSI investment policies and for approving the support of the EU guarantee for EIB operations. Furthermore, the Investment Committee shall approve operations with

- (1) Regulation (EU) 2015/1017 of the European Parliament and the Council of 25 June 2015.
- (2) Another arm of the Investment Plan for Europe is the European Investment Project Portal (EIPP), which will be a publicly available, secure web portal where EU-based promoters seeking external financing are given the opportunity to promote projects to potential investors.
- (3) The EIAH will support the development and financing of investment projects in the EU by offering a single point of contact for guidance and advice, providing a platform to exchange know-how, and coordinating technical assistance.
- (4) Wilhelm Molterer has served as an EIB Vice-President (2011-2015) and a Member of the Austrian Parliament. He has been Vice Chancellor and Finance Minister of Austria and chairman of the Austrian People's Party.
- (5) Iliyana Tsanova has served as Director in the European Bank for Reconstruction and Development (EBRD) and Deputy Prime Minister in two separate caretaker governments of Bulgaria (2013 and 2014).



▶LEFT TO RIGHT: Mr Werner Hoyer, President of the EIB, Mr Jean-Claude Juncker, President of the European Commission, Mr Jyrki Katainen, EC Vice-President at the Official Signature of the EFSI.

investment platforms and national promotional banks, and shall consult with the Steering Board and the Managing Director with regard to EIF instruments.

The role of National Promotional Banks and investment platforms

The synergy between European and national tools will be essential to rapidly start closing the investment gap for the EU economy. In order for this to happen, National Promotional Banks (NPBs), namely entities mandated by Member States to carry out development or promotional activities, are expected to play a key role and complement the EIB. Already nine Member States have come forward with contributions to the Investment Plan via their promotional banks. In the same context, investment platforms will be set up in the form of ad hoc vehicles through which financing is channelled to projects. They may be set up through various legal structures (SPVs, managed accounts, other arrangements), have various dimensions (geographical, product, sectorial) and they may also receive EIB or other type of support (Member State, private investors).

ESI Funds and EFSI complementarities

EFSI is an ambitious plan with a clear potential to provide significant financial support and boost job creation through

cooperation with various stakeholders and financing sources. In this context, there is considerable scope for ESI Funds in maximising synergies and complementarities with EFSI. Although ESI Funds and EFSI function independently – they are stand-alone mechanisms with separate implementation frameworks – they allow for contributions to support each other’s objectives. ESI Fund resources can play a crucial role in optimising the impact of EFSI (and *vice versa*) as their joint use would allow for more sizeable demand-driven interventions in innovative and infrastructure projects and SME financing which in turn would lead to more growth, jobs and innovation in Europe. Although ESI Fund resources cannot be directly transferred to EFSI, both legal frameworks allow for contributions to support each other’s objectives. In practice, this is possible at project level, financial instrument level and through investment platforms. The Commission is currently finalising a brochure on complementarities which is expected to be rolled out beginning of 2016, following which additional documentation will be presented on detailed practical implementation mechanisms and products available in the market.

▶FIND OUT MORE

http://ec.europa.eu/priorities/jobs-growth-investment/plan/efsi/index_en.htm

▶ OVERCOMING EUROPE'S STRATEGIC INVESTMENT GAP



In July 2015, EU legislators reached a political agreement on the Regulation for a European Fund for Strategic Investments (EFSI). *Panorama* speaks to Wilhelm Molterer, Managing Director of EFSI.

▶ Where do we stand now and when will the EFSI be operational?

In fact the roll out of operations is very much underway. And I believe we have already made significant progress. The momentum is building too, as the governance of the European Fund for Strategic Investments takes shape. At the beginning of last month (November) I took up my role as EFSI Managing Director. My deputy, Ms **Ilyana Tsanova**, will take office on 1 January, and the freshly appointed members of the Investment Committee will take up duty in January, too.

However, the European Investment Bank (EIB) had already started pre-financing projects in April at its own risk awaiting the launch of EFSI. So far, the EIB Board of Directors has approved 34 projects for financing under EFSI which represent a volume of financing of over EUR 5 billion, based on the EU budget guarantee (13 have already been approved by the European Commission under the EU guarantee). These operations are expected to mobilise an investment of around EUR 23 billion. Of these EIB approved operations, 9 projects have been signed to date.

▶ What type of projects will EFSI support and who can apply for EFSI financing and how?

If you look at what has already been approved, you will see that around half of these projects support renewable energy, energy efficiency and other investments that contribute to the growth of a low-carbon economy. The others include R&D and industrial innovation, digital and social infrastructure, transport, as well as access to finance for smaller businesses. What these projects have in common, which will hold true for the future projects too, is that they will contribute to economic growth and job creation, as well as competitiveness across Europe.

EFSI targets in particular projects and areas where there is a clear demand or specific market failure. The level of investments in Europe is still lagging far behind what is needed to catch up in terms of competitiveness. That is why EFSI is targeting key areas aiming at boosting competitiveness, including research, development and innovation, as well as strategic infrastructure and smaller businesses.

Entities of all sizes including utilities, special purpose vehicles or project companies can apply for EFSI financing. Equally, small and medium-sized enterprises (with up to 250 employees) and midcaps (with up to 3 000 employees) can all apply through local partner institutions throughout the EU. National Promotional Banks and other banks will participate to provide intermediated loans, as can Funds and any other form of collective investment vehicles.

The EIB's experience and expertise with such a varied range of stakeholders and financial products can really make a difference in garnering the support we need for strategic growth-inducing projects across Europe.

▶ Many think that EFSI is only for large-scale projects but there is also an SME window. Will EFSI in particular help SMEs?



▶ The Galloper project is a 56 turbine extension of the Greater Gabbard Offshore wind farm (UK).

Absolutely. We know that support for SMEs in Europe is vital for the future dynamism of our economies and as the prime source of new jobs. That's why around a quarter of EFSI's original endowment (EUR 5 billion of EUR 21 billion) is earmarked to support access to finance for small and medium-sized enterprises.

Both the EIF (European Investment Fund, part of the EIB Group) and the EIB itself will provide support to SMEs under EFSI through partner institutions.

The EIF is already delivering impressive results. Building on our existing network of partner banks and institutions, EIF has already signed more than 50 operations under EFSI, with total financing exceeding EUR 2 billion, which is expected to generate more than EUR 17 billion of investments. Some 65 000 SMEs and midcaps are expected to benefit, including in Belgium, Bulgaria, Czech Republic, France, Germany, Italy, Luxembourg, Netherlands, Poland, Portugal and the UK.

▶ **EFSI should complement, and be additional to ongoing regional, national and EU-wide programmes as well as existing EIB operations and activities. How will this**

work in practice? Isn't there an overlap between EFSI and the European Structural and Investment (ESI) Funds?

Both funds support the EU policy objectives, however they are different instruments, each with their own design, regulations and timeframe. Nevertheless, there is great scope for complementarity.

ESI Fund programmes can contribute to the Investment Plan objectives and complement EFSI support. These may complement EFSI-supported projects, thus ensuring a greater value added. We will avoid duplication and overlap by ensuring that the combination of these different kinds of financing in one project should also happen where the added value can be clearly demonstrated and where the EU involvement can be made to work better.

Sometimes it's the combination of both that allows us to attract other kinds of financing to a project. Or for example, in France's Nord-Pas de Calais region, our equity contribution (which we proposed to the European Commission for financing under EFSI) is set to support a scheme targeting small and midcap enterprises making low-carbon



WORLD FORUM FOR A RESPONSIBLE ECONOMY – LILLE, 2015

The World Forum for a Responsible Economy, which took place in Lille, Nord-Pas de Calais, on 20-22 October. Successive project leaders took the floor to present projects expected to be funded by this investment fund exclusively dedicated to the third industrial Revolution (REV3).

FIND OUT MORE:
www.responsible-economy.org/en/

investments. Here, the ESI Funds complement EIB financing and additional private funding. Furthermore, technical support for the scheme is funded by the ESI Funds. This is the first instance of EFSI, ESI Funds and private investors coming together to support a financial instrument in a structure, which is expected to be replicated across Europe.

Speaking more technically, the legal framework (EFSI regulation) and dedicated governance is set up in such a way that only projects with proven additionality get financed. For example, in line with the criteria outlined by EFSI regulations it is the role of the Investment Committee to assess whether projects are eligible to receive EU budget guarantee backing. A scoreboard providing a qualitative rating of

each project helps Investment Committee expert members to make their decision.

EFSI will also allow the EIB Group to do many more transactions at the higher end of the risk spectrum than it has done in the past. Doing more innovative and risky business than the EIB Group has done in the past will make a substantial difference to the Group's economic impact precisely in terms of mobilising new investment.

► **Many observers fear that EFSI support will benefit only the top rated countries. How will EFSI ensure a certain balance between regions and sectors?**

EFSI clearly targets investments across the EU, so there is no bias towards higher-rated countries.

At the same time, it's important to underline that there are no geographic or sectoral quotas. EFSI is demand-driven and will provide support for projects everywhere in the EU, including cross-border projects. Projects will be considered according to their individual merits.

However, the strength of the approach and the guarantee means that we can scale-up our risk-absorption capacity and attract finance for investment on a different level.

Success of the Investment Plan does not depend on EFSI alone. Structural reforms are necessary and so is dealing with regulatory and administrative barriers to investment at both EU and national levels. Everyone must play their part.

► **How will the impact be measured?**

The EIB will monitor and measure the results and impact of EFSI during implementation and afterwards, with a focus on the impact of projects on growth and job creation.

We have moved fast to deliver first results – supporting projects that matter, mobilising investment that makes a difference as regards growth, jobs and competitiveness in Europe. Solid results and the crucial projects we manage to get off the ground show what the EU is able to achieve when we join forces and work towards a common goal – mobilising investment for more growth, jobs and competitiveness across Europe.

► **FIND OUT MORE**
http://ec.europa.eu/priorities/jobs-growth-investment/plan/efsi/index_en.htm
<http://www.eib.org/about/invest-eu/index.htm?lang=en>

▶ EUROPE IN MY REGION PHOTO COMPETITION 2015

For the fourth year in a row residents from Europe – and this year for the first time residents of pre-accession countries – were asked to highlight the EU-funded projects making a difference to their area. The ‘Europe in My Region’ photo competition, launched by the DG for Regional and Urban Policy, is a way to showcase the excellent work and local impact created by projects which are supported by the EU.

Participants were asked to photograph an EU-funded project, the only requirements were for evidence of EU funding (for example a plaque or billboard) and the EU flag to be included in the picture. After the submission period, the public had time to vote online, thereby creating a shortlist of favourites before a jury of experts chose the final winners.

More than 550 entries were accepted, the highest number (110) came from Greece, followed by Bulgaria (96) and Romania (77). As a reward, the three winners and one guest each travelled to Brussels for Open Days in October. They attended the Regio-Stars Award Ceremony and were invited onstage to be presented with a framed version of their photograph plus their trophy by Commissioner for Regional Policy, Corina Crețu.



RESULTS AT A GLANCE ▼

▶ **552**
approved entries from ▶ **33**
countries

▶ **4 541**
votes cast

▶ **45 820**
unique visitors to
the website

▶ **3**
winners

▶ **FIND OUT MORE**
<http://on.fb.me/10i2Nuk>

1. MAŁGORZATA PODSTAWA – Krakow, Poland, Project: Improving the quality of tourist infrastructure in the area of the Pieniny – ERDF
2. TOMAŽ VARLEC – Dobrova, Slovenia, Project: LIFE Stop CyanoBloom – Innovative technology for cyanobacterial bloom control – LIFE funding
3. PARASKEVAS GRIGORAKIS – Thessaloniki, Greece, Project: Maintenance and restoration of historical building (school) – ERDF

► PARTNERSHIPS TO DRIVE EU URBAN AGENDA

Momentum has been building towards the implementation of an EU Urban Agenda. The first pilot partnerships are being prepared as the key delivery mechanism for integrating cities into EU policy making.

