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Cohesion Policy looks to the future

SPECIAL EDITION



Regional and
Urban Policy



PANORAMA

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Dear reader,

The Cohesion Forum, which takes place on 26-27 June in Brussels, will be an important milestone in the discussion on Cohesion Policy post 2020 (#EU7CF).

This special edition of *Panorama* gives the floor to representatives of EU institutions, national governments, regional authorities, various associations and universities. We would like to express our gratitude for their contributions. If you wish, you can also send us your thoughts (maximum 300 words) to be published in the "In Your Own Words" section of a future issue of the magazine.

Smart Specialisation strategies are mentioned several times in this issue, and many people underline their importance and would like to see the concept developed further. We will come back to

this topic in more detail in the September issue, due to be published just before the European Week of Regions and Cities. We are also interested to hear your views on this topic: your experience, results, hopes, doubts and suggestions.

Please send your responses to regio-panorama@ec.europa.eu – **and have your say!**

Happy reading



AGNÈS MONFRET

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

EDITORIAL

We are at a crucial moment in the history of our continent. In recent years, Europe has had to face a number of crises – economic, financial and political.

Yet, I believe that future historians will say that these crises have acted as a catalyst, prompting Europe and Europeans to ask themselves the key questions: What Europe for tomorrow? What should it do? And how?

The biggest mistake we can make is to take Europe and its achievements for granted. In my mind, Cohesion Policy is the cement that keeps our common values and objectives together; the rock on which what we have built and the world envies us for, rests. This is why, this issue of Panorama is dedicated to the post-2020 period, and therefore to tomorrow's Cohesion Policy.

In this issue, you will hear the views of a great many people from different backgrounds, including my colleague Günther Oettinger, Commissioner in charge of the EU budget. In a way, Panorama is kick-starting the broad debate on the future of our Cohesion Policy.

The Cohesion Forum, which will take place on 26 and 27 June, will also allow us to discuss the future of this policy, by exchanging ideas face to face, and sometimes disagreeing



of course, on what shape the future Cohesion Policy should take. Our aim and understanding is to achieve a Cohesion Policy that cares for everyone, is simple, fast, cost-effective, more flexible and able to encourage more reforms in the Member States. We aim to do this through more incentives and less focus on sanctions.

In our thoughts about the next decade, we must keep in mind one thing most dear: our duty to all Europeans to be as close as possible to their needs. And to make sure that everyone, no matter where she or he lives, can benefit concretely from the benefits linked to the Union and access the same opportunities.

Cohesion Policy is Europe at its best, a Europe that cares, and a Europe that is building a better future for its children. ■

CORINA CREȚU

European Commissioner for Regional Policy

Shared opportunities at home and abroad

As Estonia prepares to take over the EU Presidency later this year, Jüri Ratas, Prime Minister of the Republic of Estonia explains the importance of Cohesion Policy to his country and its citizens and how Europe as a whole can benefit in future.



How important have the EU cohesion funds been for the Estonian citizens since Estonia's accession to the EU?

EU Cohesion Policy has made a remarkable contribution to Estonia's economic development and competitiveness. Along with national funding, Cohesion Policy has enabled important structural changes which would otherwise have been very difficult or even impossible to implement. Our experience shows that Cohesion Policy, combined with sound economic policy, leads to convergence, which is the policy's main objective.

There are also many very practical results of cohesion funds that Estonians experience on a daily basis. For example, our citizens have better access to clean drinking water, better roads and rail transport services, and better access to fast broadband services all over Estonia. With the help of EU funding, 99% of the public sector is now paper free, which has given Estonians an opportunity to conduct most of their daily affairs with the

state online. Cohesion Policy funds have stimulated the growth of exports and innovation as the number of exporting enterprises has increased, and companies pay more attention to innovation and product development. Many schools, universities and hospitals have been modernised. Cohesion funds have also helped some 95 000 people to find jobs. Therefore, Estonians feel the benefits Cohesion Policy funds have brought very closely, which help to create and maintain jobs, increase productivity and support the convergence of Estonia.

Since its accession to the EU, what benefits has Estonia experienced from collaborating with other Member States and EU regions? Are there any examples of lessons learnt which Estonia is applying?

Collaborating with other Member States is vital to be able to overcome challenges which cross borders and encompass several states. One good example is related to the European Territorial Cooperation programmes. These

are important to regions and organisations when facing either specific regional cross-border challenges, like protecting the Baltic Sea, or finding solutions to Europe-wide joint problems in different areas, for example energy efficiency.

Seamless physical and digital connections allow Member States to fully enjoy the economic benefits of the Single Market and increase the Union's competitiveness. We have good experiences and tangible results in developing cross-border digital services, for example between Estonia and Finland, where we see great potential for Europe overall. Developing a new high-speed European-gauge railway, Rail Baltic, is an example of cooperation with not only immediate neighbours but also with other states which are affected by the construction of this missing part of the core EU railway network. It has taught us that it is crucial to achieve a common understanding of the benefits of such projects for citizens and businesses across countries.



REPUBLIC OF ESTONIA GOVERNMENT

“The EU does not just need to speak as one, but also to act as one, because unity shows its true value in action”

finances, and more. The second priority is continuing the work on the so-called ‘omnibus’ regulation which is aiming to simplify the policy. This is a rather complex file, but we will certainly do our best to advance it.

How do you see Cohesion Policy priorities and delivery mechanisms evolving after 2020? What are you expecting from the Cohesion Forum taking place in Brussels end of June?

As Cohesion Policy is the only EU policy that provides the stability and financial means for long-term structural reforms it is a critical area of EU policy. Without this, many reforms and much of the economic progress in the Member States and regions would stall. As we discuss how to make Cohesion Policy more efficient, we need to consider simplifying it and making it more results based, as well as its harmonisation within the policy and with other EU funding instruments. The Cohesion Forum in June is an ideal opportunity to discuss how to make the Cohesion Policy work best for Europe. ■

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

Estonia's Presidency of the Council of the EU falls at a defining time for the EU. The EU does not just need to speak as one, but also to act as one, because unity shows its true value in action. During our Presidency, we aim to make an effort to be stronger in the future so that the benefits coming from the EU should eventually reach every country, city, municipality and family. The Presidency's role is full of responsibility because the EU has become an inseparable part of our everyday life.

What challenges does the Presidency present to your country and how did these influence the setting up of the Presidency's priorities?

Estonia's main goal during the Presidency is to keep the EU united and decisive. The EU stands on the four fundamental freedoms and a shared understanding of peace

and prosperity. Keeping that in mind, the goal of the Estonian Presidency is to work with issues that help build and promote a Europe with an open and innovative economy, keep Europe safe and secure, promote a digital Europe and free movement of data, and ensure that the EU's activities are inclusive and sustainable.

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

We have two main priorities in the area of Cohesion Policy. The first is to advance discussions on the future of Cohesion Policy in the Council. We are looking forward to the 7th Cohesion Report, proposals of the High Level Group on Simplification led by Siim Kallas, the reflection paper on the future of EU

“There are many very practical results of cohesion funds that Estonians experience on a daily basis”

EU regions are converging again

This article shows how regional disparities in the EU have changed since 2000. The EU is committed to reducing such disparities and Cohesion Policy provides more support to less-developed regions to help them catch up. A more detailed analysis will be included in the forthcoming 7th Cohesion Report.

In 2015, more than one in four EU residents (27 % of total EU population) lived in a region with a GDP per head (PPS) below 75 % of the EU average (see map) according to the latest data published by Eurostat.

Most of these regions are located in central and eastern EU Member States, but also in Greece, Southern Italy, Portugal and several of the outermost regions. All regions in Bulgaria and Romania – with the exception of the capital city regions of Yugo Zapaden and Bucureşti-Ilfov – have levels below 50 % of the EU average.

Nevertheless, between 2000 and 2015, all the regions in the central and eastern Member States increased their GDP per head relative to the EU average. Large increases can generally be observed in capital city regions, as in Bulgaria and Romania where the GDP per head doubled relative to the EU average, and Slovakia where it almost doubled.

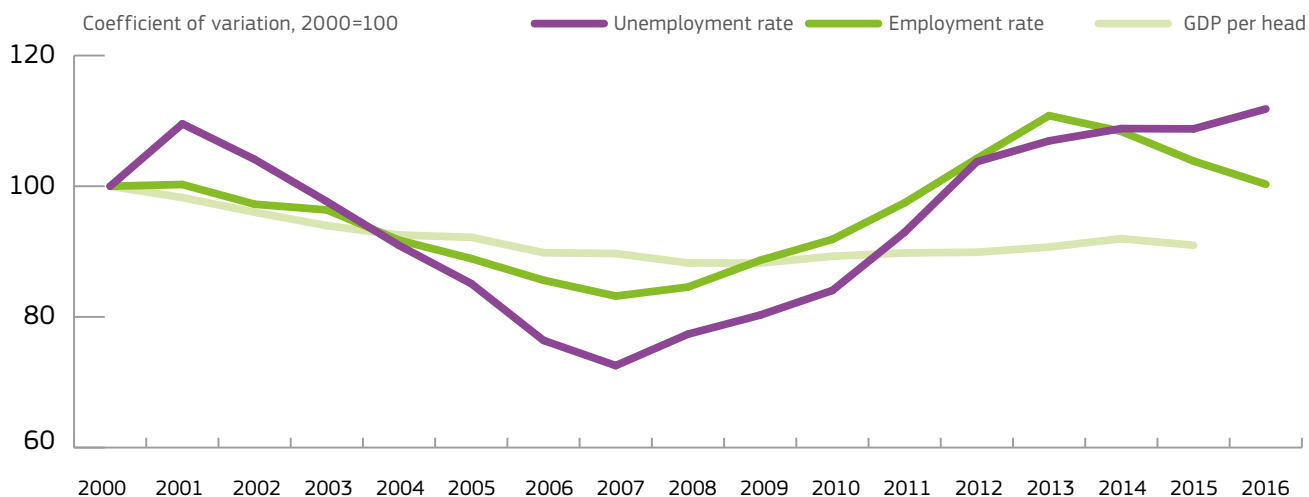
Due to the economic crisis, the situation in Greek regions has deteriorated. In 2011, four of the 13 regions had a GDP per head above 75 % of the EU average. In 2015, this fell to just two: the capital region Attiki (95 %) and North Aegeia (75 %). Italy also suffered during the crisis. In 2011, five regions reported a GDP per head below 75 % of the EU average, while in 2015, seven regions did.

In Portugal, only two regions are above the 75 % threshold, the metropolitan area of Lisbon (103 %) and Algarve (79 %), with very little change since 2011.

Convergence back on track

The most recent data on GDP show the process of convergence among European regions, which was interrupted by the crisis but has slowly started to pick up again. Prior to the crisis, disparities between regional economies in the EU were shrinking (the coefficient of variation of regional GDP per head fell by 12 % between 2000 and 2008). This was mainly due to the regions with the lowest GDP per head growing faster than average and catching up with the more prosperous ones.