Almost 70% of the EU population now live in urban areas. Europe's cities are the engines of the European economy, providing jobs and services. However, they are also home to some of our greatest challenges: economic, social, environmental and demographic, which are often interrelated. These areas also absorb 55% of public investments.

There has been a growing recognition in Europe that an EU Urban Agenda is needed so that the city level can be better taken into account when designing EU policies to ensure that these are better adapted to urban realities.

With increasing support for an EU Urban Agenda at the political level, including its endorsement in the Riga Declaration in June 2015, the Commission has been intensifying action through the creation of the 'Project Group' on urban issues, led by Commission Vice-Presidents **Maroš Šefčovič** and **Jyrki Katainen**.

The main messages emerging from the public consultation, launched in 2014, on the key features of an EU Urban Agenda, were also published this year, helping to map out the possible next steps.

The way forward

The EU Urban Agenda is not about designing national policies but rather to strengthen the urban dimension in EU and national policies and mobilising cities in their design and implementation.

The way forward is seen as being the creation of partnerships composed of experts from the Commission, Member States, cities and other stakeholders – for example, networks, NGOs, and businesses – which will ensure a timely and effective preparation of Action Plans and their subsequent



THE RIGA DECLARATION ▼

The Riga Declaration 'Towards the EU Urban Agenda', agreed at the 10 June informal meeting of Ministers responsible for cohesion policy, territorial cohesion and urban matters, identifies the key elements and principles to be taken into account in future work on development of the EU Urban Agenda during upcoming EU Presidencies.

FIND OUT MORE:

<https://eu2015.lv/news/media-releases/2122-eu-ministers-reach-agreement-on-the-riga-declaration-towards-the-eu-urban-agenda>

implementation. Such an approach, it is recognised, can maximise their effectiveness and ensure they are implemented at a lower cost. Twelve priority themes have been identified for implementation by the partnerships (see box).

Pilot Partnerships

The first four pilot partnerships will be launched at the end of 2015 addressing the following themes.

URBAN POVERTY The objectives are to reduce poverty and improve the inclusion of people in poverty or at risk of poverty in deprived neighbourhoods. Urban poverty refers to issues related to a structural concentration of poverty in deprived neighbourhoods and solutions that need to be designed and applied with an integrated approach. The focus will be on spatial concentration of structural

poverty in deprived neighbourhoods (and regeneration of these areas), child poverty and homelessness.

HOUSING The objective is to establish affordable housing of good quality. The focus will be on public affordable housing, State aid rules and general housing policy.

INCLUSION OF MIGRANTS AND REFUGEES The aim is to manage the integration of incoming migrants and refugees from outside the EU and to provide a framework for their inclusion. This will cover housing, integration, provision of public services, social inclusion, education and labour market measures.

AIR QUALITY The objective is to realise systems and policies to ensure a good air quality for human health. This will cover legislative and technical aspects linked to a wide range of polluting sources such as cars, industries, agricultural activities, etc.

Organisation of Partnerships

Partnerships have to prepare and implement an Action Plan with concrete actions at EU, national and local level. They are the key delivery mechanism of the EU Urban Agenda and they will develop a multilevel (vertical) and multi-dimensional (horizontal) approach.

Each partnership is made up of the Commission (who facilitates the process), Member States, cities (through associations such as Eurocities and the Council of European Municipalities

12 PRIORITY THEMES FOR THE EU URBAN AGENDA ▼

- ▶1 JOBS AND SKILLS IN THE LOCAL ECONOMY
- ▶2 URBAN POVERTY
- ▶3 AFFORDABLE HOUSING
- ▶4 INCLUSION OF MIGRANTS AND REFUGEES
- ▶5 SUSTAINABLE USE OF LAND AND NATURE-BASED SOLUTIONS
- ▶6 CIRCULAR ECONOMY
- ▶7 CLIMATE ADAPTATION
- ▶8 ENERGY TRANSITION
- ▶9 URBAN MOBILITY
- ▶10 AIR QUALITY
- ▶11 DIGITAL TRANSITION
- ▶12 INNOVATIVE AND RESPONSIBLE PUBLIC PROCUREMENT

‘The Riga Declaration acknowledges the crucial role of cities and towns in reaching the objectives set by the Europe 2020 Strategy and by the Juncker Commission in terms of growth and jobs. The declaration and the conclusions we have drawn from our public consultation on the EU Urban Agenda give us a strong direction to follow.’

▶ CORINA CREȚU – EUROPEAN COMMISSIONER
FOR REGIONAL POLICY

and Regions), and stakeholders (NGOs, business, experts, etc.). The timeframe of each partnership is about 3 years.

Cooperation between the different partnerships is encouraged because the themes are interlinked. However, the organisation and working arrangements may differ slightly between partnerships.

Looking ahead

The EU Urban Agenda will be a particular priority for the Dutch EU Presidency in 2016. An agreement between Member States on the main elements of an EU Urban Agenda is envisaged for the first half of 2016 leading to the conclusion of the Amsterdam Pact on the EU Urban Agenda in May 2016.

The first call for the new Urban Innovative Actions is also expected before the end of 2015. The initiative has been created to test new approaches to the challenges faced by urban authorities, with a total budget of EUR 371 million over the period 2015-2020.

Projects will be supported with up to EUR 5 million each from the ERDF, focused for 2015 on the following topics: Energy transition; urban poverty; investment in the integration of migrants and refugees; jobs and skills in the local economy.

▶ FIND OUT MORE

http://ec.europa.eu/regional_policy/en/newsroom/news/2015/05/eu-urban-agenda-key-features-results-of-the-public-consultation
http://ec.europa.eu/regional_policy/en/newsroom/news/2015/11/11-04-2015-urban-innovative-actions-initiative-call

► MIGRATION CRISIS AND THE EUROPEAN RESPONSE

THE ROLE OF THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS

Every day, thousands of refugees fleeing violence in the Middle East and other parts of the world are crossing European borders in the hope of finding shelter and securing a peaceful life for their families. The deteriorating weather conditions and increasingly risky transit routes do not deter refugees bound for Europe. In fact, the numbers are expected to continue to increase during the coming months. With so many people arriving, the EU and all Member States are under pressure to deal with them quickly and to provide the conditions for a safe shelter and fast integration of those refugees that will remain in the EU. European Structural and Investment (ESI) Funds are one of the ways forward.

President Juncker was resolute when he said: ‘if ever European solidarity needed to manifest itself, it is on the question of the refugee crisis’. These words reflect the Commission’s decision to integrate a comprehensive migration policy into the existing EU priorities. This places the issue of migration and the swift reallocation and international protection of migrants as one of the Commission’s top political priorities.

Migration is a cross-cutting issue, involving different policy areas and different actors, both inside and outside the EU. As such, it requires a coordinated and multifaceted approach supported by a range of budget tools. ESI Funds form part of this response.

Following the recent tragic incidents in the Mediterranean and the ever-increasing influx of refugees, the Commission has published two Communications in May and September 2015 in order to respond to the immediate challenges. ESI Funds are explicitly mentioned as an important funding source to support effective integration policies covering education, employment, housing and non-discrimination policies. Providing refuge and integration of displaced refugees is thus incorporated in the existing legal framework and



aligned with the EU’s overarching goal of inclusive growth and equitable opportunities for all, including migrants.

Whereas social integration measures are foremost the remit of the European Social Fund (ESF), planned measures on the European Regional Development Fund (ERDF) side could include: significant investments in social, health, education, housing and childcare infrastructure; regeneration of deprived urban areas; actions to reduce spatial and educational isolation of migrants; business start-ups.

In addition to medium- and long-term assistance, the Commission stands ready to examine and adopt modifications to ESI Fund programmes in order to respond rapidly to emergencies encountered by Member States and non-member countries affected by the refugee crises. Although the Asylum, Migration and Integration Fund (AMIF) with a budget



▶With EU financing, a local support centre for the integration of immigrants helped 1 215 immigrants in Portugal by providing social and legal assistance, as well as contacts and information to gain access to employment.



of over EUR 3 billion is already in place to address such short-term needs, additional ESI Fund resources can be urgently reallocated towards migrants and refugees in exceptional circumstances. Prospective investments may cover mobile hospitals; hot spots; sanitation and water; infrastructure development for vocational training; extending basic social and healthcare services; building or extending reception centres, shelters or actions to reinforce the capacities of the reception services, etc.

In light of this, the Commission has invited all 28 Member States to have a second look at the 2014-2020 priorities to see whether measures aimed at integrating refugees and migrants require a more explicit and stronger place. Italy and Greece, the largest entry ports for migrants transiting across the Mediterranean, have already taken this into consideration and revisited some of the 2014-2020 programmes.

The Italian programme 'Legalità' focuses on the promotion of the rule of law in less developed regions, but in response to recent developments in the coastal areas it has also included specific actions in favour of legal immigrants and asylum seekers. The 2014-2020 national programme will allocate around EUR 41 million for the restructuring and rehabilitation of assets confiscated from the mafia, with a view to using them primarily as centres for the accommodation of legal immigrants, asylum seekers and recipients of international and humanitarian assistance. In these centres, regular immigrants will be helped by social inclusion and labour market support measures to be funded by the ESF.



▶In Germany, the ESF-funded Lotsendienst (Pilot service) for migrants advised some 1 400 migrants who were interested in setting up their own businesses. 735 of these did just that through individual coaching. The startups were also supported by business start-up pilot schemes during their first year of operation.

In Greece, all 13 regional programmes for the 2014-2020 period include ERDF support for building, refurbishing and opening reception centres for migrants. Under ESI Fund (thematic) objective no. 9 (social inclusion and poverty) additional interventions are envisaged, such as inclusive start-ups, social enterprises, social housing, childcare infrastructure, regeneration of deprived urban areas, etc. These interventions may be targeted at all vulnerable groups, including migrants.

In summary, the Commission is using all modes and channels to secure a comprehensive and place-based response to the rapidly evolving migration crisis. Numerous bilateral visits to Croatia, Greece and Slovenia among others have taken place recently and many more are scheduled for the coming period. The high level meetings with Turkish authorities, as well as the October Meeting with Heads of State or Government of Western Balkan countries and of all the Member States on the migration route to Germany, demonstrate the Commission's strong support for the joint management of migration flows and its commitment to tackle the long-term implications of the migration crisis.

▶FIND OUT MORE

http://ec.europa.eu/priorities/migration/index_en.htm

▶ ESI FUND PROGRAMMES AND THE EUROPEAN SEMESTER

ALIGNING REGIONAL INVESTMENTS WITH WIDER ECONOMIC POLICIES

During the discussions and preparation of the 2014-2020 European Structural and Investment Fund programmes there was a stronger focus than before on the links between planned investment and other economic policies. One of the main ways this has taken place is through the country-specific recommendations (CSRs)⁽¹⁾ produced under the European Semester process. How is the European Semester influencing the way national and regional programmes approach investments planned for 2014-2020?

The European Semester was introduced in 2010 as a new EU economic governance structure, launched in parallel with the Europe 2020 strategy. A key part of the Semester is the annual CSRs adopted, since 2011, by the European Council. The CSRs are largely based on the analysis paper of the European Commission (now called the Country report) and they identify a short list of main economic policy priorities for each Member State across the range of economic policy fields.

Although CSRs are not the main way investment priorities for 2014-2020 were established, since 2010 the links between the CSRs and European Structural and Investment (ESI) Funds programming have quickly developed and CSRs have influenced the new generation of programmes. Two main links are recognised in the legislation for the ESI Funds: the link between pre-existing CSRs and the preparation of the 2014-2020 programmes, and the possibility that future CSRs may contribute to reprogramming (Strand 1 under the macro-economic conditionality clause).

(1) The English abbreviation of country-specific recommendations (CSRs) will be used throughout the article.

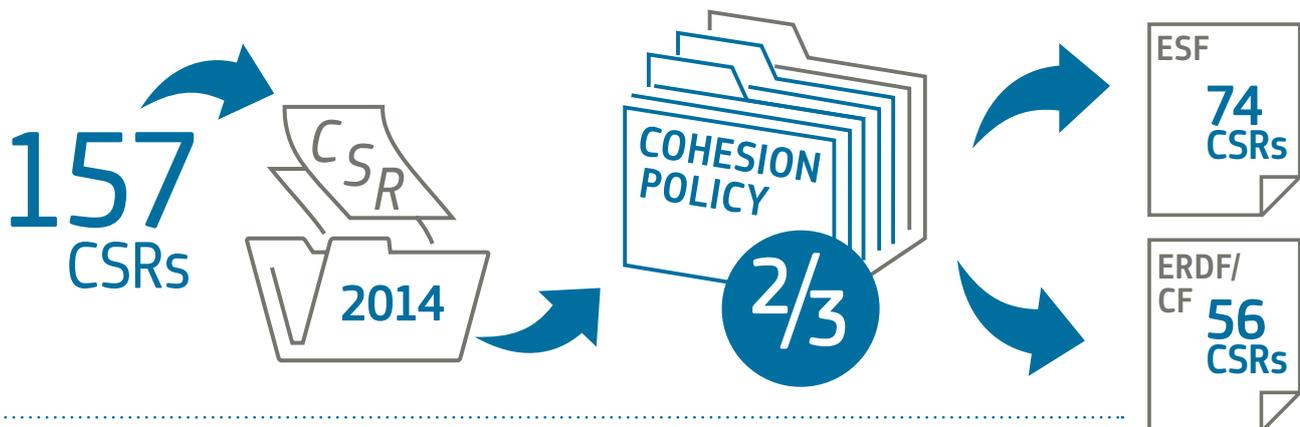
What are ‘cohesion relevant’ CSRs?

By 2014 the range of issues covered under the CSRs had become more numerous and increasingly relevant for ESI Funds. In the 2014 exercise from a total of 157 CSRs, more than two thirds were related to cohesion policy (policies funded by the European Regional Development Fund (ERDF), European Social Fund (ESF) and the Cohesion Fund (CF)). This included 74 CSRs relevant for the ESF and 56 CSRs which were relevant for the ERDF/Cohesion Fund (with 20 CSRs relevant for both ESF and ERDF/CF).

These ‘cohesion-relevant’ recommendations covered a wide range of themes and different types of policy measures and structural reforms. Broadly they related either to 1) framework conditions or policy strategies relevant for ESI Fund programmes, 2) identification of investment needs, or 3) administrative capacity themes. The themes most frequently covered in the CSRs relevant for the ERDF and Cohesion Fund related to energy, natural resources, SME access to finance, R&D and innovation and administrative capacity. In the case of the ESF, the fields most frequently addressed were labour market policy, education reforms and social inclusion.

Interestingly, within the 110 CSRs in 2014 the vast majority concerned ‘less developed’ Member States, but only 4 CSRs (for Croatia, the Czech Republic, Italy and Romania) had recommendations specifically related to the management of EU funds. Those exceptions apart, it is not always easy to identify which CSRs are relevant for cohesion policy and which are not. Analysis of the relevance of EU programmes to policy challenges can sometimes be found in the semester country reports that now precede the Commission’s draft

COUNTRY-SPECIFIC RECOMMENDATIONS (CSRs) IN 2014 RELATED TO COHESION POLICY



CSRs. Also, some Member States made explicit references in their partnership agreements and programmes to CSRs. Finally, relevant CSRs were discussed in the drafting of the programmes and influenced the results though no specific references were made.

The 2015 CSRs saw the number of CSRs reduced from over 150 to around 100 with CSRs generally shorter and containing fewer sub themes. The 102 CSRs for 2015 comprise 161 policy recommendations. Strikingly only 61 of these policy recommendations are considered ESI Fund relevant, significantly lower than in 2014. However, the Commission stressed that the more extensive country-specific recommendations in previous years had not lost importance and that it would continue to encourage completing those reforms.

Potential reprogramming under the macro-economic conditionality clause

The legislation for 2014–2020 also foresees the possibility for the Commission to request the modification of adopted partnership agreements and operational programmes where necessary to support a new CSR. It should be noted that since structural reforms address long-term problems, it is anticipated that such changes will not be frequent. The Commission has recognised that frequent reprogramming could prove disruptive to multiannual investment strategies. A key policy challenge that is giving rise to early discussions on reprogramming is the EU response to the dramatic increase in migration. **Commissioner Crețu** has invited programmes to look again at their investment priorities and consider self-initiated reprogramming.

Next steps

Linking the multi-annual programming cycle of cohesion policy and annual short-term CSRs has led to concerns amongst cohesion policy stakeholders. It is true that CSRs are updated every year and may be linked to short-term policy priorities. However, in practice, the CSRs that have been linked with cohesion policy all have a medium- and long-term nature, even if the Commission – in proposing such CSRs – is encouraging Member States to prioritise a reform process.

In terms of future links between ESI Funds and the European Semester, key challenges to be addressed in the next years are likely to include: demonstrating the contribution of ESI Funds to EU, national and regional economic priorities including the contribution to relevant CSRs; finding the right balance between the medium- and long-term objectives of ESI Fund investments and the policy agendas set in the annual CSRs; using the margins within ESI Fund programmes to flexibly address important changes in needs and reprogramming where needed; and determining whether and how the macro-economic conditionality provisions (Strand 1) will be used for strategic reprogramming.

► FIND OUT MORE

<http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/>



▶ RIGHT PAGE:
Corina Crețu and Lambert van Nistelrooij with
representatives of the four winning projects.

▶ Lambert van Nistelrooij,
President of the Jury

▶ INSPIRING COHESION POLICY PROJECTS CELEBRATED AT 2015 REGIOSTARS AWARDS

THE FOUR WINNING
PROJECTS

During the RegioStars Award Ceremony at the Bozar Brussels on 13 October 2015, Commissioner for Regional Policy Corina Crețu and RegioStars jury president MEP Lambert van Nistelrooij announced the winners of the prestigious RegioStars Awards, celebrating Europe's most inspiring and innovating projects supported by cohesion policy funds.

From a total of 143 entries, the jury singled out 17 original and innovative urban and regional development projects which were included in the final round and considered for an award. These model projects competed within the categories of Smart Growth, Sustainable Growth, Inclusive Growth, and CityStar.

Finalists came from regions and cities in 15 Member States: Austria, Bulgaria, Czech Republic, Denmark, France, Greece, Hungary, Ireland, Italy, Poland, Portugal, Romania, Spain, Sweden and the United Kingdom. The scope of their work ranged from supporting small businesses through ICT innovation and energy efficient construction, to social inclusion and initiatives in the field of urban planning.

The RegioStars finalists and winners are all excellent examples of the creativity and commitment Europeans have, and of the accomplishments possible with the help of EU funding.

▶ FIND OUT MORE
http://ec.europa.eu/regional_policy/en/regio-stars-awards

▶ SMART GROWTH

Unleashing SME growth potential for a digital economy.



▶ SCANDINAVIAN GAME DEVELOPERS

Midtjylland (Denmark)
and Västsverige (Sweden)

The project offers advice and training to young entrepreneurs in the Scandinavian digital gaming industry and helps them establish viable companies in a highly competitive business environment. The business incubator in Grenå (Denmark) uses a business model developed by the Swedish partner-university of Skövde, and has seen the creation of 22 new small companies, currently employing 67 people.

▶ www.videndjurs.dk

▶ INCLUSIVE GROWTH

Integrating in society those at risk of social exclusion.



▶ DIRITTI A SCUOLA

Puglia (Italy)

Based on a mixed approach of education and social care, this project significantly reduced early school leaving in the region. The project provided counselling, educational guidance and intercultural mediation, benefiting both students and their families. The percentage of 15-year-old students with limited reading capacities was reduced to 16.7% in 2012, which is below the national target of 20%. At the same time, the early school-leaving rate decreased from 30.3% in 2003 to 19.9% in 2013. In total, over 50000 students and 10000 families benefitted from the programme which gave them a new chance at a bright future.

▶ www.pugliausr.it/default.aspx?Page=Office_Section&code=132&tipo=1

▶ SUSTAINABLE GROWTH

Mobilising investments in energy efficiency for the benefit of citizens and society.

▶ PICSA

Andalucía (Spain)

The Sustainable Construction Programme in Andalucía has invested in the energy renovation of buildings and the rehabilitation of urban areas, boosting the competitiveness of the construction sector and the creation of skilled employment. Not only has it made the region's construction sector greener and helped create jobs, one of its main goals is also to educate the public on the importance of energy efficient and sustainable construction. The project has achieved energy savings of 26 000 tonnes/year, has avoided the emission of 62 000 tonnes of CO₂ and is expected to create thousands of jobs in the coming years.



▶ www.agenciaandaluzadelaenergia.es/ciudadania/programa-de-impulso-la-construccion-sostenible-de-andalucia/

▶ CITYSTAR

Transforming cities for future challenges.

▶ EUROCITY OF CHAVES-VERÍN

Galicia (Spain) and North Portugal (Portugal)

The cities of Chaves and Verín joined forces to create a 'Eurocity' through a common offer of municipal services and facilities, including joint cultural events, commerce, sports, leisure and tourism activities and the promotion of entrepreneurship. The project demonstrates that institutional, economic, social and cultural integration of two cross-border cities is possible and brings real benefits in terms of saving costs, increasing efficiency and diversifying the municipal services offered to citizens.

▶ <http://en.eurocidadechavesverin.eu/>



▶ BULGARIA – STEADY GROWTH LEAVES ECONOMIC CRISIS BEHIND



Panorama speaks to Deputy Prime Minister Tomislav Donchev about how cohesion policy is helping Bulgaria go from strength to strength as well as the country's plans for the future funding.

▶The European Commission adopted the Partnership Agreement with Bulgaria in August 2014. What main steps have been taken since?

The priorities of the ESI Funds in Bulgaria are structured in ten programmes, nine of which have already been approved. Management structures are to a large extent the same as in the 2007-2013 period, but in setting up management and control systems we built on our experience aiming to simplify processes without reducing the effectiveness of control. Recently we designated the first authorities, including one for the biggest ESF programme, which supports operations on the labour market, social inclusion and youth employment, which is extremely important to support the upward changes in the Bulgarian economy which has just started to come out of the crisis. We are working to further improve the legal framework with a new law on the management of ESI Funds. Its adoption by the Parliament is forthcoming.

▶How important have the EU cohesion funds been since Bulgaria's accession to the EU?

The investments with EU funds significantly impact the social and economic development of the country, by alleviating some of the main challenges we face. The effect on the real GNP value is estimated in 7.2% higher growth compared to the 'zero' scenario. Employment is 4.5% higher than what it would have been without the funds, and private investments have also increased by 26.9%.



In practical terms the funds affect nearly all citizens of Bulgaria with more than 1 000 renovated public buildings (educational, social and cultural purposes) and 1 116 km of roads, 424 km railways, 262 km motorways and 21 km of metro lines constructed or renovated. Urban projects have directly improved the lives of 3.5 million people and environmental investments in water and sewerage and waste management infrastructure now service half the population of the country.

The ESI Funds will continue to be an important source of public investments. In the 2014-2020 period, however, we are more focused on education and R&D. New investment priorities also include the reduction of greenhouse gases, environmental risk management and air quality. All these are to better achieve the policy objectives for smart, sustainable and inclusive growth. In terms of management approaches we focus on ever-greater simplification, improved access to the funds, improved transparency and accountability. In other words, we aim for strong orientation on results, wider use of an integrated approach and return on public money.