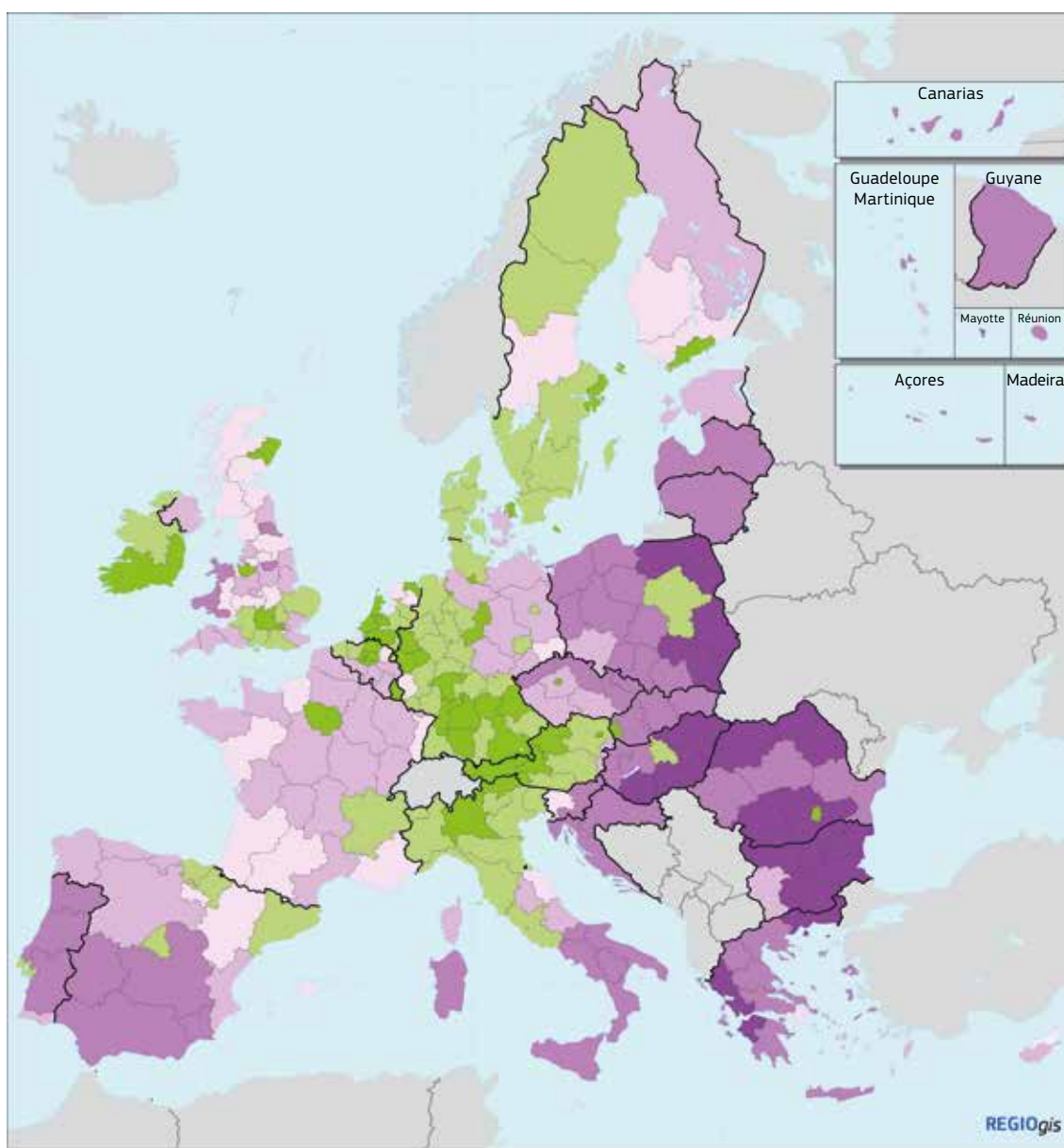
COEFFICIENT OF VARIATION OF GDP PER HEAD, EMPLOYMENT RATE (20-64), UNEMPLOYMENT RATE, EU-28 NUTS 2 REGIONS, 2000-2016



Source: Eurostat and DG REGIO calculations

However, the crisis seems to have brought this trend to an end; between 2008 and 2015, regional disparities widened slightly (the coefficient of variation increased by 4%), but remained well below the level in 2000. Between 2014 and 2015, disparities started to fall again, although it is too early to say if this trend will be sustained.

Disparities in employment rates have been shrinking since 2013, although this was preceded by a significant increase as the result of the crisis. Disparities here still remain well above the pre-crisis levels. In contrast, disparities in regional unemployment rates continue to rise, but since 2012 the increases have slowed.



GDP per head (PPS, 2015)

Index, EU28 = 100

- < 50
- 50 - 75
- 75 - 90
- 90 - 100
- 100 - 125
- >= 125

Values for the 2 regions of Ireland have been estimated by using the national value.

Source: Eurostat, DG REGIO

0 500 km

© EuroGeographics Association for the administrative boundaries

Requirements of the future EU Cohesion Policy

At a time when many people are Eurosceptic, and in the face of new global challenges, European Cohesion Policy is growing in importance. It is an expression of our community of shared values and of the solidarity that exists between the Member States of the European Union. In all Member States and regions, numerous projects are having a direct local impact.



Brigitte Zypries
Federal Minister for
Economic Affairs and Energy
Germany

It is already clear that the EU's future multiannual financial framework will face special challenges. Consequently, the weighting of European policy will shift somewhat. Faced with the likelihood of diminishing funds and thus the subsequent need to make cuts, all areas of expenditure must make a contribution and Cohesion Policy is no exception. In future, assistance from the EU Structural and Investment Funds must be better integrated and more efficient than ever before.

Because of its fundamental role in strengthening the EU's economic, social and territorial cohesion, Cohesion Policy will continue to be an investment area of outstanding importance and a key element of EU economic and employment policy. In future, all regions within the EU will continue to be supported by Cohesion Policy – differentiated according to their respective structural development and their regional needs. Therefore, the most important goal remains to reduce the backlog of severely disadvantaged regions. At the same time, however, Cohesion Policy should also provide funds to help regions effectively tackle new challenges, such as migration and demographic change. Within the framework of the fund-specific objectives, Cohesion Policy supports smart, sustainable, innovative and inclusive growth and employment. We intend to continue the greater thematic concentration introduced in the current funding period.

Cohesion Policy can only be successful in the long term if we simultaneously provide the right macroeconomic framework conditions. In future, the emphasis should therefore be on structural reforms in the Member States, as these require more support. In this context, EU Structural Funds can serve as a major lever for necessary structural reforms. To this end, we need to link Cohesion Policy more closely with EU economic coordination and put in place effective incentives for structural reforms. From our perspective, in addition to strengthening the *ex-ante* conditionalities, this also requires closer and more systematic

interlinking with country-specific recommendations that can be addressed through the Cohesion Policy.

It is clear that requirements for the existing management and control system need to be simplified. Thus, it would make more sense to simplify support within the existing legal framework, rather than announcing again a complete system changeover. This includes a new, differentiated approach. On the basis of objective and non-discriminatory criteria, the vast differences between individual Member States should be better met than is the case today. ■

“Cohesion Policy can only be successful in the long term if we simultaneously provide the right macroeconomic framework conditions”



Bundesministerium
für Wirtschaft
und Energie

Cyprus' views on Cohesion Policy beyond 2020

The current and forthcoming discussions on Cohesion Policy for the post-2020 period are being conducted in a strikingly changed environment compared to the talks held for the period 2014-2020.

The Mid-Term Review of the Multiannual Financial Framework, the debates on the future of EU spending and financing beyond 2020 and the upcoming Brexit negotiations render the circumstances for discussing the future of Cohesion Policy complex and unique.

Post-2020 Cohesion Policy should continue to pursue the reduction of regional disparities. In order to do so, the relative weight of Cohesion Policy in the forthcoming post-2020 MFF should remain high. The importance of maintaining a strong Cohesion Policy is particularly evident in small Member States like Cyprus, where the adverse effects of the recent economic and monetary crisis have seriously hampered its competitiveness and growth potential and imposed severe budgetary restrictions.

While maintaining its focus on disparities, future Cohesion Policy should also be capable of addressing the different social, territorial and economic realities in Member States. In this respect, the forthcoming discussions regarding the allocation mechanism of the next Cohesion Policy and its thematic concentration could also explore some new avenues such as introducing specific criteria related to national and/or regional needs and particularities.

In parallel, the trend of further aligning Cohesion Policy with the EU's wider objectives on growth and jobs should continue in the post-2020 period. Therefore, coherence and consistency with the European Semester should be further strengthened.

Regarding the future modes of financing, the increasing momentum towards a more intensive use of financial instruments provides a good basis for focusing investment on EU priorities. The role of financial instruments in the post-2020 period will become more prominent due to the benefits they provide in terms of both the efficiency and sustainability of public funding.



Harris Georgiades
Minister of Finance
Cyprus

Another challenge the future Cohesion Policy will face is to make its performance more visible to the wider society. The policy's relevance to the economic and social aspects of citizens' everyday life should be communicated more meticulously, especially in Member States at the periphery of the EU.

Furthermore, the ongoing efforts to simplify Cohesion Policy procedures and to streamline the control, monitoring and reporting requirements will also render Cohesion Policy more accessible to citizens and less intimidating in terms of procedures/bureaucracy. ■

“The role of financial instruments in the post-2020 period will become more prominent due to the benefits they provide in terms of both the efficiency and sustainability of public funding”



Κυπριακή Δημοκρατία

Overcoming economic and political challenges together

Günther Oettinger, European Commissioner for Budget and Human Resources reflects on the future role for Cohesion Policy in the EU's budget



How can the next financial period be more in tune with current political and economic challenges?

This is exactly what the reflection process on the future of the EU at 27 launched by the Commission should tell us. Together with my colleague Commissioner Crețu, I am preparing a reflection paper on the future of the EU's finances. It will contribute to the debate on the future of Europe together with other papers on the EU's political and economic priorities: the social dimension of Europe, globalisation, defence and the future of the Economic and Monetary Union. It will present the various issues, options and trade-offs which we might have to address based on which scenarios we choose for the future of the EU.

I want this to be a positive debate. I believe this is possible: as long as the EU budget is better aligned with political priorities and focuses on programmes and policy areas with clear European added value. "No euro spent

without EU added value" should be our guiding principle, reflecting that Europe can best overcome both economic and political challenges together.

What role do you see for Cohesion Policy beyond 2020 in helping Europe's economy grow?

Cohesion Policy has been a driver for economic growth and jobs and has helped many regions to develop. Therefore, it clearly has European added value. During and in the aftermath of the economic and financial crises it helped to prevent major disruptions in

“ I am particularly encouraged by the common recognition of the key role the EU budget plays in the European construction, that it brings stability and is an expression of solidarity and the value of doing things together ”

many regions. So, this policy should remain an important part of the future EU budget. But we should be thinking if we can further enhance its EU added value by focusing even more on projects that contribute strongly to EU priorities, notably growth and jobs. An important question is whether we should focus more on regions in need. We need to reflect how we can help regions that are strongly affected by globalisation and technological change. And finally, we need to be mindful to simplify its implementation rules in order to reduce the administrative burden for everyone.