▶ This mechanical-biological treatment plant in Sofia can process 410 000 tonnes of waste a year and produce Refuse Derived Fuel (RDF) fuel for cogeneration.

▶To what extent are local and regional bodies involved in managing various OPs in Bulgaria?

Bulgarian municipalities implement nearly half of the operations – both infrastructure projects and ‘soft’ measures. They have both the proper institutional place and practical experience to actively participate on all stages of the program cycle.

The importance of the cities in the delivery of the Europe 2020 strategy and the urban dimension of the cohesion policy increase further the role of local authorities in ESI Funds management. They take on more responsibilities and in the framework of sustainable urban development will act as intermediate bodies.

▶To what extent will Bulgaria use financial instruments (FIs)?

For the 2007-2013 period Bulgaria had a very positive experience with FIs. At the end of 2014, JEREMIE has disbursed over EUR 600 million to more than 6 300 SMEs and 320 start-ups. JESSICA supported urban regeneration and development measures in cities and the aggregate amounts signed and disbursed are more than EUR 40 million.

For 2014-2020, we will build on our experience and extend the scope of the FIs. We will broaden the thematic coverage of financial instruments to include the environment, as well as diversify instruments. A particular focus is the support of innovative entrepreneurs and start-ups covering a wide range of products to help market and scale up economically sound ideas. The total amount of funds committed to FIs is around EUR 650 million from six Operational Programmes. The funds will be channelled through a state ‘Fund of Funds’ that will ensure economy of scale in management costs, help standardise procedures, increase leverage, and achieve better synergy with grant funding. In addition, Bulgaria has committed EUR 102 million to the SME Initiative.

▶What results do you expect at the end of the seven-year period?

According to our economic modelling, by the end of 2020 we can expect a real GNP growth of 9.3% higher compared to the basic scenario. This is attributed to both the long-term effects of the 2007-2013 investments and the 2014-2020 period implementation.

In the result-orientation terms, by 2023 this means increasing innovation/R&D activities of enterprises by 30%; increasing entrepreneurial activity by 10%; reducing the share of early school leavers aged between 18-24 to 11%; increasing the share of 30-34 year olds with tertiary education to at least 36%; achieve 3% of people aged 25-64 participating in lifelong learning; reducing time for administrative services by 50% compared to 2013, etc.

▶FIND OUT MORE

www.eufunds.bg/en/

▶ WALES – DRIVING GROWTH AND JOBS THROUGH COHESION POLICY



One year on from launching EU Structural Funds programmes 2014-2020, Wales' Finance and Government Business Minister Jane Hutt speaks to *Panorama* on how vital EU Funds are to building a sustainable and thriving Welsh economy.

▶ What progress has been made since Wales launched their 2014-2020 programme?

Wales was the first nation in the UK, and among the first in the EU, to have its Structural Funds programmes 2014-2020 agreed by the European Commission – made possible by the strong co-operation between the Welsh Government and economic and social partners at Wales, UK and EU levels.

I committed to hitting the ground running with the delivery of our EU funding programmes, so vital investments would continue to flow into the Welsh economy. We have made excellent progress, investing some GBP 400 million – one-fifth of the total EU funding allocation – to public, private and voluntary organisations across Wales, driving a total investment of GBP 880 million.

Making Wales an innovative and globally competitive nation is at the heart of the Welsh Government's agenda for driving prosperity, and I was delighted that our first funding announcement was GBP 20 million from the European Regional Development Fund (ERDF) to build Aberystwyth



University's new Innovation and Enterprise Centre in mid Wales. The GBP 35 million state-of-the-art development will enable researchers and industry to collaborate, turning pioneering ideas to boost the bio-economy into commercial, global success.

Another important EU funds investment involves a marine energy scheme in North Wales. Backed with GBP 10 million from the ERDF, Minesto will design, manufacture and test a low velocity device – called 'Deep Green' – to produce electricity for thousands of homes from tidal and ocean currents. With the second highest tidal range in the world, Wales has the potential to be a world-leader in the innovative field of marine energy, and drive a low carbon future. This EU investment has also put the foundations in place to attract inward investment with the Swedish company now set to establish its UK headquarters in Wales.

These are just a few examples of the significant role EU funds are having, helping to transform our economy and increase the prosperity of all Welsh citizens through investments in business competitiveness, research and innovation, skills, employment, renewable energy, digital and urban connectivity, and young people.

Swansea Bay Innovation Campus is situated on a 65 acre former BP Transit site in Neath Port Talbot and is one of the few global universities with direct access onto a beach and its own seafront promenade. Through funding from the ERDF and others, the university aims to become a leading research and innovation hub.



▶What role have partnerships played in creating growth in Wales so far?

Partnership is, of course, essential to the successful delivery of EU funds in Wales and we are working with our partners to maximise the impact of our investments by aligning them with existing and emerging growth opportunities in key spatial areas and sectors, including city regions and enterprise zones.

This approach was the catalyst for one of Europe's leading knowledge economy projects – Swansea University's GBP 450 million Science and Innovation Bay Campus. With support from the ERDF, the European Investment Bank, the Welsh Government and other public and private investments, the campus opened its doors to thousands of students, researchers and businesses in September 2015.

During the construction phase alone it created over 1 000 jobs, providing skills and supply chain opportunities for the local area. It will build on this success through its dynamic research environment and is an outstanding example of the impact EU funds can have on a region – a sentiment echoed recently in the European Parliament when the project was showcased there.

▶What benefits has Wales experienced from collaborating with other EU regions?

While EU Structural Funds play a vital role within our region, increasing participation among Welsh organisations in other EU-funded programmes such as Horizon 2020 and the European Territorial Cooperation programmes is also key to the Welsh Government's continuing policy of working in partnership with other EU regions and promoting Wales internationally. They provide an important platform for us to look beyond our geographical boundaries to tackle common economic, social and environmental issues, and share and build on our expertise.

In October at Wales' European Territorial Cooperation conference in Brussels, attended by representatives and stakeholders from Ireland, Poland, France, Spain, Germany, Italy, Belgium, Finland and the UK, I outlined how we will maximise Welsh engagement in these programmes and increase joint working with our EU partners.

In the very competitive Horizon 2020 research and innovation programme, Wales' performance has so far been encouraging, with Welsh organisations already benefiting from EU funds of almost GBP 25 million to help drive our knowledge economy. Microsemi Corporation, a multinational semiconductor solutions provider with a base in South Wales, has successfully attracted some GBP 320 000 to support the GBP 2.5 million MEDILIGHT project – developing a medical device to enhance professional wound care.

In November, Wales also hosted the IQNet conference in Cardiff. Representatives from several EU Managing Authorities met to discuss 'Simplification', a key design principle promoted by the Commission that could produce tangible benefits for organisations accessing and delivering EU projects.

EU Funds are helping us achieve our goals. I am confident that they will help create a lasting legacy for people, businesses and communities across Wales, and a more prosperous and inclusive society for all.

▶FIND OUT MORE

www.gov.wales/eu-funding

OR FOLLOW US @wefowales

▶ ERRIN – PROMOTING REGIONAL VOICES IN EUROPEAN RESEARCH AND INNOVATION

The European Regions Research and Innovation Network (ERRIN) is strengthening regional cooperation for research and exploring the practical aspects of smart specialisation through the ‘learning journey’ method with 10 of its member regions. In doing so, ERRIN promotes the open and rapid transfer of knowledge and best practices, thereby helping to increase the impact of regional projects.

ERRIN is a Brussels-based platform of regional stakeholders, which aims to promote research and innovation capacities across EU regions through its 14 working groups.

Founded in 2001, ERRIN now has more than 120 members across 23 countries. Knowledge exchange between members is the key method used to enhance regional competitiveness, with a focus on joint actions and project partnerships to strengthen regional research and support project development.

Through these actions ERRIN seeks to contribute to the implementation of European research and innovation policy, and highlight the role that smart specialisation strategies can play in developing synergies between the European Structural and Investment Funds and EU research funding to enhance regional competitiveness.

‘We aim to support the development of effective research and innovation ecosystems in the regions of the EU and encourage regional collaboration,’ says **Richard Tuffs**, ERRIN Director.

‘Innovation is now seen as the driver of economic development. There is a new role for regions to become more “joined-up” inside and have better collaboration outside their own region. It is important to reduce the gap between innovation capacity both within regions and between regions. Europe needs all the innovation it can get,’ Tuffs continues.



Regions understand their research and innovation context and are the best people to develop regional innovation and smart specialisation strategies that identify and promote their competitive advantages.

▶ RICHARD TUFFS – ERRIN DIRECTOR

Smart specialisation

ERRIN’s Smart Specialisation working group has been examining the analytical underpinning of the smart specialisation concept and sharing best practice on its implementation.

Regional Innovation Strategies for Smart Specialisation (RIS3) have become a prerequisite in the development of Operational Programmes for the European Structural and Investment Funds. Smart specialisation is a key element of EU cohesion policy 2014-2020, meaning it influences spending and approaches to stimulating research and innovation activity.

Learning journey

To support research and innovation cooperation, ERRIN is involved in a European research project called ‘SmartSpec’ which includes a ‘learning journey’ to strengthen understanding of the concept of smart specialisation, and link theory to practice.

The project involves 10 ERRIN member regions who organise workshops where they share their smart specialisation strategies and then discuss specific aspects, such as governance issues and cluster development.

'The learning journey is a very rich and useful tool for learning and sharing concerns, difficulties and good practices,' Tuffs explains. 'This process helps increase understanding and promotes the exchange of experiences and practices among regions, particularly among their representatives involved in developing smart specialisation strategies,' he adds.

Additionally, the meetings in the 10 regions serve as a joint platform of partners who can work together to prepare new ideas for collaboration under the RIS3 umbrella, identifying synergies, barriers to the implementation process and new challenges for further joint projects.

Creative clusters and smart specialisation

One such learning journey took place in Matera, a UNESCO world heritage centre, located in the region of Basilicata, Italy. The two-day meeting focused on the role of creative clusters in smart specialisation strategies.

The 10 regions participating were joined by two academics (Professor **Kevin Morgan** from Cardiff University [UK] and Professor **Fiorenza Belussi** from Padua University [IT]) for an opening day of debate and idea sharing. On the second day, representatives from Matera – including policy makers, entrepreneurs and social activists – met to discuss how the city is using its unique heritage to generate opportunities for economic development.

'An additional aim of the learning journey is to explore the underlying theoretical basis of the smart specialisation concept in different regional settings and to deepen our understanding of the strengths and weaknesses of the approach,' Tuffs explains.

'Feedback from regions will help strengthen the analytical underpinnings of the smart specialisation concept and contribute to methodological guidance for practice, generating strategic intelligence for policy makers,' he says.

Key role in research and innovation

Regions can and must play a crucial role in the development and implementation of the EU's Horizon 2020 programme, Tuffs stresses.



▶ Some Brussels representatives of the partner regions of the PLACES project: (LEFT TO RIGHT) Zoltan Balogh, Claire Robertson, Henriette Hansen, Martina Hilger, Richard Tuffs and Anett Ruszanov.



▶ The ERRIN Secretariat Team: (LEFT TO RIGHT) Richard Tuffs, Anett Ruszanov, Ryan Titey, and Andrea Lagundzija.

'Regions understand their research and innovation context and are the best people to develop regional innovation and smart specialisation strategies that identify and promote their competitive advantages.' He continues, 'Once they have built smart specialisation strategies to support their region, they then need to encourage active networking with other regions across Europe and farther afield to transfer knowledge, build partnerships and support trade opportunities.'

It is through truly bottom-up smart specialisation strategies that regions can identify their competitive advantages. European investment can then be targeted to these priorities in order to ensure maximum impact.

▶ FIND OUT MORE
www.errin.eu

▶ INTERREG AT 25

CELEBRATIONS AND A EUROBAROMETER SURVEY MARK THE MILESTONE

After 25 years of cross-border cooperation, significant economic potential remains untapped in border areas due to a lack of trust or occasional negative attitudes among neighbouring countries. To help ensure that future investments are as effective as possible, the Directorate General for Regional and Urban Policy has carried out the first ever Eurobarometer survey to explore the attitudes of citizens living in border areas.

One-third of EU citizens live in border areas and cooperation between neighbouring regions or countries often has a direct or indirect impact on their lives. European Territorial Co-operation (the Interreg programmes) aims to help overcome any obstacles these citizens may face.

The European Commission hopes to use the results of this Eurobarometer survey, which measures the views and attitudes of people living in EU border regions, to address reported obstacles. The identification and mapping of these attitudes can help improve the targeting of EU projects and investments. The results were generally positive, but some more negative trends also emerged, which need to be tackled through programmes and action by managing authorities.

Two-thirds of the border population are not familiar with Interreg

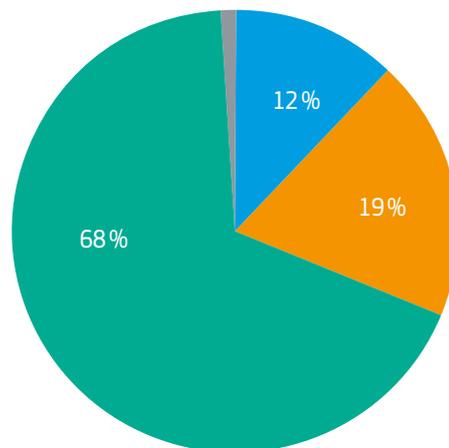
Broadly speaking, 34% of respondents are aware of EU investments in general, and 75% are positive about the impacts that EU funds can make on the lives of taxpayers.

But an important figure to reflect upon is that the majority (68%) of people living in border areas are not aware of EU-funded cross-border cooperation activities in their regions. Some 12% know what they are, and around 19% have heard of them, but do not know exactly what they are.

AWARENESS OF CROSS-BORDER ACTIVITIES

QUESTION

Have you heard about any EU funded cross-border cooperation activities in the region where you live?



- Yes, and you know what they are
- Yes, but you do not know exactly what they are
- No
- Don't know

Source: Eurobarometer

Building on existing trust

There is, however, a solid base on which to start improving cross-border collaboration as the majority of Europeans trust each other. Some 61% of respondents agree that most people can be trusted – respondents living in the Scandinavian countries are generally most likely to trust their cross-border counterparts.

There is little difference concerning how comfortable respondents feel with having a citizen from a partner country as a neighbour (59% feel totally comfortable), a work colleague or a family member (both 58%). They are, however, less likely to be comfortable with having a citizen of another Member State as a manager (49%).

Some 55% of respondents say living near the border with a partner country has no impact, while 37% consider it an opportunity, and 4% consider it to be an obstacle.

Solving problems, removing obstacles

What makes cross border cooperation difficult? Citizens interviewed for the survey gave clear indications. First of all, they are well aware that cross-border cooperation is a difficult exercise: 81% of respondents can identify a problem in at least one issue related to cross-border cooperation.

Respondents are most likely to say that language differences are a problem for cooperation between their country and a partner country (57%). Respondents in programmes involving Germany and Poland, and Germany and the Czech Republic are most likely to say language difficulties are a problem (roughly 80%). More than 4 out of 10 respondents consider social or economic differences or legal or administrative differences as problematic, while at least 3 out of 10 find that cultural differences or accessibility cause difficulties. Cultural differences are mentioned the most often as a problem in the area alongside the German-Polish border.

While accessibility was mentioned as a significant problem more often in Western Europe compared to the east.

Renewing communication efforts

The data collected is detailed and helpful for the work ahead. It can be broken down to the level of Member States and programmes and it is also possible to consult the results by gender, age, education or occupational activity.

These insights should be considered vital for programme authorities when drafting their communication strategies for the 2014-2020 cooperation programmes. The DG for Regional and Urban Policy is already working closely with programmes authorities to ensure that the information gathered through this exercise is built upon.

The Commission intends to conduct this survey on a regular basis in order to be able to analyse the trends that emerge and adapt its policies accordingly.

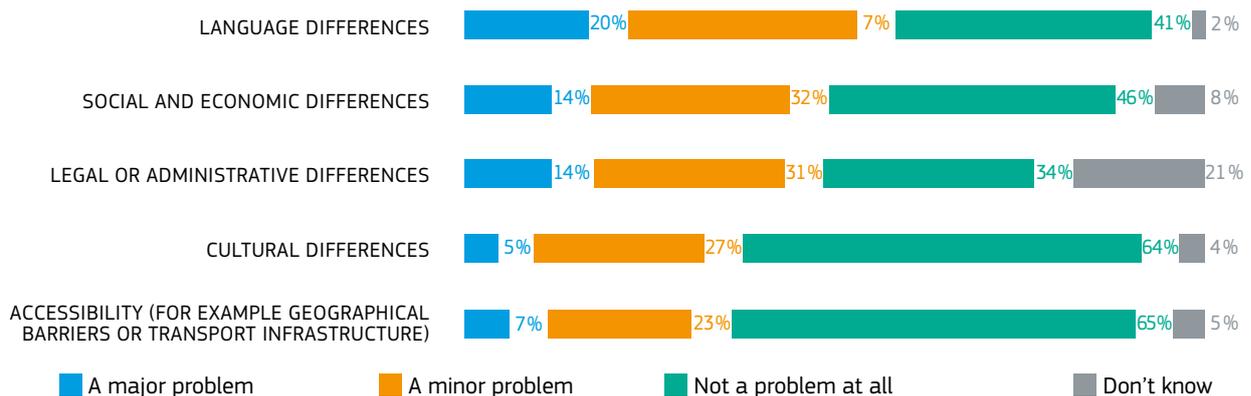
Stories from the Interreg birthday celebrations

Interreg celebrated its 25 year anniversary on 15-16 September, in Belval, Luxembourg, with a dedicated conference co-organised with the Luxembourg EU Presidency and Interact. The occasion was an important moment to take stock of the past and to reflect on the future of Interreg.

PERCEIVED BARRIERS

QUESTION

Thinking about the cooperation between [OUR COUNTRY] and [COUNTRY FROM PROGRAMME] to what extent are any of the following a problem?





▶ European Commission Deputy Director General for Regional and Urban Policy Nicholas Martyn, marked 25 years of INTERREG funding with Mervyn Watley (right) from the Northern Ireland Science Park in October.

COMMUNICATION ACTIVITIES OVER THE 25 YEAR CELEBRATION WERE VARIED

▶ From the 'Drawnalism' contribution that 'told the story' of the event...



▶ ... to the 'Slam Competition' between Interreg projects.



Many communication activities were specifically developed for the event, and the results of the Eurobarometer study on Cross-border Cooperation in the EU were presented.

Communication activities over the 25 year celebration were varied: From the 'Drawnalism' contribution that 'told the story' of the event, to the 'Slam Competition' between Interreg projects; from the animation film 'Borders, not barriers', to the TV documentary 'Le Dessous des Cartes'.

At the same time, the Senior Management Roadshow also took place. This comprised a series of visits to border regions to promote the public consultation on 'Overcoming Obstacles in Border Regions', which is open from 21 September to 21 December 2015.

The Director General **Walter Deffaa's** concluding speech revealed the sentiment behind the different events: 'Interreg is a 25 year old guy who is approaching the challenge of his adult life with renewed enthusiasm!'

▶ FIND OUT MORE

http://ec.europa.eu/regional_policy/en/conferences/interreg25/

▶ IN YOUR OWN WORDS

VIEWS FROM STAKEHOLDERS ON COHESION POLICY 2014-2020

Panorama
welcomes your
contributions!

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

Panorama welcomes your contributions in your language, which we may feature in future editions. Please contact us for further information about deadlines and guidelines for your contribution.

▶ regio-panorama@ec.europa.eu

▶ POLAND

▶ DEVELOPING AN INTEGRATED AND SUSTAINABLE METROPOLITAN AREA



Implementing the Integrated Territorial Investments (ITI) by creating the Łódź Metropolitan Area (ŁMA) is one of the biggest and most important elements of the Regional Operational Programme 2014-2020 for the Łódzkie Region, coordinated by the city of Łódź. The ERDF co-funded action plan 'Development Strategy for Łódź Metropolitan Area 2020+' is set to help us achieve the Europe 2020 strategy goals in a more sustainable and effective way.

Comprising an area of 2 499 km², ŁMA is home to 1.1 million people generating approximately 50% of the regional GDP. The Łódź Metropolitan Area Association, in charge of coordinating the implementation of the Strategy and acting as an ITI association, comprises 31 local self-government units,

spread across five districts and aims to foster cooperation and integration between the city's local governments.

The actions taken under ITI will be co-funded by the EU through the Regional Operational Programme 2014-2020 for the Łódzkie Region, which will contribute a total of EUR 226 million. The main objectives for the ŁMA were adopted in July 2014 and serve as a general strategy for the Metropolitan Area and as an operational strategy for Integrated Territorial Investments.

These objectives feature the revamp of run down areas in order to build a friendly and safer environment fostering social inclusion while boosting economic activities; development of an integrated and sustainable metropolitan transport system; development of a low-carbon and resource-efficient economy aiming at further protecting the environment; development of human resources and social capital, looking to build a stronger information society, and strengthening the metropolitan area's functions, thus ensuring its cohesion.

The Association is looking forward to supporting activities to ensure the effective management of the Łódź Metropolitan Area, and is committed to stimulating the exchange of ideas and experiences between municipalities and different counties. Finally, it is also encouraging and supporting academic research on the functioning of the Łódź Metropolitan Area and its further development.

MAREK CIEŚLAK – *Vice-President,
Łódź Metropolitan Area Association*

DENMARK

▶ PLACE-BASED COHESION POLICY CAN TACKLE SOCIO-ECONOMIC CHALLENGES



I consider it a privilege to be a professional part of the partnership and consensus-building in such an important area as cohesion policy. On the whole, I can be considered a genuine supporter of cohesion policy.

After 16-17 years as head of the managing authority for the ERDF and – since 2004 – also for the ESF in Denmark, my support, however, has become subject to a number of prerequisites: cohesion policy must remain focused on growth and development. Cohesion policy must therefore be about clear strategic choices and at the same time results-driven initiatives. Equally, it must be place-based, with tangible initiatives given priority and put into effect.

Cohesion policy makes sense to me if it is centred on the real socio-economic challenges of a place and its actual potential for development. This also means, for example, that it should not simply compensate for geographical characteristics, but should be based on the specific potential of these areas. The policy should not compensate for inadequate or poor governance, either. Cohesion policy must not encourage a subsidy cultures nationally, regionally or locally.

The champions of cohesion policy make difficult choices and decisions, execute them and stand in the firing line as regards outcome targets and critical assumptions, the eligibility of co-financing and the risks involved in an investment.

Allow me therefore to strike a blow for those competent individuals involved in implementing the policy. Over the years, I have noticed that the rhetoric surrounding cohesion policy, with regard to the Structural Funds and their regulatory framework, is often quite generic. General and non-specific speeches, often with a self-congratulatory tone, about results, flexibility, easing of administrative burdens, simplification, control, partnerships or specialisation, are easy to make and are simply begging the question.