“Communicating the results of Cohesion Policy in an effective manner is a must. It is a shared responsibility with the Member States, local and regional authorities”



What I also find quite convincing, based on current experience, is that cohesion policy is most effective when combined with a national economic framework conducive to growth, i.e. where the necessary structural reforms are being carried out to ensure the relevant legal framework, administrative capacity and business environment are in place. So for me, the link between Cohesion Policy and the larger economic governance agenda should be strengthened in the next financial framework.

How would/can Cohesion Policy help the EU reconnect with its citizens?

The best way Cohesion Policy can demonstrate its value to the EU citizens is by meeting their needs and expectations: deliver jobs and growth and contribute to addressing new priorities such as energy security, migration and defence and security.

Of course, communicating the results of Cohesion policy in an effective manner is also a must. Communication is a shared responsibility with the Member

States, local and regional authorities. But, while the regulations include a legal obligation to provide information about the projects funded by Cohesion Policy, it is important to find the right distribution channels and to target the right audience so as to ensure the message gets across about the benefits of European support.

The concrete actions to be taken must use all the existing tools, engage with the national, regional and local authorities, and also balance the use of media and social media campaigns with public debates/events that both raise awareness and give people the opportunity to give their feedback.

Various people and associations with different interests have expressed their own views on the future Multiannual Financial Framework (MFF). Do you see one or more common threads in those opinions and, if yes, which ones?

I am particularly encouraged by the common recognition of the key role the EU budget plays in the European

construction, that it brings stability and is an expression of solidarity and the value of doing things together. The demand to make the budget more responsive to changing political priorities and to bring it closer to the EU citizens is certainly a common thread.

These are valid expectations of course, but there are different ways and views on how to achieve them. At this stage, I have no preconceived ideas on what the future MFF should look like... it is simply too early to say. Although I have my preferences of course, most importantly I remain open to all stakeholders' views and the results of the public debate on the future of the EU at 27. ■

Cohesion Policy: real added value for the regions

Faced with the current dissatisfaction in Europe – judging by the many ongoing crises sweeping through it – the European Union must capitalise on its most efficient policies. Of these, Cohesion Policy is a core element and has proved time and again to be one of the only policies able to help the EU restore a positive public image.



Paul Magnette
Minister-President of Wallonia

The 2014-2020 programming strengthened the Union both as a major investment tool and as an essential mechanism for implementing the European agenda. By acting as a catalyst for public and private investment in high-added-value European projects and collaborations through the Union, Cohesion Policy makes it possible to establish greater solidarity between the EU, Member States and their regions, and more particularly between the latter, businesses and citizens.

The Forum is an opportunity, therefore, for the Wallonia region to showcase the added value brought by Cohesion Policy, together with the policy's many proponents.

In Wallonia, during the 2007-2013 programming, 10 996 jobs were created through business and job-creation support measures funded by the European Regional Development Fund, and 401 researchers were recruited as

part of research and development activities. Meanwhile, as part of European Social Fund initiatives, a million participants, the majority of whom had particularly poor access to employment opportunities, received support or training.

“Cohesion Policy is a core element and has proved time and again to be one of the only policies able to help the EU restore a positive public image”

It is also important to stress the importance of developing an integrated approach to regional development, strong ecosystems and collaborations with other European regions, and, in particular, developing a regional strategy for smart specialisation, which has proved to be a remarkably effective coordination

tool. This approach must not only be maintained; but must be further developed to ensure that Cohesion Policy is a major mechanism for regional strategies already in place across the EU.

Within the framework of the work initiated by the 'White Paper on the future of Europe', it is crucial that Cohesion Policy remains a core focus of discussions. While the 28, soon to be 27 Member States seek to re-establish the essence of the European project, the EU must avoid becoming a stranger to its own citizens by neglecting this policy of solidarity between people. On the contrary, it must strengthen it in order to face the greatest challenge it has ever had to overcome: the emergence of an EU strong in its multiple heritages and common future, and one that *"speaks with one voice, in all its languages, from all its souls"*. ■



Wallonie

Making adjustments and going for growth

Developments in the context of the EU's Cohesion Policy signify a change in direction, based on recognition of the importance of the territorial approach towards regional development.

At the same time, the course of the Greek and European economies is bound up with developments in the global economic sphere. At a European level, the nature of the crisis and the close interconnection of the economies require a new form of international understanding and coordinated action.

“Cohesion Policy is being called upon to make a substantial contribution towards the recovery of national and regional economies”

Given this, Cohesion Policy is one of the basic pillars of the structure. In this way, Greek Regions – including the Region of Crete – have benefitted significantly, since community resources of around EUR 64 billion have flowed into our country in the last two decades.

These resources have contributed to the development of a significant infrastructure network, enhancing entrepreneurship, modernising public administration and improving human

resources. The evaluation of the 2007-2013 period reveals that, especially for the Convergence Regions, the Structural Funds secured a 4% increase in GDP. In addition, 122 000 new small and medium-sized enterprises and 322 000 jobs were created. In total, more than 940 000 new jobs have been created by all the Funds.

As many European regions are being affected by the economic crisis, Cohesion Policy is being called upon to make a substantial contribution to efforts towards the recovery of national and regional economies. Indeed, the regulatory framework for the 2014-2020 period encourages us to direct the available resources towards those sectors and activities which result in the greatest growth.

It is a fact that the added value and efficacy of the Cohesion Policy is now being discussed by policymakers, academics and other interested parties.

As a representative of Crete – a European island region – I would like to emphasise that the Cohesion Policy is a vital policy for the progress of European regions and the prosperity of the citizens. It is one of the main pillars of the European Union which must be continued after the end of the current programming period. Indeed, the possibility of additional support should be considered so that it is in a position to respond to the role it is being called upon to perform.

For that reason, all of us who represent European regions have a duty to highlight the benefits and significance of



Stavros Arnaoutakis
Regional Governor of Crete

this policy, with the aim of safeguarding it from short-sighted political considerations. We are willing to engage in a meaningful dialogue which will identify the necessary institutional adjustments, procedural simplifications and strategic options that will strengthen Cohesion Policy, with obvious implications at both the European and the international level. ■



Περιφέρεια Κρήτης
Region of Crete

Cohesion Policy is crucial for a broad innovation capacity throughout Sweden's regions

Against the backdrop of the frictions that are being felt within the EU at present, a strong Cohesion Policy is more important than ever.



Lena Micko
President of the Swedish
Association of Local Authorities
and Regions (SALAR)

The EU is currently facing major challenges. The flow of refugees has placed a tremendous strain, not only on many individual Member States, but also on European cooperation as a whole. The result of the UK referendum has also contributed to frictions in European cohesiveness. In addition, the EU is facing major global challenges, such as climate change, urbanisation, an ageing population as well as structural challenges in the labour market due to rapid technical development. These challenges will certainly need to be addressed in the upcoming financial framework.

The existing Cohesion Policy already addresses many of these challenges and contributes to mobilisation at a local and regional level, which is crucial when it comes to achieving concrete results. I am convinced that this policy must also have a prominent role in the upcoming multi-annual financial framework.

It is through Cohesion Policy that local authorities and regions are linked with the European project. At a local level, the EU becomes visible and makes a difference for citizens through these investments. Cohesion Policy can play a decisive role in restoring a part of the EU's lost credibility.

In Sweden, the European Social Fund (ESF) has played an important role in helping the large number of newly arrived immigrants in many municipalities and regions. For example, measures in guidance and language training are being financed with the aim of helping newly arrived female immigrants with professional qualifications to find employment. However, SALAR feels that certain adjustments in orientation will become necessary.

We believe that the funds can be used in an even more effective manner to support integration initiatives. We advocate the establishment of a specific employment initiative for newly-arrived immigrants within the ESF, similar to the employment initiative for young people which the European Commission launched in the current programming period.

Such an initiative would be aimed at the Member States and regions that have received the greatest number of immigrants, and its objective would be to create conditions for integration and training for this target group. In this way, the ESF would meet the competence and skills needs regionally.

“It is through the Cohesion Policy that local authorities and regions are linked with the European project. At a local level, the EU becomes visible and makes a difference for citizens through these investments”

In Sweden, Cohesion Policy also plays a decisive role in supporting the regions' work with innovation. Smart specialisation is a particularly successful working methodology for focusing resources regionally. It is based on each region's specific strength and is important for the whole of Europe to develop. A clearer focus on smart specialisation in the next programming period would lead to a more strategic linkage between projects, better synergies with other EU programmes, and better complementarity and cooperation between regions across Europe. ■



Swedish Association
of Local Authorities
and Regions

All of Sweden's 290 municipalities and 20 county councils and regions are members of the Swedish Association of Local Authorities and Regions. SALAR represents and acts on their initiative with the mission to provide them with better conditions for self-government.
<https://skl.se/english>

Going local to overcome regional disparities

In the Czech Republic, the pre-conditions for local governments to access more European subsidies include less red tape, fewer checks and a better system.

During the 2007-2013 programming period, local governments in the Czech Republic implemented over 23 000 projects, worth more than CZK 153 billion (approximately EUR 5.46 billion), using European subsidies. Thus, EU funds have played, and are still playing, an important role in public-sector financing. They have allowed significant investments to be made in the environment, for example, and smaller projects to be supported that are essential for local development.

To benefit a specific location and its population, towns and villages could draw double the amount of money from the European funds than was available in the first programming period. The use of economic, social and territorial Cohesion Policy funds has been, is, and – it may be expected – will continue to be one of the greatest opportunities the Czech Republic has gained by joining the EU.

In terms of effective absorption, future Cohesion Policy should be based on the outputs of individual states' regional and national strategies. Simply put, it should be based on the specific needs of the given country. Appropriate settings in cooperation with regional partners accurately show the areas that need to be focused on, and therefore supported, in the Cohesion Policy.



František Lukl
President of the Union of Towns and Municipalities of the Czech Republic

“Cohesion Policy tools are a heavy administrative burden, and complicated and non-uniform rules that are difficult to follow, especially by smaller towns and municipalities”

A territory's real needs can only be ascertained locally, from below, which means a territorial approach has to be promoted. For this reason, any future calls should focus on overcoming regional economic differences. By now, it is clear that Cohesion Policy should not focus on economic, investment topics only but should seek to make remote rural and mountainous areas and interior peripheries more attractive by supporting their growth and increasing local employment and quality of life. The goal should be for people to remain in these areas and further develop their territory.

As president of the Union of Towns and Municipalities of the Czech Republic and mayor of the Czech town of Kyjov, I would also like to point out that there are some obstacles that restrict the

municipalities' ability to use Cohesion Policy tools. Primarily, these are a heavy administrative burden, and complicated and non-uniform rules that are difficult to follow, especially by smaller towns and municipalities. This is why these local governments are less successful in drawing European subsidies.

A complex control system is another big problem in the Czech Republic. Different control bodies check the same projects, often reaching different conclusions. Thus, municipalities live in constant fear of sanctions. This certainly does nothing for the stability of the system for drawing European subsidies, and even completely discourages many local governments from implementing any EU-financed projects.

When preparing the next programming period, it is essential that local information and experiences be taken into consideration. The administration necessary for European projects should be reduced, the subsidies system simplified, and checks streamlined. Only then will local governments have the appetite (and courage :-)) to implement projects financed by European subsidies and further pursue Cohesion Policy's main goal of reducing regional disparities. ■

Svaz měst a obcí
SMO
ČESKÉ REPUBLIKY

The Union of Towns and Municipalities of the Czech Republic is a voluntary, apolitical and non-governmental organisation founded as an interest group of legal entities:

<http://www.smocr.cz/default.aspx?languageCode=EN>

Citizens' awareness and perception of EU Regional Policy on the rise

The latest regional policy specific Eurobarometer survey (Spring 2017) provides many interesting results which, once again, provide useful pointers for everyone working in EU regional policy communications.

The European Solidarity Fund is very popular

For the first time, citizens were asked about the European Solidarity Fund. An impressive 59% said they had heard about it (of whom 38% were not sure whether or not it was used in

their country). This impressive result may be linked to the coverage disaster relief is given on national prime-time TV news across Europe.

Greater awareness and positive perception

Awareness of regional policy projects is slightly higher at the EU level, compared to the previous survey in 2015: 35% of respondents said they had heard about EU co-financed projects in their city or region, which is an increase of 1 percentage point (pp). There are significant variations between countries,

Chart 1 and Chart 2 Europe provides financial support to regions and cities. Have you heard about any EU co-financed projects to improve the area where you live? (% – YES)

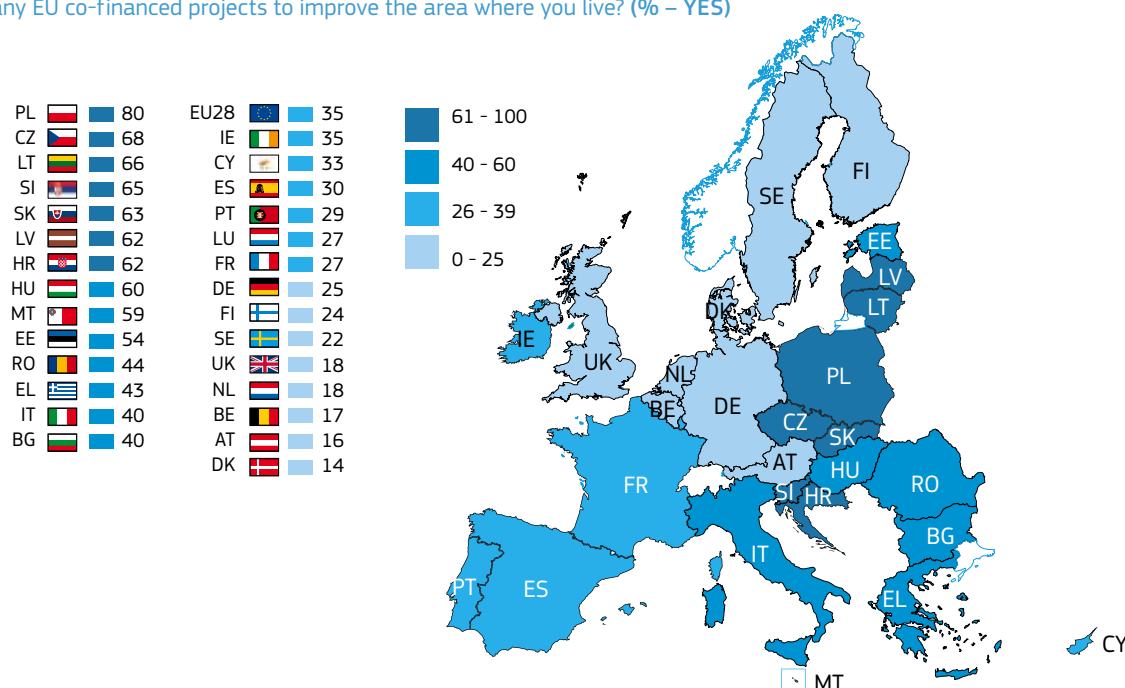


Chart 2

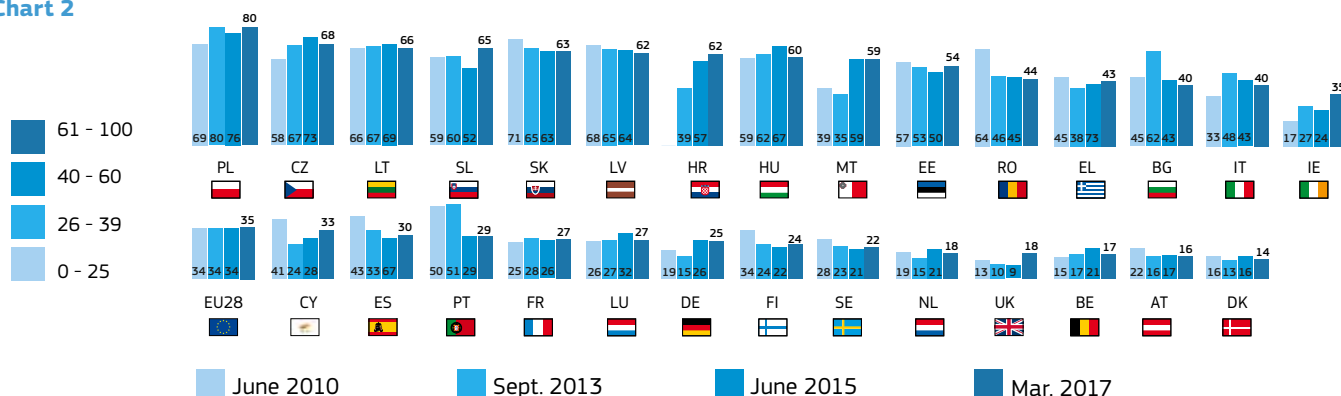


Chart 3 Taking into consideration all the projects you have heard about, would you say that this support has had a positive or negative impact on the development of your city or region? (% – YES)

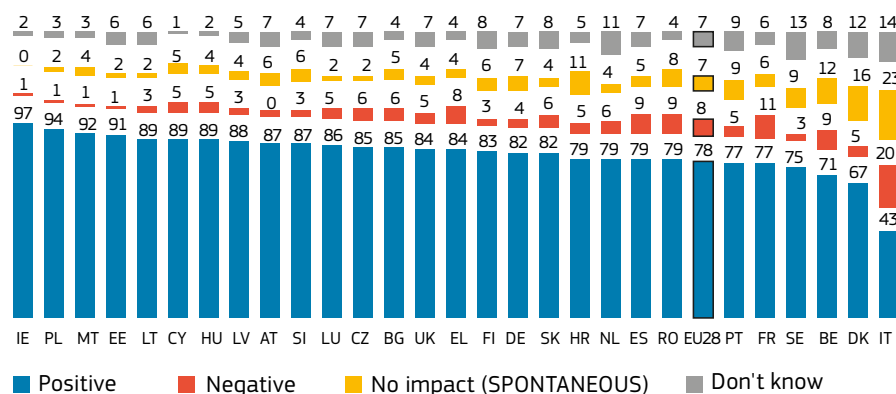
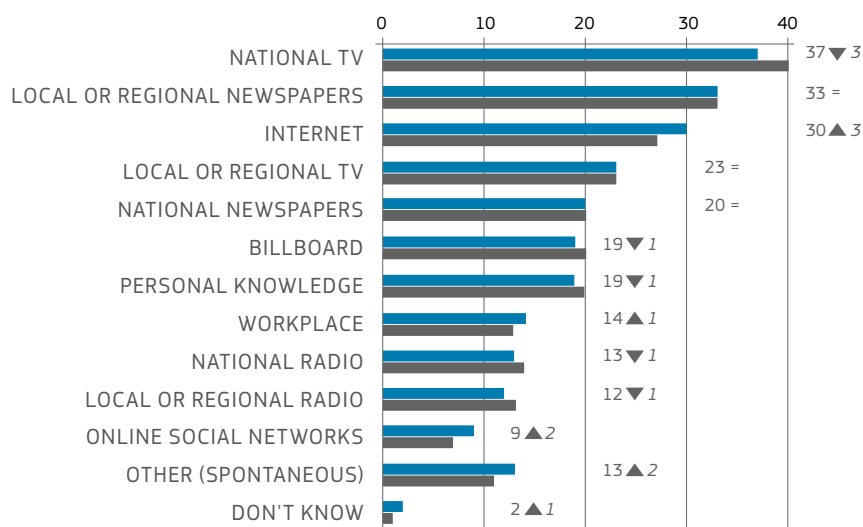


Chart 4 Where did you hear about it? And when? (multiple answers possible) (% – EU)

■ Mar. 2017
■ June 2015



ranging from Poland (80%), the Czech Republic (68%) and Lithuania (66%) to 14% in Denmark, 16% in Austria and 17% in Belgium. See [chart 1](#) for details.

Slovenia (+13pp), Ireland (+11pp) and the United Kingdom (+9pp) demonstrate the biggest increase in awareness, whereas Hungary (-7pp), the Czech Republic and Luxembourg (-5pp each) face a decline in awareness. [Chart 2](#) highlights this trend.

Attracting citizens' attention is only really worthwhile if EU investments in the regions are perceived positively. The results are encouraging: 78% of the respondents who said they were aware of such projects had a positive opinion on their impact (see [chart 3](#)). This is up 3pp from the last survey. Overall, with the exception of Italy, at least two-thirds of citizens in all Member States acknowledge the positive impact of these investments, with Ireland (97%), Poland (94%) and Malta (92%) leading the way.

Which media to prioritise?

The survey also provides detailed analysis about the type of media through which citizens hear about EU regional policy projects. Broadly speaking, TV (national and regional combined) remains the most important source, with 60% of mentions, followed by newspapers (regional and national) with 53%, then the internet and social media with a combined 39% of mentions (multiple answers were possible). With 19% mentions, billboards and commemorative plaques also play an important role (see [chart 4](#)).

KEY FINDINGS AT A GLANCE IN THE COUNTRY FACT SHEETS

Readers interested in the key findings for a specific country should refer to the regional policy country fact sheets available online in the national language(s) and English (see: <http://europa.eu/!fp74dJ>). For a detailed analysis by country, a closer look at the Eurobarometer report or even the data sets is recommended.

Making the most of ESI Funds

Panorama speaks to Mari Kiviniemi, Deputy Secretary-General of the OECD. The Organisation for Economic Co-operation and Development explains the importance of place-based initiatives and the efficient coordination and application of European funding instruments to improve investment and its impact at the local, national and regional level across the EU.



What are the general views of the OECD about the European Structural and Investment Funds?

The European Structural and Investment funds are an important place-based dimension in the EU's policy toolkit. In recent years, these funds have gradually become part of the overall package of structural policies, given their growing focus on key enablers for economic growth, including infrastructure, innovation and skills. The ESIF should continue to focus on these growth-enhancing objectives and resist rising pressures to divert such funds to other needs. However, these policies must be complemented by important considerations. The first is a need to differentiate them across regions, to ensure that they can prioritise the most pressing needs of each place. The second is to ensure additionality in EU regional policy to guarantee

that they add to, rather than replace, national public spending and that funds are spent efficiently. The third, but equally important, is to ensure they are well coordinated across levels of government and align with investment decisions across national, regional and local spheres, which would help to improve investment efficiency.

What should the role of these funds be within the EU budget and, more generally, in achieving economic policy goals?