Does it make sense to endorse a demand for flexibility, for example, without taking some of the responsibility for

what that might mean; if the demand in reality means weaker management or ‘easy money’? Does it make sense to endorse positions concerning control and demands for simplification without being aware that this can also erode the sound management of public funds like the Structural Funds? I hope you will agree with me that it does not. It is my wish that, right from the outset, the work on the necessary ideas, drafts and rules in the area of cohesion policy and the Structural Funds will also draw on the expertise and experience of those who know how to implement these things. In all modesty, a glance at Denmark’s experience with the national initiative to ease administrative burdens across policy areas may be a source of inspiration.

My thanks to *Panorama* for requesting a personal contribution to the discussion. It goes without saying that what I write is entirely without prejudice to Danish approaches and positions in various EU forums.

PREBEN GREGERSEN – *Head of EU Structural Funds Management Authority, Regional Policy Director, Danish Business Authority*

CZECH REPUBLIC

▶ INVESTING IN KEY INFRASTRUCTURES ACROSS THE REGION



I must acknowledge that we have gained valuable experience from almost all aspects of the EU’s cohesion policy given our region’s location and economic situation. The Pilsen Region, located in the western part of the Czech Republic, borders the German Bavaria region, and therefore we have been focusing on implementing projects that enhance cross-border cooperation.

The D5 highway, which stretches across the Pilsen region to Germany, the railway corridor connecting Prague to Nurnberg as well as the new path planned from Pilsen to Munich, are all part of the TEN-T network, which has been supported by the EU’s cohesion fund programmes. The city of Pilsen, the region’s capital, is the fourth largest city in the Czech Republic with nearly 200 000 inhabitants, but the rest of the region remains predominantly rural. That is why we’re

focusing on urban development projects and on boosting competitiveness in the city of Pilsen and beyond. We have developed projects to support basic infrastructures such as roads, water supply and waste water treatment systems while bearing in mind the principle of solidarity towards less developed regions.

A total of EUR 1.15 billion from the structural and cohesion funds have been invested since 2007. Without this financial support our region would be lagging behind – the progress would be much slower and undoubtedly we wouldn't be able to reach the threshold of 75% of EU average GDP in the near future. To maintain a positive growth, we're committed to continue the work we have been doing since 2007. Compared to the previous programming period, there is now a clear shift towards much more sophisticated projects focusing on a range of areas including Research & Development, education, renewable energy and competitiveness.

I'm glad that the reformed cohesion policy follows the legacy of previous programming periods, while at the same time featuring new tools such as the Integrated Territorial Investments or Community-led Local Development, which truly position the structural operations in the right direction. On the other hand, this requires substantial change in strategies to identify respective stakeholders – a particularly challenging task in Member States like the Czech Republic, where we are used to applying strictly sectorial approaches to project design and implementation. I am truly happy to learn that the new cohesion policy programmes are now much simpler. I'm also glad that this is one of the matters at the top of **Commissioner Creţu's** agenda, and we strongly support her efforts to simplify the projects' bureaucratic procedures.

IVO GRÜNER – *Vice-president for regional development of the Pilsen Region*

▶ FINLAND

▶ DEVELOPING A LOW-CARBON ECONOMY WHILE BOOSTING EMPLOYMENT

The European Union's regional and structural policies aim to increase its Member States' economic and social cohesion as well as reduce interregional disparities in development. In Finland, support from the European Regional Development Fund (ERDF) is used to improve



the competitiveness of SMEs, promote the production and use of new information technologies and knowledge, and develop a low-carbon economy. Support provided by the European Social Fund (ESF) is used to promote employment and a functional workplace, improve knowledge and skills, and ensure social inclusion of the most disadvantaged groups.

Finland's Operational Programme is called 'Sustainable growth and jobs 2014-2020'. This structural funds programme features 5 priority axes and 13 specific objectives, and each project is expected to deliver at least one of these specific objectives. In Finland, the EU structural fund programme findings for the period 2014-2020 reaches nearly EUR 1.3 billion. Along with national co-funding (50%), there is approximately EUR 2.6 billion in public funding available.

Finland's Structural Fund programme features five policy areas, which serve to, in particular, promote SME competitiveness and employment. The overarching theme is promoting a low-carbon economy. The Structural Fund programme realises the Europe 2020 targets. The programme's main objectives include: generating new business, boosting SME company growth and internationalisation; boosting innovation and enhancing knowledge; broadening the use of renewable energies and increasing energy and material efficiency. The programme also targets youth employment and aims at providing support to those in weaker positions within the labour market. Stepping up efforts to improve work productivity and occupational well-being, as well as improving education services and preventing discrimination are also among the programme's main goals. The programme will be implemented throughout Finland, except in Åland.

Key ERDF thematic objectives include enhancing the competitiveness of SMEs, producing and using new information and knowledge, and promoting a low-carbon economy. In addition, the key ESF thematic objectives focus on employment and labour mobility, education, skills and lifelong learning, as well as social inclusion.

SAMULI RANTA – *Project Manager, Turku University of Applied Sciences*





▶ STUDY ON THE 'GEOGRAPHY OF EXPENDITURE'

FOCUS ON *EX POST* EVALUATION
OF EU FUNDS

The study on the Geography of Expenditure is part of the *ex post* evaluation of cohesion policy programmes 2007-2013. It focuses on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF).

The study's purpose was to collect data on the cumulative allocations to selected projects and the expenditures of both ERDF and CF programmes at the NUTS-3 level of EU regions for all 28 EU Member States. It covered the convergence, Regional Competitiveness and Employment (RCE) as well as the European Territorial Cooperation (ETC) objectives for the period 2007-2013.

Data was collected, with the support of a network of national experts, from the Managing Authorities at NUTS-3 level where available and broken down by 86 priority themes. Where data was not available, estimates were performed.

The collected and estimated data have been stored in two easy-to-use databases for the periods 2007 to 2014 and

2000 to 2014, so that data are available for further use by the Commission, researchers and the general public.

The study also integrates data on the 2000-2006 programming period that was created by a previous study.

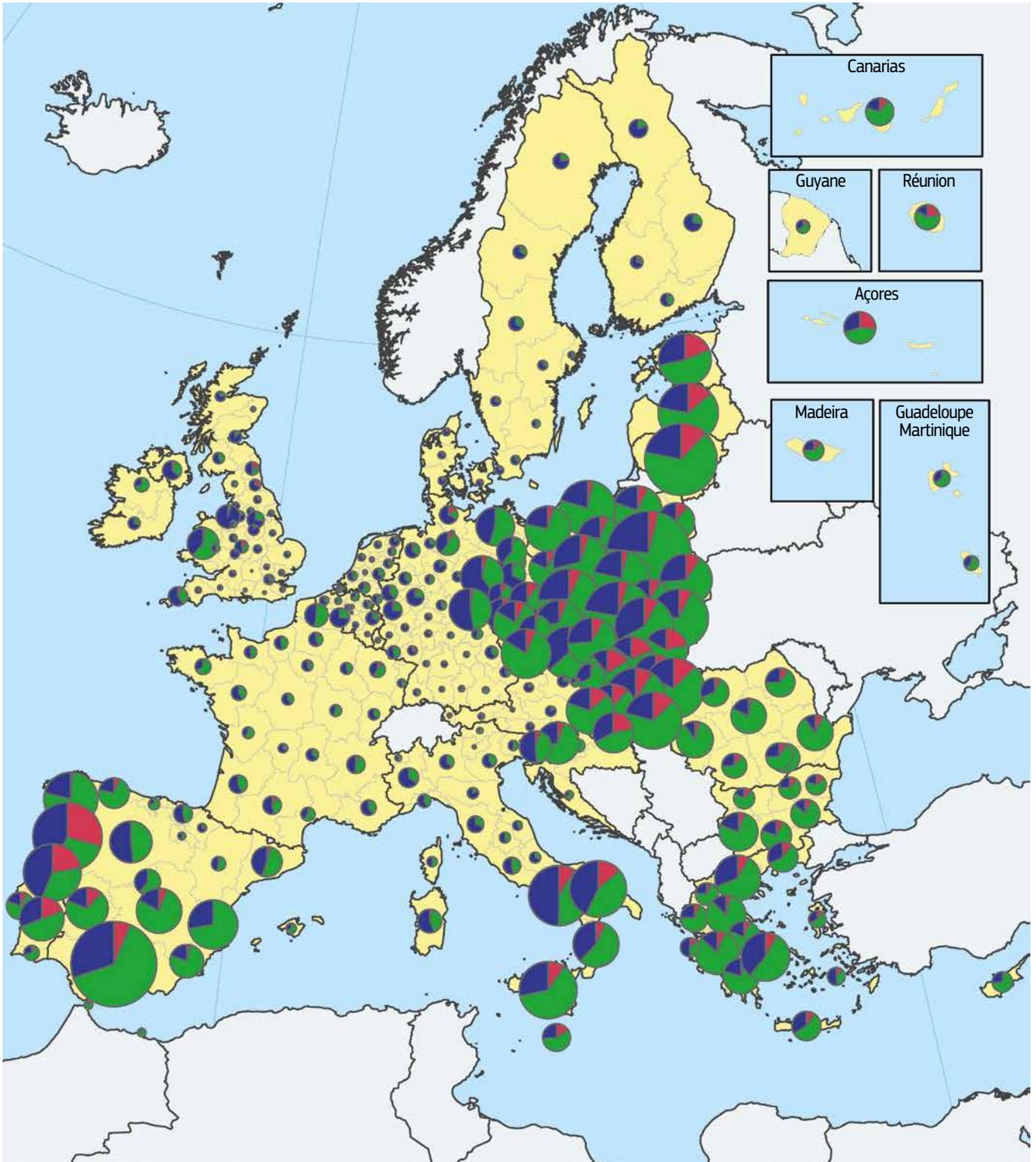
This data will be used for two macroeconomic evaluations on the effect of cohesion policy on, for instance, GDP and employment. The data is available for the research community at large.

Results have also been published in the form of maps, to provide first insights on the regional distribution of ERDF and CF allocations and expenditure and their trends.

▶ FIND OUT MORE

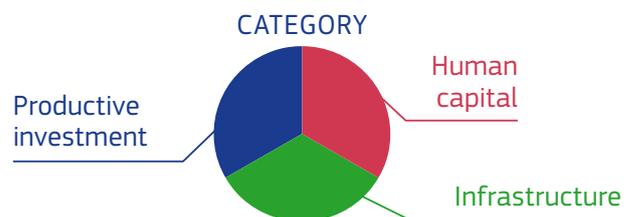
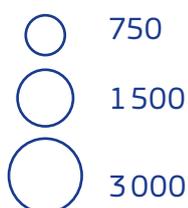
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SEE WORK PACKAGE 13 –
GEOGRAPHY OF EXPENDITURE

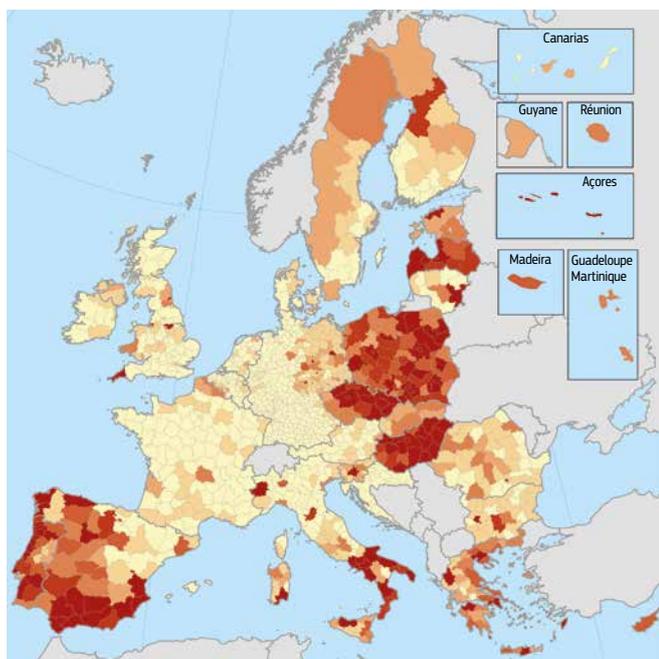


► EXPENDITURE BY SECTOR

CUMULATIVE ERDF AND COHESION FUND EXPENDITURES, 2014
Euro, mn., NUTS-2 regions



Source: European Commission, DG Regio / Maps: wiw, Ismeri Europa

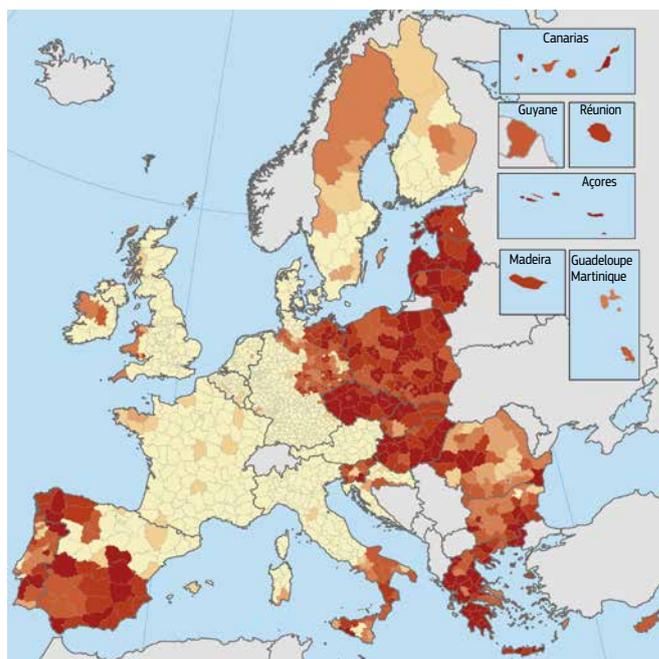


▶ ENTERPRISE SUPPORT
CUMULATIVE ERDF AND COHESION
FUND EXPENDITURES, 2014

Euro, mn., NUTS-3 regions



Source: European Commission, DG Regio / Maps: wiiw, Ismeri Europa

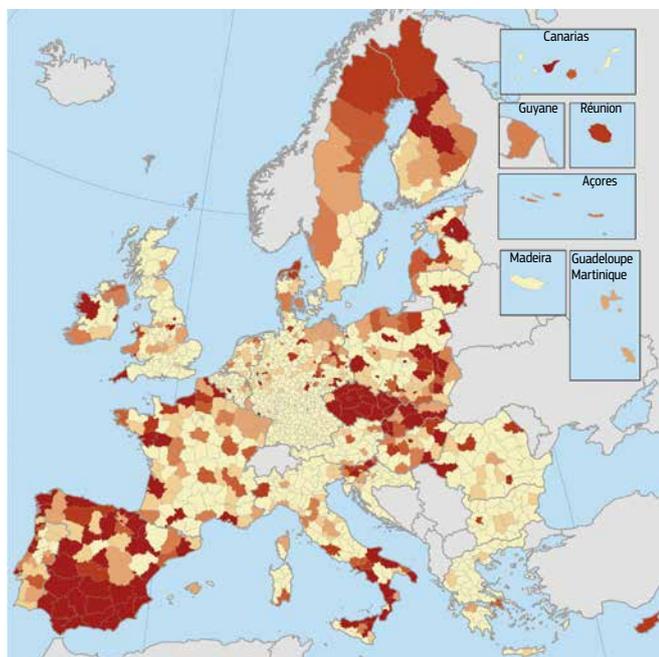


▶ TRANSPORT
CUMULATIVE ERDF AND COHESION
FUND EXPENDITURES, 2014

Euro, mn., NUTS-3 regions



Source: European Commission, DG Regio / Maps: wiiw, Ismeri Europa

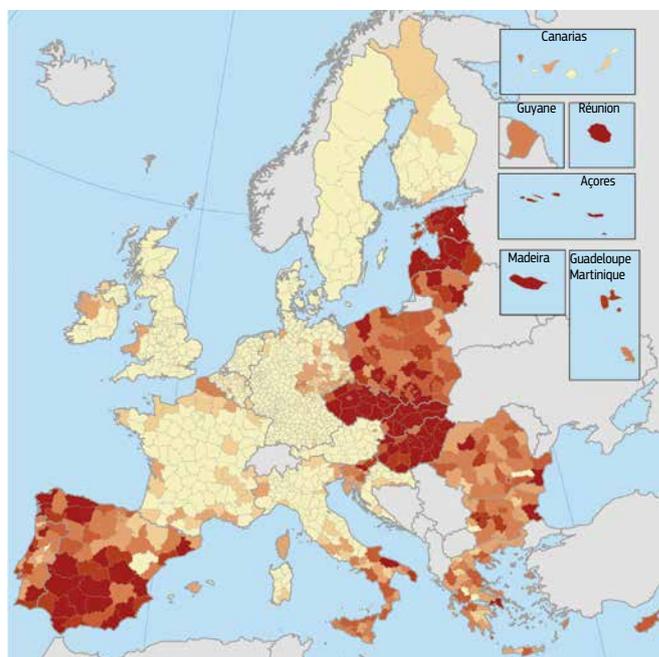


▶ RESEARCH
CUMULATIVE ERDF AND COHESION
FUND EXPENDITURES, 2014

Euro, mn., NUTS-3 regions



Source: European Commission, DG Regio / Maps: wiiw, Ismeri Europa



▶ ENVIRONMENT
CUMULATIVE ERDF AND COHESION
FUND EXPENDITURES, 2014

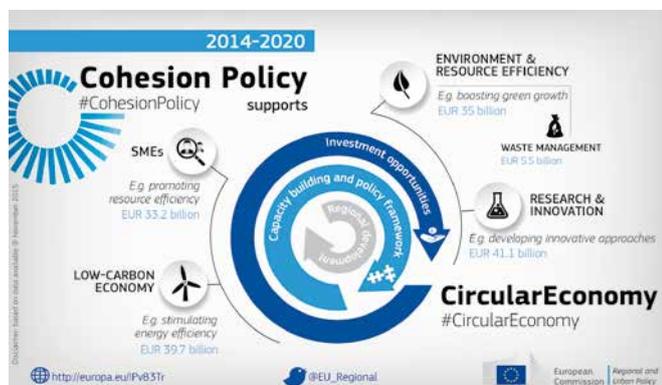
Euro, mn., NUTS-3 regions



Source: European Commission, DG Regio / Maps: wiiw, Ismeri Europa

▶ NEWS

[IN BRIEF]



COHESION POLICY CONTRIBUTES TO THE 'CIRCULAR ECONOMY'

In early December 2015 the Commission presented a new, more ambitious 'Circular Economy' strategy which aims to transform Europe into a more competitive, resource-efficient economy, addressing a range of economic sectors.

Cohesion policy investments in the Circular Economy have been significant over the last two decades (more than EUR 6 billion alone over 2007-2013), not least in the area of waste management, supporting Member States to close landfills, invest in incineration where strongly justified and especially in developing recycling and re-use. In parallel, more and more regions have started to invest in advanced and innovative industrial symbiosis programmes, Cradle to Cradle approaches or targeted resource efficiency projects in SMEs. For 2014-2020 with the reformed policy and the much stronger focus (with the mandatory ring-fencing) on innovation, low-carbon economy and resource efficiency, many Operational Programmes now include significant investments directly linked to the Circular Economy, be it on design/eco-design and product conception, the bio-economy, industrial symbiosis, new business models or energy efficiency.

▶ FIND OUT MORE

http://ec.europa.eu/environment/circular-economy/index_en.htm



CELEBRATING PUBLIC COMMUNICATION

Three public awareness campaigns were awarded prizes on 22 October during this year's EuroPCom conference, organised by the Committee of the Regions in partnership with other EU institutions, which brings together communications specialists from local, regional, national and European authorities to professionalise government and EU communications.

First place in the European Public Communications awards went to a Dutch public-awareness campaign called '*Kijkdagen – Europa om de hoek*', that shows how European funding is being used in neighbourhoods, cities and regions of the Netherlands. This year's campaign featured videos dedicated to 12 projects: one from each Dutch province.

Second prize was awarded to '*Notre pays bouge, l'Europe s'engage*', a French national television campaign that highlighted the impact of EU funding on individuals and their businesses. The French Commissariat for Territorial Equality in collaboration with regional partners produced a series of 66 spots of 30 seconds' length broadcast on national television over six months. Third prize went to '*Let's Create Together Bulgaria 2020*', organised by the Bulgarian ministry for EU funds. Over 600 events were organised and attended by over 50 000 people across the country in an attempt to collect ideas for how to use EU funds at the local level over the next five years.

Information about the winning projects as well as the call for the 2016 European Public Administration Award is available on the EuroPCom website.

▶ FIND OUT MORE

<http://cor.europa.eu/en/news/Pages/dutch-french-and-bulgarian-campaigns-receive-awards.aspx>



IT I HELPS LOCALISE INVESTMENTS

A new Commission guide aims to clarify the use of Integrated Territorial Investments when implementing the Europe 2020 strategy.

Integrated Territorial Investment (ITI) is a new tool for use during the ESI Funds programming period which aims to make it easier to run territorial strategies that require funding from different sources. ITI also promotes a more local or 'place-based' form of policy making.

This approach provokes many questions: What should a territorial strategy look like? How can different funds be combined? How should a delegation be structured? And how can outputs and results be measured?

To illustrate the complete process, the guide sets out four scenarios, each describing how ITI can be used in practice. These scenarios clarify ITI's link to several provisions in the relevant regulations and at the same time underline its relevance to the wider concept of an integrated territorial approach.

FIND OUT MORE

http://ec.europa.eu/regional_policy/en/information/publications/reports/2015/scenarios-for-integrated-territorial-investments

EUROPE'S CITIES IN THE SPOTLIGHT

During the EU Open Days, MEP **Lambert Van Nistelrooij** launched his new book 'Cities in the spotlight' about the importance of an integrated policy for cities. Today, almost three out of four Europeans live in cities, which are more and more seen as engines for economic growth and the creators of jobs. However, previously cities in the 'Europe of the regions' played a supporting role: EU policy in this area is still rather fragmented and a coherent link between the existing policies is needed. The Netherlands hopes to play an important role here, and the Urban Agenda is to be a focal point during the Dutch EU Presidency, with a 'Pact of Amsterdam' foreseen proposing a bottom-up approach where cities play a key role

PUBLIC PROCUREMENT GUIDANCE



New guidelines published by the Commission will help public officials across the EU identify and avoid the most frequent errors in public procurement of projects co-financed by the European Structural and Investment Funds. In line with the initiative for an 'EU budget focused on results', the Commission is acting to ensure that tax payers' money is spent efficiently and transparently. Nearly half of the ESI Fund allocations are channelled into the real economy through public procurement.

Commissioner for Regional Policy **Corina Crețu** said: *'One of my priorities is to help Member States improve the way they manage and invest EU funds and these guidelines are a precious tool to this end. I believe that making less mistakes in public procurement will both ensure that EU investments deliver quicker on our jobs and growth objectives and that the EU Budget is safeguarded.'*

Most common errors in public procurement result from insufficient administrative capacity. This is why the Commission's action in enhancing administrative capacity and improving management and control systems is crucial to comprehensively tackle the issue.

FIND OUT MORE

http://ec.europa.eu/regional_policy/en/policy/how/improving-investment/public-procurement



and are empowered. Van Nistelrooij's book outlines the challenges cities face and some of the proposed solutions.

FIND OUT MORE

http://issuu.com/eppgroup/docs/schijnwerpers_op_de_stad_

MONT SAINT-MICHEL AN ISLAND ONCE MORE

French President **François Hollande** recently inaugurated the reopened site of Mont Saint-Michel following environmental restoration and improvement work. The work, which lasted over 15 years, includes hydraulic infrastructure resources upstream from the dam in order to increase water capacity, demolition of the car park at the base of the mount and the construction of a new footbridge integrated into the landscape.