Compared to OECD standards, the EU's system of budgeting for performance and results is amongst the most advanced in the standard index of performance budgeting frameworks. Based

“ ESI funds are one of the few instruments of solidarity across EU countries, which is particularly important for euro-zone countries for which there are no intergovernmental budget transfers ”

upon an OECD analysis, currently being finalised, EU budgetary practices include many effective and innovative aspects that may hold lessons for national governments reflecting on their own agendas of performance-focused budgetary reform. In particular, the EU's 'Budget focused on Results' is a worthwhile initiative aimed at further strengthening the linkages between money spent and

“ A unique feature of ESI Funds is the longer time frame of the formalised commitment, which is over seven years, as compared with shorter time frames for territorial policies in countries outside of Europe ”



visible impacts. The OECD sees scope for EU budget practices to benefit further by developing clear, concise articulations of economic and other policy goals and results, ex ante and ex post, helping both the Parliament and Council to engage more fully with the EU budget's policy substance.

In line with the OECD inclusive growth agenda, the EU budget funds actions to address both growth and cohesion objectives. Given the funds' strong orientation toward investments, they should aim to increase the productivity growth of European economies. At the same time, the funds are one of the few instruments of solidarity across EU countries, which is particularly important for euro-zone countries for which there are no inter-governmental budget transfers. However, there are important questions concerning the type of investments made, as European value added may be less clear cut, particularly when resources are used for short-term relief.

What major conditions are required to maximise their impact and for their efficient implementation?

It is important for ESIF investments to be growth-friendly to leverage their impact in terms of the composition and efficiency of public finances. If deployed to “crowd in” national public funds and private investment, they can foster greater investment and productivity. Sound governance frameworks better able to coordinate investment across levels of government and upgrade administrative

capacity are key to maximising their impact at national and sub-national level. To help manage this mutual dependency on public investment, the OECD has developed 12 principles on Effective Public Investment Across Levels of Government which have been endorsed by the EU Committee of the Regions. The guidelines cover how to manage challenges linked to vertical coordination, horizontal coordination across jurisdictions to invest at the relevant scale, sub-national capacities and broad framework conditions for effective public investment.

The OECD recommendation highlights that governance instruments are needed to manage this coordination, which does not happen spontaneously. Such tools include, for example, dialogue platforms, co-financing arrangements, and financial incentives for coordination. Conditionality can also foster better governance of public investment, under certain conditions. In the EU, *ex-ante* conditionalities, introduced in the 2014-20 financial period, ensure a direct link between the investments co-financed by the ESI Funds and EU-level policies, and help trigger policy reforms to promote the better implementation of funds.

How do you assess European Cohesion Policy and these funds compared to other territorial policies in non-EU countries?

It is extremely difficult to evaluate the impact of any policy on the performance of one particular country, region

or local economy. In the case of ESIF, over the last decade, many countries where these funds have supported convergence have also experienced fiscal consolidation/tightening in the aftermath of the financial crisis, leading to a strong contraction in public investment in Europe. However, these funds have been one of the few stable sources supporting investment during this period, particularly for sub-national governments.

A unique feature of ESIF is the longer time frame of the formalised commitment, which is over seven years, as compared to shorter time frames for territorial policies in countries outside of Europe. Therefore, ESIF provides a long-term structural adjustment policy tool to help regional economies anticipate and adapt in order to offer residents everywhere an opportunity to find viable development options. Our studies on countries across the OECD reveal two key ingredients for the design of successful territorial policies. The first is the need to build effective linkages between cities and rural areas in terms of infrastructure policies, spatial planning, labour market integration and governance responses. The second is the importance of the tradable sector, i.e. those exposed to international competition, for the catching-up process of lagging regions. Our studies reveal that the regions catching up tend to be more specialised in these tradable activities. ■

Territorial tools to tackle regional and local priorities

The sustainable development of the whole of Europe will not only improve its economic attractiveness, but will also improve its ability to solve various – both existing and future – financial, economic and social crises.

The fundamental importance of Cohesion Policy has resulted directly from the Lisbon Treaty and continues today. The elimination of development disparities is a decisive factor in Europe's competitive position on a global level. This is reflected above all in the fact confirmed by EU institutions that every euro invested in Cohesion Policy generates on average EUR 2.75, despite the excessive bureaucracy and complexity of the policy's instruments.



Andrzej Porawski
Executive Director of the
Association of Polish Cities

“A radical change is required in the way EU citizens are informed about the effects of Cohesion Policy. Although undeniable, these effects are almost completely unknown to citizens”

Faster development of many parts of Europe does not only activate the so far unused inherent potential, but also makes these areas more attractive to investors, tourists and other partners from all over the world.

Cohesion Policy also delivers measurable results, which can be seen in Poland, for example, by the development of areas covered by the special ‘Eastern Poland’ programme and the current faster rate of increase in the development indicators for rural areas as compared to cities.

The concentration of interventions in priority areas is one great advantage of Cohesion Policy. Obviously, the new programming period may see an adjustment in priorities, adapting them to rapidly evolving needs and challenges. However, it should also enable better flexibility in determining detailed objectives in priority areas.

From this perspective, empowering regional and local authorities to specify in detail objectives for adopted intervention areas is important. The regional and local (as regards urban functional areas) Operational Programmes should be the tools used to implement Cohesion Policy. The regional authorities or local authorities’ consortia should operate these programmes, which should be created and implemented in accordance with the principle of the territorial orientation of interventions.

Territorial instruments should focus on the challenges facing functional urban areas in optimising the use of local resources and improving living and business conditions. Such instruments dedicated to the greater inclusion of rural areas in development processes are also required. The specific nature of the challenges facing these areas requires the creation of territorial tools within Operational Programmes that also take into account the resources of the European Agricultural Fund for Rural Development.

A radical change is required in the way EU citizens are informed about the effects of Cohesion Policy. Although undeniable, these effects are almost completely unknown to citizens who are unaware of the significance of the policy's social, economic, environmental, cultural and civilisation results. And it is Cohesion Policy that can contribute most to overcoming identity crisis in the EU – all the more so because its effects are enjoyed both by beneficiaries and by highly developed areas, for example in the form of additional orders, growth in exports, capital expenditure and new jobs. ■



The Association of Polish Cities helps the country's cities to develop socially and economically, and to disseminate good practices in modern and innovative governance of communities. It works with public and private entities to create the best possible conditions to enable cities to provide public services of the highest quality:

<http://www.zmp.poznan.pl/en>

Flexibility, simplification, competitiveness and innovation for post-2020 Cohesion Policy

Today, the European Union is confronted with unforeseen challenges of an unprecedented scale. There is a strong need to focus on public and private investment, to enhance the EU's competitiveness, to achieve better coherence between different strategies, as well as their links with national sectoral and regional strategies.



Iskra Mihaylova
Chair of the EP Regional
Development Committee

Cohesion Policy remains the main investment policy and has the potential to contribute significantly to Europe's sustainable development, to achieve economic, social and territorial cohesion in Europe. These goals are more relevant than ever, given the crises that threaten the very heart of the European Project.

The Committee on Regional Development has been coordinating well with the European Commission, the Council, the Committee of the Regions and inter-regional cooperation organisations. It has been focusing its efforts on providing support for, and scrutiny of the implementation of Cohesion Policy, its overall impact, as well as outlining trends for its future development.

The future modernised Cohesion Policy should be based on performance-based budgeting, *ex-ante* conditionalities and thematic concentration while, at the same time, allowing for flexibility to respond to specific needs which may arise suddenly. Links to the European

Semester and EU economic governance process should be maintained to ensure the right framework for investment from the European Structural and Investment (ESI) Funds.

European territorial cooperation (Inter-reg) has proved its effectiveness and added value to EU objectives, contributing to strengthening territorial cohesion and, as such, should remain an important instrument post 2020.

“The EU Structural Reform Support Programme will contribute to the efficient and more effective use of Union funds”

Urbanisation will be the defining trend over the next few decades which means that better coordination of EU policies impacting on cities will be essential.

Better coordination is needed between the EU's priorities, national needs, regional and local needs. In this context,

the further prolongation of the EU Structural Reform Support Programme will contribute to the efficient and more effective use of Union funds. Enhanced complementarity in the implementation of ESI Funds, EFSI and other financial instruments, must be assured to help countries and regions unlock new growth potential and raise their productivity and competitiveness.

I would like also to point out the importance of the prolongation of EFSI and completion of the revision of the Financial Regulation 2014-2020 and its subordinate acts, which will pave the way to flexibility, simplification, leverage effects and more investments.

It is extremely important to establish mechanisms and broad institutionalised platforms for cooperation to ensure better visibility and awareness-raising of the successes and best practices achieved in the implementation of ESI Funds. ■



EUROPEAN PARLIAMENT

Double vision for Cohesion Policy post 2020

Mayors from the cross-border twin-city of Valga and Valka present their vision and dreams post 2020 for the EU's regional and urban policy.

The cities of Valga (Estonia) and Valka (Latvia) present one of the most vivid examples of how two neighbouring countries carry out the EU's basic values. These focus on free people, employees, capital, and movement of services which promote development both in Latvia and Estonia – hence joint projects are a necessity for life and the future.

“Valga-Valka is ready to set a model for similar areas and cities as we have the experience, good will, and plans for joint development”

This cooperation will be strengthened with the help of the EU project ‘Valga-Valka twin town centre development’, which is also a remarkable example of how the EU takes care of regional development. Here, we should also mention that architects from Spain, Estonia, Latvia and Italy will change these visions into reality.



Vents Armands Krauklis
Mayor of Valka (LV)



Kalev Härk
Mayor of Valga (EE)

We hope that with greater support from the Latvian and Estonian governments and EU institutions we can take steps towards functioning as one city in reality with a highly skilled joint medical service, an improved educational system, and joint business development and labour market.

Differences in legislation, including taxes, should not hinder this development. Twin cities need special laws and agreements between the states and at the European level.

Valga-Valka is ready to set a model for similar areas and cities as we have the experience, good will and plans for joint development. Nowadays, when the future of the EU is being debated, our success story can serve as an excellent

example to convince Eurosceptics that the EU is the only option on how to be competitive in the world. ■

1 city, 2 states



VALGA • VALKA

Cohesion through inclusion: that is our challenge for the future

We often hear that the European Union is removed from the people and is only concerned with major economic policies. I would like to invite these critics to visit Santa Coloma de Gramenet and discover how a structural policy has directly and tangibly changed the lives of many people.



Xavier Valderrama
Coordinator of European urban
development projects, Santa
Coloma de Gramenet Town
Council

In Santa Coloma de Gramenet in Catalonia, people can enjoy the wonderful rehabilitated natural setting of Besòs Waterways Park, stop at the public library located opposite a municipal company centre, go swimming in the sports centre or do some shopping in Fondo Market while waiting for their children to come out of the state nursery in the same building. A large part of this route can also be followed along streets which, like the areas and infrastructures mentioned above, have received Cohesion Policy financing.

In a metropolitan town with few financial resources like ours, we understood the need to secure financing to implement our projects right from the start. We did this through the first URBAN Community Initiative – part of the Structural Funds – for specific urban actions in the Catalonia Operational Programme. And we are continuing to do it in the 2014-2020 period through integrated sustainable urban development strategies.

We see these opportunities as part of an ongoing process to make the city more balanced and self-sufficient, and we have added an integrated approach to sustainability, public participation and new local governance to our existing local heritage.

“I would like to invite these critics to visit Santa Coloma de Gramenet and discover how a structural policy has directly and tangibly changed the lives of many people”

Although the Cohesion Policy experience has been very beneficial, enormous challenges remain for European cities

as a whole, the most worrying being the growing number of people living at risk of social exclusion. The economic crisis has caused greater inequality in our societies and is one of the main reasons for the political indifference affecting all levels of government. A paradox could occur whereby, after what I have just explained about how essential participation in the EU is for improving people's lives, and despite the efforts made to convey this, the public continue to blame institutions and attribute some responsibility to them if levels of government become more distant.

Therefore, the new post-2020 Cohesion Policy should reaffirm its priorities for social inclusion in all its regional policy frameworks. And specifically it should put forward, as a requirement, that urban development strategies must include a plan to combat social exclusion, including quantifiable goals, and that this priority should be given greater funding. From now on, the strategies in our towns and cities should focus on urban development that is sustainable, integrated and inclusive. Nobody in society should be left behind. We can only achieve cohesion through inclusion, and can only grow by becoming more cohesive. ■



Ajuntament
de Santa Coloma
de Gramenet

INTERVIEW WITH **MICHAEL STORPER**,
PROFESSOR OF ECONOMIC GEOGRAPHY
AT THE LONDON SCHOOL OF ECONOMICS

Regions matter more than ever in a globalised world



Shortly before the Commission published the reflection paper on Harnessing Globalisation, it organised a high-level seminar on 'Globalisation: Why regions matter' to discuss the geography of growth, jobs and inequalities in Europe, as globalisation, technological change and sustainable development impact EU regions in different ways. Professor Michael Storper attended this seminar.

You started your presentation by quoting The Economist saying: "Regional inequality is proving too politically dangerous to ignore", and you go on to note that this inequality further accentuates the dilemma we have about whether to invest in more developed or less developed regions. So what is more important: efficiency or equity?

For this high-level meeting I worked with my colleagues **Simona Iammarino** and **Andres Rodriguez-Pose** to prepare a study entitled 'Regional Development at the Centre of Europe's Economic Future'. We argue that there is no longer a simple trade-off between efficiency and equity: this is an outmoded idea if

by "efficiency" we mean that we concentrate everything in the highest income regions and expect that there will be a diffusion of benefits to all other regions.

The mechanisms of diffusion have weakened: skills are becoming concentrated in fewer places; innovation is doing the same; migration is slowing down and becoming more selective, with one circuit for skilled people and another for the less skilled. This means that in the long-run, people who are being underutilised in many regions cannot develop their talents, it is more and more difficult to migrate, and entrepreneurs are not able to effectively enter the market.

“ We want to get the benefits of concentration and specialisation, but we also want to spread these benefits to more regions by overcoming the barriers to innovation, entrepreneurship, skilling and mobility that exist ”



THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE ■

Therefore, a policy that invests in the long-term capabilities of people, firms and individuals in all regions will be more efficient than one that assumes that geographical concentration will benefit all people and all regions. At the same time, this is not an either-or: we must continue to support Europe's world-class metropolitan regions and clusters in the face of ongoing global competition. This policy is based on a redefined notion of "equity": it rejects the older notion of redistributing from the most successful regions to all other regions, and replaces it with a definition of equity that is based on stimulating development in all regions.

Indeed, you mention talents, and you might already know that regional policy has introduced a new concept: smart specialisation. This basically means that we encourage regions to identify their own strengths, their comparative advantages, and invest in those areas. And you also introduce in your presentation a policy based on differentiation. Do you find similarities between the two?

Yes, we propose to deepen the concept of smart specialisation and to give it some additional tools so that it can be

more effective. Realistically, not every region can specialise in the same type of thing: thus, there's no point in proposing that every region should try to become a 'little Silicon Valley'.

Instead of a blanket approach to innovation and specialisation, we introduce the concept of 'development clubs' which refers to regions at different levels of per-capita income. The challenges and near-term goals for low-, middle- and high-income regions are very different. What is 'smart' is for regions to understand which development club they are in, and their realistic smart specialisations in the medium term. This notion gives additional precision to the concept of smart specialisation.

Lastly, I would paraphrase the title of your presentation: Globalisation: do regions matter?

In fact, globalisation has made regions matter more and more, because it turns out that while globalisation spreads wealth around the world, and there are 500 million Chinese who have now entered the global middle class because of it, at the same time within every country it concentrates wealth

and income in metropolitan areas around the world, in every country. So, regions actually matter more than ever in a globalised world. In light of this, we want to get the benefits of concentration and specialisation, but we also want to spread these benefits to more regions by overcoming the barriers to innovation, entrepreneurship, skilling and mobility that exist. These barriers are in some way being reinforced by current market trends, and diffusion mechanisms are too weak to do the job of spreading wealth and opportunity.

To do this, we propose what we call 'place-sensitive distributed development strategies' (PSDDP), which are development strategies adapted to the precise but different needs of low-, middle- and high-income clubs of regions in Europe. Each of these clubs has a different strategic guiding principle and hence different mixes of policies and measures for each type of territory. ■



The international dimension of smart specialisation

Corina Crețu, European Commissioner for Regional Policy, Smart Regions Conference, Helsinki

Smart specialisation is a fresh bottom-up, place-based approach to innovation and economic transformation in Europe. It is also a strong component of regional development through innovation, with a perspective for all regions in Europe to reap the benefits of knowledge-driven growth.

Smart specialisation is opening up new opportunities for inter-regional cooperation around shared priorities, thereby complementing one other's strengths and reshaping the European growth and integration model. The European Council, the European Parliament and the European Committee of the Regions have all highlighted the need to further build on this approach¹.

Capacity building

The core of Cohesion Policy is to enable all regions to become competitive and grasp the opportunities within the internal and global markets. However, such capacity

building cannot be done in isolation or in a purely inward-looking perspective. It needs international benchmarks and cooperation to develop strategic capacities, make choices, be challenged by critical friends and develop partnerships. Such interregional cooperation networks enable mutual learning on good innovation governance and benefits from knowledge spillovers.

Outward-looking innovation strategies

The development of smart specialisation strategies has often focused initially on governance² to identify promising investment areas in a region to build its comparative advantages, but often with little attention to other regions and their competitive advantages. Many regions have since realised that international comparisons and cooperation can help avoid the risk of duplication or sub-critical investments, and help to sharpen the competitive stance of their smart specialisation priorities. Through interregional cooperation, regions can improve their international competitiveness in global value chains together.

1) Council Conclusions of 10 June 2016 on 'A more R&I friendly, smart and simple Cohesion Policy', European Parliament Resolution of 13 September 2016 on Cohesion Policy and Research and Innovation Strategies for Smart Specialisation (2015/2278(INI)); Committee of the Regions opinion of 22 March 2017 on 'Smart Specialisation Strategies: impact for regions and inter-regional cooperation'.

2) 'Entrepreneurial discovery process' with local innovation actors to establish consensus on the strengths and priorities.

Smart specialisation as a coordination mechanism

Smart specialisation in outward-looking innovation strategies that seek differentiation and alignment with other regions can also be a powerful mechanism for improving the quality of innovation investments. They exploit complementarities between specialisations in new European value chains. For example, in the emerging bioeconomy different regions specialise in different sources of biomass production, in processing bio-plastics or in applying these in different consumer products.

The competitiveness of regions and regional clusters for new growth and jobs in such emerging markets and industries hinges on the capacity to coordinate each other's resources to offer integrated solutions, while smart specialisation provides a means to identify cooperation partners across all of Europe.

Diversity as competitive advantage

Diversity is Europe's competitive advantage in working together to develop new solutions for common challenges, to provide jobs, clean energy, mobility or healthcare to citizens, and turn these challenges into opportunities for economic development by providing innovative solutions.

Developing and testing solutions for these challenges often go beyond the capacity of individual regions or countries. Smart specialisation is the European way to respond to societal challenges by valorising the unique capacities of all EU regions which can become Living Labs for the future.

Thematic smart specialisation drives interregional cooperation

Thus, smart specialisation also requires 'smart cooperation'. Thematic smart specialisation platforms³ support interregional partnerships to help innovation actors in the partner regions

match their investments in new European value chains⁴. The European Commission supports these partnerships to develop common roadmaps for co-investment in specific priority areas, such as efficient and sustainable manufacturing, traceability and big data in agri-food value chains or heating and cooling. More than 85 regions are already engaged and are building capacities for cluster development, pilots and demonstrators and for leveraging business investments that benefit the regions and Europe as a whole. ■



Jyrki Katainen, Vice-President of the European Commission leading the project team 'Jobs, Growth, Investment and Competitiveness', Smart Regions Conference, Helsinki

FIND OUT MORE

Smart Regions Conference: In early June, Helsinki hosted the second edition of the conference on smart specialisation in European regions, assessing what has been achieved and paving the way for future development.

<http://europa.eu/!mf36Hu>

3) See S3 Platform: <http://s3platform.jrc.ec.europa.eu/s3-thematic-platforms>

4) Thematic Smart Specialisation Platforms for Energy, Industrial Modernisation and Agri-Food have been working since June 2016 to gather regions and their innovation actors in partnerships to align their investments in priority areas. At the end of May 2017, 18 such partnerships had been formally launched, engaging about 85 regions.

RIS3 – *raison d'être*, first results and its future

The smart specialisation approach aims to encourage regions to identify some strategic domains for developing R&D and innovation activities. In so doing, regions can address a dual problem – that of differentiation and specialisation of their innovation capacities – which is generally poorly dealt with by standard innovation policies.

RIS3 provides tools and processes to handle regional heterogeneities and helps regions to recognise and take advantage of their differences and translate them into future competitive advantages.

This is the *raison d'être* for smart specialisation: concentrating attention and resources on a certain number of strategic domains to activate virtuous processes of particularisation and specialisation with regard to innovations.

“*The raison d'être for smart specialisation: concentrating attention and resources on a certain number of strategic domains to activate virtuous processes of particularisation and specialisation with regard to innovations*”

Designing smart specialisation strategies does not mean that “all the rest” should be neglected. The most generic and horizontal policies naturally remain essential and smart specialisation becomes an additional option that regions are well advised to activate if they are capable of setting up an intelligent process of identifying strategic domains and developing them.

While it is too early to evaluate the impact of RIS3 on innovation, productivity and growth, some results are already observable if not measurable.

One fundamental outcome is that the very process of designing a strategy has generated beneficial effects resulting from regions' commitment to the process of entrepreneurial discovery. For instance, today, regions themselves know better than before because self-assessment and discovery of potentials and capacities were required.

It is both useful and productive for regions to put more effort into discovering and choosing, in detail and for the future, priority areas for R&D and innovation. The knowledge and experience acquired from discovering and choosing the right directions for R&D and innovation can be valuable in carrying out the subsequent stages of product/process/market design, production and distribution.

A new policy mindset is slowly being instilled into policymakers – comprising decentralisation, public-private interactions, self-discovery and prioritisation.