Thanks to the combined forces of the sea and the Couesnon, sediment will be driven off the area around the

mount and the surroundings will remain out of reach of the marshland for a long period of time.

The Commission approved an investment of EUR 21.1 million in order to protect the area's biodiversity and reduce pollution caused by local traffic. The local economy will benefit from an increase in tourism of around 3 million visitors per year.

► **FIND OUT MORE**
<http://europa.eu/!MF37FK>

'FUTURIUM' TO AID SIMPLIFICATION



The Commission has launched the Futurium online platform to aid its simplification work for the beneficiaries of the European Structural and Investment Funds.

Futurium allows users to share experiences, present ideas, and engage with other stakeholders. Organised by topic, users can search other people's contributions, read relevant blog posts, even organise or respond to opinion polls.

The platform supports the new High Level Group of independent experts set up by the Commission which will advise them on simplification and the reduction of administrative burdens for ESIF beneficiaries. The group aims to assess simplification efforts in the Member States, identifying good practice and making specific recommendations.

► **FIND OUT MORE**
<https://ec.europa.eu/futurium/en/simplify-esif>

EU BUDGET FOR RESULTS

The conference 'EU budget focused on results', which took place in Brussels on 22 September, offered a high-level discussion on key questions on European budgetary policy. European Commission President **Jean-Claude Juncker**, Vice Presidents **Kristalina Georgieva** and **Maroš Šefčovič** and German finance minister **Wolfgang Schäuble** exchanged views on how to improve spending efficiency and achieve more with the available resources.

In conjunction a new web app has been launched which collects 597 project examples from all over the world funded by the EU budget. The project results focus on improving the lives of people everywhere and relate to fields from employment, regional development, research and education to environment, humanitarian aid, energy and many others.



► **FIND OUT MORE**
<http://ec.europa.eu/budget/euprojects/>

SOLARLEAP – MORE SOLAR ENERGY TO SOUTHWEST FINLAND

Total cost:
EUR 420 000
EU contribution:
EUR 293 000

The SOLARLEAP project aims at removing obstacles that stand in the way of broader use of solar energy in Southwest Finland. The SOLARLEAP project arranges for people to continue their education, carries out pilot projects and aims at developing permit and building guidelines.

There is untapped solar energy potential in Southwest Finland, despite the fact that the annual solar radiation amount of the area is similar to north Germany, where solar energy use is widespread. In recent years solar energy systems have become more affordable for homeowners, however increasing the use of solar energy is hindered by the inadequate knowledge base of system providers and by the difficulty to combine different energy systems.

Solving these problems is the starting point of SOLARLEAP, a two-year research and development project funded by the European Regional Development Fund (ERDF) and the cities of the south-western coast (the LOURA network).

The project is set in motion by Turku University of Applied Sciences, while Turku Vocational Institute acts as a project partner. In addition, the southwest Finland project works in close cooperation with the solar energy project carried out by Satakunta University of Applied Sciences.

Training and pilots

The project consists of continuing education programmes targeted at companies, the development of installation instructions and documentation, and implementation at

a range of pilot sites. The first solar energy system was installed in 2015 and others will be installed in 2016.

At the beginning of the project, a survey is conducted in order to find potential solar energy sites (factors such as the site's solar energy potential, shading and security of installation are taken in consideration). Based on the survey, approximately ten pilot sites are selected for project design and installation of solar energy products. The pilot sites also provide information on the energy generated by the systems. At the same time, they allow project partners to test the efficiency and usefulness of installation methods, instructions and documents. One of the project's outputs is a verified and detailed installation document, which reports the specifications of correct installation for solar energy systems.

The overall goal is to improve the competence of companies and other parties involved in the management of comprehensive solar energy system deliveries, system consolidation and profitability evaluation. As operations become more established, it will be easier for the party ordering a solar energy system to post deliveries to tendering and to ensure installation quality. Over the long term, small solar energy plants connected to the grid may constitute a significant supplement to carbon neutral, clean energy production. Now it is the right time to make the decisive leap towards a solar economy in Finland!

FIND OUT MORE

www.tuas.fi/en/research-and-development/projects/solarleap-more-solar-energy-southwest-finland/

▶FRANCE

▶FRENCH RESEARCH IN PAIN RELIEF AND NUCLEAR MEDICINE

Two French medical centres in Clermont-Ferrand, France, have received funding from the European Regional Development Fund (ERDF) to support a series of leading-edge medical research projects.

Since 2009 some 14 medical research projects ranging from cancer to arthritis treatment have been undertaken at two leading medical research centres in central France: CHU (Centre Hospitalier Universitaire de Clermont-Ferrand) and Le Centre Jean Perrin. The projects are paving the way to providing much-needed research and drug development to replace existing medicines and offer new forms of treatment.

CIRMEN project

Clermont-Ferrand hosts the Jean Perrin Centre for cancer research, within which a specialist Centre for Innovation and Research in Nuclear Medicine, CIRMEN, has been created. The CIRMEN project aims to accelerate the development and creation of radiopharmaceuticals – drugs that contain radioactive materials called radioisotopes. New funding helps the Centre move from basic research to clinical research. CIRMEN is equipped with an experimental radiopharmacological facility, which will permit testing and screening for cancers such as melanoma, and for bone disorders such as arthritis and chondrosarcoma. Funding has also helped acquire a second PETSCAN machine, an ultra-sophisticated machine that has revolutionised cancer treatment. This PETSCAN will be used for conventional care and research.

METAPAIN

The METAPAIN project, also at the Jean Perrin Centre, is developing a new specialty painkiller which is urgently needed as a substitute for the painkiller Di-antalvic, which has been withdrawn from the market. The Analgesia Partnership brings together academic and industrial skills to develop a new treatment combining two analgesic painkillers. With increased analytical capacity, the consortium will be able to progress



from proof of concept, to dosage testing and clinical trials, through to commercial marketing. The University Hospital's Analgesia Institute will be the leading European institute dedicated to pain relief research, thereby increasing the analytical capacity for testing drugs such as antidepressants, paracetamol and anti-migraine, and developing new products required by cluster members.

Molecular genetics platform

Another investment was made in the development of a molecular genetics platform at Centre Hospitalier Universitaire de Clermont-Ferrand. This platform is dedicated to genetic research and will permit 'Next Generation Sequencing' to help develop personalised medicine for cancer treatment.

Today the cost of sequencing has fallen dramatically to EUR 1 000 for 10 genomes. Now it is possible to improve prediction and prevention, and reduce the risks of, for example, hereditary cancers. The project permits deep-level sequencing of tumours, personalised treatment, and non-invasive, pre-natal testing for babies.

▶FIND OUT MORE

www.chu-clermontferrand.fr/internet/default.aspx
www.cjp.fr/fr/

GERMANY

FORMER CAR PARK TRANSFORMED INTO LEARNING NEIGHBOURHOOD

Total cost:
EUR 2 765 000
EU contribution:
EUR 1 319 000

Robinsbalje Centre, Germany's first 'learning neighbourhood' offers education, health and employment services to migrant and disadvantaged families in one facility. Grouping a grammar school and kindergarten with easy-to-access healthcare, social welfare services and a sports clubs allows often-marginalised families to learn about and use other services when dropping their children off at school.

Many public and non-governmental institutions joined forces to transform a former car park in an impoverished neighbourhood into premises which give residents better prospects for the future. Since 2010, the Robinsbalje centre connects education with social inclusion and urban regeneration.

With financial support of EUR 1.3 million from the European Regional Development Fund (ERDF), the potent cooperation between numerous partners gave the Robinsbalje neighbourhood and its residents a place to learn, play and receive vital care. The project is an excellent example of working to achieve the Europe 2020 objective of socially inclusive growth.

The centre supports school drop-outs coming back into education and aims to reduce mental barriers to traditional education systems. It also strives to bring people, especially youth and women, into work by offering job counselling, coaching and extended childcare services for working parents.

As EU Member States work to integrate migrant families into their societies, the Robinsbalje project can serve as a model

for two main reasons. First, it proactively involves people from different backgrounds into the project. Second, it combines a broad range of services, ranging from health care and social matters to job counselling and support for migrant families, into a single, accessible location. Additionally, the school buildings, not in use during the evening and weekends, serve as community space for other activities. By rethinking the traditional role of the school and widening the understanding of education, the Robinsbalje centre has become a unique, open 'learning neighbourhood centre'.

Based on this renowned experience, Bremen has developed a second education centre with even more functions, again with ERDF support. The newly opened Morgenland centre not only provides stabilising services for its marginalised quarter, but also for all of the district's schools and other educational institutions to improve their network.

Located in one of Bremen's disadvantaged neighbourhoods, the Robinsbalje was a long-awaited catalyst for urban rehabilitation in the area. Cooperation between the city's administrative units was crucial for the project, leading to important synergies and new impulses for additional projects. By investing in education and social inclusion, and creating a sustainable network amongst partner institutions, the neighbourhood is integrating disadvantaged groups into Germany's future.

FIND OUT MORE
www.105.schule.bremen.de/

▶ ROMANIA

▶ TOP LEVEL BUSINESS CENTRE DEVELOPED FOR TIMIȘOARA

The centre of Timișoara, the most Western city in Romania, now features a large and award-winning business centre which has been developed with the support of EU funding.

Timișoara is aiming to attract big businesses through the City Business Centre (CBC), a complex of five green, A-class office buildings right in the middle of the city.

Launched in 2007, the CBC complex encompasses over 43 000 square metres of office space, and has become the regional home for many top-tier businesses. Two of the five CBC buildings were developed with the financial support of the European Regional Development Fund (Regional Operational Programme 2007-2013).

CBC was designed to be a complete one-stop-shop for local and international firms and, alongside office space, the complex also offers underground parking for 650 cars, a restaurant, green areas, banking and medical public services and 24-hour security.

CBC's state-of-the-art buildings offers global corporations a world class office space in the very heart of Timișoara and provide tenants with all their practical needs. Leading companies have been attracted by the infrastructure and green design. It is currently home to more than 50 companies including IBM, Accenture, Alcatel-Lucent, Unicredit and Deloitte.

Award-winning design

The project's success is due to the growing need for high quality space in Timișoara and its progressive concept. The buildings were designed by Romania's most contemporary architects, Andreescu & Gaivoronski, already laureates of numerous national and international awards. The designers opted for originality and modernity, but also strived to ensure a pleasant and creative working environment for tenants.

CBC was one of five projects chosen to represent Romania at the European Prize for Architecture 2009. It also won 'Office Development of the Year' at the South Eastern European Real

Estate Awards (2009). Finally, the complex also won the title of 'Green Building of the Year', by the Romania Green Building Council. Judges highlighted the special technologies used for complex buildings.

In addition to numerous awards, CBC is also well balanced in terms of energy use and the complex features a computerised system for regulating and minimising consumption in all buildings. Facade blinds and air conditioning system are controlled by sensors for high performance – the first technology of its kind implemented in Romania.

▶ FIND OUT MORE

www.business-centre.ro/?lang=en



AGENDA 2016

21 JANUARY

_Brussels (BE)

European Innovation Ecosystem: Good governance and effective support for Smart Specialisation

21-22 APRIL

_London (UK)

Reassessing economic development policies for regions and cities

25-26 JANUARY

_Brdo/Slovenia (SL)

Launch Conference of the EU Strategy for the Alpine Region

12-13 MAY

_Dubrovnik (HR)

1st Forum of the EU Strategy for the Adriatic and Ionian Region

10-13 OCTOBER

_Brussels (BE)

OPEN DAYS 2016: European week of Regions and Cities

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

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

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