Another important result is that this approach provides a new rationale for knowledge sharing and cooperation between regions because smart specialisation helps to show that any one region



Prof. Dominique Foray
Chair in Economics and
Management of Innovation,
Ecole Polytechnique Fédérale
de Lausanne (CH)

shares a few priorities with several other regions – and this creates a rationale for building networks and partnerships.

There is no doubt that the impact of this approach has been huge in Europe and elsewhere. Given such impact and the significant mobilisation of both the public and private sectors at regional level, it would be simply absurd to discontinue the RIS3 approach. The policy-learning process has been significant and regions now know much better how to proceed to design and implement an S3 than they did five years ago when the concept was introduced. They have learned a lot and continue to do so. We can therefore be sure that regional agencies and stakeholders will be much more efficient and effective in delivering a RIS3 if they are asked to do it again for the next period. ■



Building an investment policy for a more cohesive Europe

EU Cohesion Policy supports hundreds of thousands of projects in all European regions. It is the EU's largest source of investment, encouraging important real economy projects and contributing to structural change in EU Member States.



Emma Marcegaglia
President of BusinessEurope

“Cohesion Policy must modernise and simplify the way it operates, setting a medium- to long-term framework but with enough flexibility to readapt to new events, supporting projects with clear EU value added, and providing the right incentives for performance”

Cohesion Policy is part of the Treaties and reflects the EU's solidarity. But more than that, the policy is very important for supporting a more cohesive Europe in all its forms: economic, social and territorial.

However, it is now time to move past a mindset of redistribution and fast spending to think about this policy within a logic of investment, competitiveness and structural improvement. This will be necessary to boost Cohesion Policy's successes while, at the same time, achieving greater convergence between Member States, which is a necessary condition for the proper functioning of the EU, and the euro area in particular.

Cohesion Policy must be an integral part of a European investment strategy, with a strong territorial approach, aiming to empower each region with the necessary tools to build up their competitiveness. It must lead to economic and structural transformation, securing a resilient base in each region, based on its own strengths.

It is important to acknowledge that Cohesion Policy achievements go way beyond the financial envelope made available through the European Structural and

Investment (ESI) funds, and are strongly anchored to the positive side effects it brings. These are visible in terms of capacity building, the definition of long-term priorities, regional specialisation strategies, partnership, and others.

But these benefits must be amplified. To do so, Cohesion Policy must modernise and simplify the way it operates, setting a medium- to long-term framework but with enough flexibility to readapt to new events, supporting projects with clear EU value added, and providing the right incentives for performance.

In particular, we must continue moving towards a policy that 'focuses on results' and less on purely formal compliance. We must render Structural Funds more accessible and understandable with a simplified, integrated and proportional control system. We must continue building administrative and technical capacity at regional level and a real partnership in all stages of the programmes and at all levels of administration.

Finally, Cohesion Policy must better understand that the EU and its members operate and compete on a global scale. For instance, ESI funds must remain open to companies of all sizes. We must not forget that mid-caps and large enterprises have strong positive spillover effects on the local economy, including for SME growth. Therefore, the EU must avoid creating a phenomenon of investment leakage in Europe but rather use its tools to ensure it is an attractive destination for investment, continuing to build a strong and cohesive Europe. ■



BusinessEurope is the leading advocate for growth and competitiveness at European level, standing up for companies across the continent and campaigning on the issues that most influence their performance:

<https://www.busesseurope.eu/>

Cohesion Policy and the public-sector paradox

The Cohesion Policy of tomorrow will have a lot in common with that of today. Why? Because the goals of the current programming period – to secure smart, sustainable and inclusive growth – will become more rather than less important in the future.

Furthermore, many of the key themes of the 2014-2020 programme – such as the emphasis on results, enhancing the quality of institutions, and the simplification of regulations – will also assume more importance in the future.

Achieving tangible results is more important when the EU is under pressure to prove its value to European citizens. The new emphasis on results – on the outcomes and impact of regional policy – is long overdue because, in the past, there was too much emphasis on a region's capacity to absorb the funds, as a means to an end rather than the end itself. The emphasis on results highlights the significance of the second theme – institutional calibre.

The calibre of institutions, especially public institutions, is arguably the single most important ingredient in the recipe for innovation and development. However, the Cohesion Policy of tomorrow will need to resolve the public-sector paradox.

This paradox is due to two radically different trends. On the one hand, the public sector has been under pressure from austerity for nearly a decade, reducing its capacity for action. On the other hand, the public sector looms large in the societal challenge sectors – sectors like energy, health, education, transport,

food security, dignified care of the elderly – which contribute so much to smart, sustainable and inclusive growth.

“The calibre of institutions, especially public institutions, is arguably the single most important ingredient in the recipe for innovation and development”

If it is to deliver more tangible results in the future, Cohesion Policy needs to work with a smart public sector rather than a shrunken one. To this end, public administrations and their agencies must jettison the 'command-and-control' style of leadership they have displayed in the past and adapt the style of the most successful agencies – agencies like SPRI in the Basque Country, Aster in Emilia-Romagna and JIC in South Moravia. These agencies are adept at nurturing regional innovation ecosystems in which public, private and third-sector stakeholders learn to collaborate for mutually beneficial ends.

Finally, regulatory simplification must remain a top priority. At present, the public sector is getting mixed signals: the rhetoric of Cohesion Policy invites it to be more agile, creative and experimental, while the audit culture is intolerant of failure and stymies creativity in the name of compliance.



Kevin Morgan
Professor of Governance
and Development and
Dean of Engagement at Cardiff
University (UK)

A Cohesion Policy that addresses these concerns can rightly claim to be serious about securing smart, sustainable and inclusive growth. ■



Cohesion Policy: achievements and aspirations, a Canadian perspective

The European Union and its flagship Cohesion Policy have long been of interest to policy communities in Canada. This commentary offers a Canadian perspective on the policy's notable achievements and future aspirations.



Neil Bradford, PhD, Chair,
Department of Political Science
Huron University College,
Western University (CA)

As a highly decentralised federation with a vast geography and pronounced regional identities, Canada confronts many of the same “unity through diversity” challenges as the EU. Since the 1960s, Canadian governments have implemented territorial strategies for regional economic convergence and national social cohesion, and have looked to the EU for innovative ideas and best practices.

Achievements

Integrative economic development: EU Cohesion Policy has been a leader in two regional dimensions. First, it has moved from major infrastructure investments in lagging regions to endogenous growth through productivity and entrepreneurship in all regions, and most recently to ‘smart specialisation’ through regional innovation systems. Second, the policy incorporates social and environmental

goals, focusing simultaneously on the sustainability of regional economies and social investments to stimulate growth. EU integrated development brings together, rather than trades-off, economic, social and ecological priorities

“*The European Union and its flagship Cohesion Policy have long been of interest to policy communities in Canada*”

Multi-level governance: Cohesion Policy builds on the principles of subsidiarity and partnership. Multi-level policy coordination flows from consultation and communication, and through governance contracts for ‘flexible conditionality’ that clarify EU funding expectations while enabling regional programme adaptation. EU multi-level governance combines ‘place-based policy’ with hierarchical oversight and support.

Learning and Adaptation: Cohesion Policy creatively applies data to inform and improve regional programming. A robust three-tier framework for differentiating regional assets and potential guides EU investments. Programme evaluation increasingly relies on targets, indicators, benchmarking and monitoring. The EU mix of quantitative and qualitative measures clarifies public investment effectiveness and fine-tunes regional implementation.

Aspirations

Changing demography: EU Cohesion Policy confronts complex migration challenges as refugees seek new homelands and skilled labour relocates among Member States. At the same time, the European population overall is ageing. The policy needs innovative settlement programming for deep diversity and creative welfare reforms across the life course.

Digital transformation: Cohesion Policy confronts complex regional and social challenges as technologies transform work, production and consumption in platform economies. A digital divide threatens territorial and social cohesion when investment concentrates in urban hubs. The policy requires ‘inclusive innovation’ to spread digital opportunity through e-service enhancements, skills upgrading and social innovations.

Administrative Innovation: Cohesion Policy confronts complex governance challenges as national governments and regional authorities find programme access bureaucratic, and oversight controlling. Policy administration needs to be simplified, and programme implementation based on ‘shared management’. Evaluation protocols should incentivise compliance with Cohesion Policy goals, and use peer-review to strengthen administrative capacity for both EU policy design and regional programme delivery. ■

The EU's future finances

The High-level group on own resources (HLGOR) was established in February 2014 to reflect on finding more transparent, simple, fair and democratically accountable ways to finance the EU. The Group was chaired by former Italian Prime Minister and EU Commissioner Mario Monti and comprises members designated by the European Parliament, the Council and the European Commission. The final report and recommendations were presented in the European Parliament and in the Council in January 2017.



In your view, what are the major challenges for EU finances after 2020?

The major challenges for EU finances are already here today and are similar to the challenges the EU itself faces: how can we regain trust from our citizens? How can we provide more legitimacy to European spending? The EU has been hit by multiple crises in recent years, most of them highlighting new priorities: reinforce the competitiveness of the European economy, and in particular address youth unemployment; secure our external borders and improve our cooperation on internal security and defence; fulfil our commitments to fight climate change and environmental degradation; and finally, ensure a smooth transition from EU-28 to EU-27 when the UK leaves the EU.

These are the issues on which the EU is expected and being pressured to act on today, and yet they are often not part of its traditional core business, in particular internal and external security which remain within the realm of national sovereignty. Although recent annual budgets have used the flexibility tools, their implementation remains to be seen.

What major changes are you proposing compared to the current system?

Reforming the revenue system is part of this overall shift, because the current financing system – based on an overwhelming share of national contributions

“EU policies, and notably cohesion, benefit to all countries, even the 'net contributors'”

from Member States – favours the status quo and are a hindrance to focusing on new needs. Thus, in the High-level group on own resources' report, we make nine recommendations conducive to change.

Among these, I think the most likely to have a strong impact are the focus on expenditure with the highest European added value, the abolition of rebates in favour of certain countries, and the introduction of one or several new own resources linked to EU flagship policies. For example, own resources based on

“Future Structural Investment Funds will play a crucial part in our reform efforts because they have often been in the crossfire of criticism for financing too many projects with questionable European added value”

a common reformed VAT or a common corporate tax can be designed to contribute to a better functioning of the Single Market, to simplify the life of our companies, and to support the fight against tax fraud or evasion; environmental own resources can contribute to decarbonisation efforts and green growth. In my view, this latter recommendation represents how EU revenue can bring extra added value: the EU cannot levy taxes, but its revenue can contribute to achieving EU policies and objectives.

What are the major obstacles to making those changes possible?

The most obvious obstacle lies in the decision-making procedure applicable to the financing system, which imbeds an asymmetry of power between the European Parliament and the Council. The European Parliament is only consulted on own resources, while its consent is required for the multiannual financial framework, and it co-decides on the annual budget. In addition, decisions within the Council must be taken at unanimity and after ratification in all national parliaments. This is the heaviest procedure that exists.

There are other obstacles linked to the fact that in most cases leaders who go through one negotiation are rarely present at a second, which disperses the memory and experience, or leads to misunderstanding about how EU finances work. A common fallacious argument used to reject real own resources, for example, is to consider that only national contributions allow for Member State control over EU finances, and that more autonomous own resources would lead to uncontrolled budget increases. This is not the case. Real own resources would change the composition of revenue (and lower national contributions). The volume of the budget is decided by the multiannual financial framework. And since the EU budget must be in balance and cannot resort to debt, revenue is automatically calculated once the expenditure is known – not the other way around.

What place do you see for the European Structural and Investment Funds?

Future Structural and Investment Funds will play a crucial part in our reform efforts because they have often been in

the crossfire of criticism for financing too many projects with questionable European added value. This is particularly true in the more developed regions in the richer Member States. Moreover, their financing through national envelopes makes it a major feature of the focus on net balances.

Future reform will have the difficult task of claiming back the legitimacy of EU action in many regions, by focusing on EU-wide public goods rather than local ones. It will also need to show the benefits they bring beyond the immediate beneficiaries. Cross-border benefits, spillover or leverage effects are currently ignored or hidden in budgetary negotiations, yet they provide a measure of European added value. This needs to change to make the budget more transparent, accountable and fair. EU policies, notably cohesion, benefit all countries, even the ‘net contributors’.



Executive Summary & Recommendations available in 23 languages: http://ec.europa.eu/budget/mff/hlgor/index_en.cfm

DATA POINT: 3 – OPEN DATA PLATFORM

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

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

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

Communicating on ESIF performance: the growing importance of common indicators

The need to monitor and report on performance must be a shared responsibility and an essential part of all meaningful debates on EU policy.

The 2014-2020 programmes have seen improvements in the use of indicators to measure the outputs and results of the different ESI Funds – common indicators are a powerful tool to communicate aggregate policy achievements across Member States. These developments have accompanied other performance-related improvements, such as the more robust setting of objectives, clearer target setting, and the new performance framework linked to the performance reserve. One of the effects of a greater focus on performance is that indicators must no longer be the concern of a few technicians.

The current system of indicators has been developed over the years based on experience and learning specific to each fund. Thus, the common indicators are common to the programmes

under each specific fund with indicators adapted to the fund-specific objectives, the target sectors and the intervention rationale applied.

Two main concerns have influenced the choice of indicator concepts and the definition of common indicators:

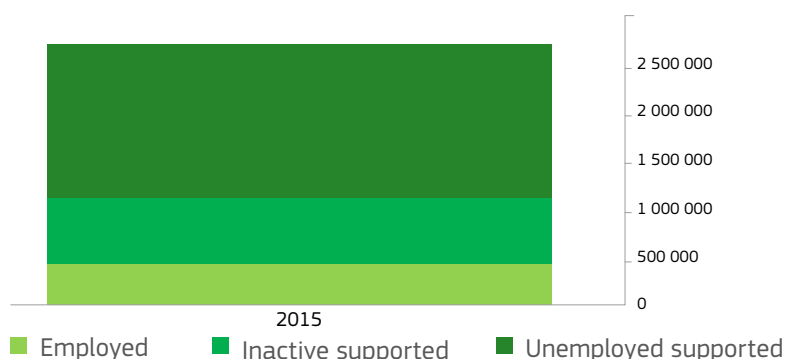
- Are the indicators a meaningful measure of the interventions and objectives of the specific fund?
- Are the indicators readily available without creating excessive cost and burden for managers and beneficiaries?

For the period 2014-2020, the answers to those questions were developed in partnership with stakeholders and experts from the Member States during several years of reflection.

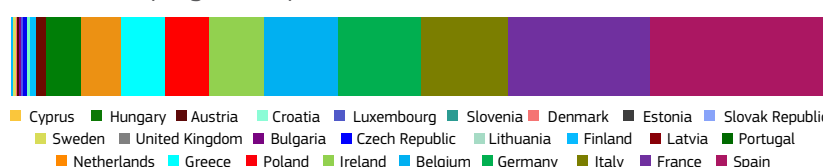
The most visible product of the current indicator system on the ESIF open data platform is the presentation of 'achievement' tiles for common indicators by fund and by

TWO EXAMPLES FROM THE ESF AND ERDF BY END-2015

ESF: Participant employment status
Implemented: 2 707 055 participants
Of which
Unemployment supported: 1 574 509 participants
Employed: 435 940 participants
Inactive supported: 696 606 participants



Overview of program implemented values (2015)



theme. Other improvements include an expanded list of common indicators and better methodologies for collecting and reporting ERDF and ESF indicators.

Are there too many indicators?

This question has been raised at the highest level of the EU institutions, not least because it would be simpler to communicate at the EU level with a few, easy-to-aggregate indicators. The European Court of Auditors also recently questioned the relevance and use of so many programme-specific indicators and the difficulty of their aggregation to the EU level.

On the other hand, different stakeholders have different needs and propose a broad range of indicators, many of which are relevant for them and already available in their region or Member State.

MANY COMMON INDICATORS BY FUND TRANSLATE TO A FEW INDICATORS BY 'THEME': THE ERDF CASE

RTDI: 6 indicators	ICT: 1 indicators	Firms: 9 indicators
Energy Climate: 5 indicators	Environment: 7 indicators	Transport: 6 indicators
Social Infra: 2 indicators	URBAN: 4 indicators	Interreg: 6 indicators

Another explanation for the seemingly large number of EU common indicators is the very wide thematic scope of actions and sectors financed by the ESI Funds. For instance, there are 46 common indicators for the ERDF.

Perhaps the right questions are: "Do the common indicators capture key achievements in the different thematic areas?" and "Are there areas where we do not capture key achievements?"

Where to next?

In the debate on the post-2020 EU multiannual financial framework and the future of shared management through the ESI Funds, the issue of performance and measuring achievement is a hot topic. The main questions are:

- Can we improve the measurement of the funds' performance while reducing the burden for stakeholders?
- Can the different indicator concepts be rationalised across the funds? Do different stakeholders need different indicators?
- Would there be benefits in the definition of common EU indicators across funds to measure and communicate achievements?
- Should we focus on reducing the number of specific national indicators? Or is the quality of the indicators and their policy relevance more important?

It may seem like a technical debate but it is a key one for the future of the policy. Watch this space or, better still, engage in it! ■

FIND OUT MORE

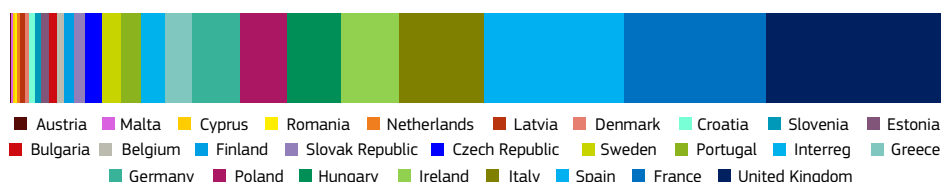
ESIF Open Data platform: <https://cohesiondata.ec.europa.eu/>
Select the "achievement" sections on the "Theme", "Country" or "Fund" pages:

Open Data FAQ on "Achievements":

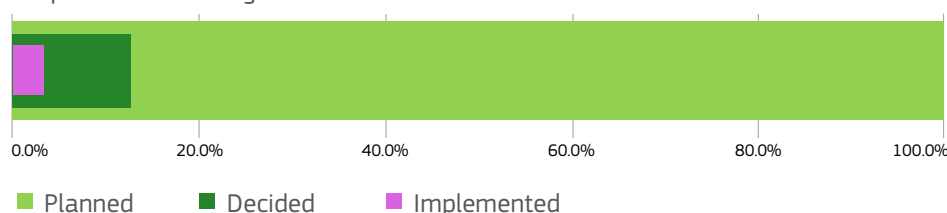
http://ec.europa.eu/regional_policy/en/faq/about_open_data/

ECA special report No 2/2017: The Commission's negotiation of 2014-2020 Partnership Agreements and programmes in Cohesion: <http://www.eca.europa.eu/en/Pages/DocItem.aspx?did=41008>

ERDF: Firms receiving support
Planned: 1 098 048 enterprises
Decided: 137 463 Enterprises
Implemented: 36 379 Enterprises
Overview of programme targets



Implementation Progress



Why a reinforced Cohesion Policy should be the EU's top priority

Europe has never needed Cohesion Policy more in today's troubled and uncertain times. European unity is under threat, questioning the future of the EU as a whole.

In its most recent reflection paper on harnessing globalisation, the European Commission rightly recognised the need to "target regional and local investment needs [...] to ensure that all regions can benefit from the internal market and better prepare themselves for the challenges of globalisation".

This is why the Conference of Peripheral Maritime Regions (CPMR) believes that a reinforced and reinvigorated Cohesion Policy, covering all regions, should be the top priority on the Commission's agenda in years to come. For this to become a reality, here are some of our key messages for the future.

First, we believe that the territorial dimension of the next Cohesion Policy should be widened further. The European project needs Cohesion Policy to achieve EU objectives across Member States and regions. It is vital for EU objectives to be realised everywhere in Europe, including in specific territories such as island regions, outermost regions and Northern Sparsely Populated Areas (NSPA).

The CPMR starts with the premise of territorial, economic and social cohesion as Community objectives at the service of EU solidarity. Such principles allow the inhabitants of the EU's different territories to benefit in an equitable way from the basic freedoms set out in the Treaty and implemented through the Community's policies.

“Rather than opposing grants and financial instruments, the Commission should define where financial instruments add most value within a future Cohesion Policy that should continue to rely primarily on grants”



Eleni Marianou
Secretary General of the CPMR

Secondly, regarding financial instruments, our vision for the post-2020 period is a constructive one: rather than opposing grants and financial instruments, the Commission should define where financial instruments add most value within a future Cohesion Policy that should continue to rely primarily on grants.

Similarly, the European Fund for Strategic Investments may add value to Europe's overall investment policy, but it remains highly imbalanced, both geographically and sectorally. In order

to preserve the central role of Cohesion Policy in supporting regional development, the Commission should establish clear boundaries between these two instruments and provide guidance on how best to combine them.

And thirdly, we believe that Europe needs an ambitious follow-up strategy to the Europe 2020 Strategy. Indeed, Cohesion Policy will only meet its objectives if it is based on a comprehensive, ambitious and long-term European strategy for sustainable growth and development across the EU.

The expectations of the CPMR remain high for the post-2020 period, but the future of Europe is at stake! ■



**CPMR
CRPM**

The Conference of Peripheral Maritime Regions brings together some 160 regions from 25 states from the EU and beyond. Representing about 200 million people, the CPMR campaigns in favour of a more balanced development of the European territory. It operates both as a think-tank and lobby group for regions, focusing mainly on social, economic and territorial cohesion, maritime policies and accessibility

www.cpmr.org

Cohesion Policy: how can the EU sustain solidarity and investment at the same time?



Robin Huguenot-Noël
EPC Policy Analyst on economic
governance and the EU budget,
and Alison Hunter
EPC Senior Adviser on regional
policy, regional innovation and
industrial growth

The rise of populism and Euroscepticism, particularly among disadvantaged groups, has increased pressure on the EU to strengthen its investment and solidarity instruments, especially Cohesion Policy.

However, this strengthening needs to be seen in the context of uncertainty concerning the future direction of the EU with regard to internal and external security, global developments, migration and persistent Economic and Monetary Union (EMU) imbalances.

With Brexit expected to lead to substantial EU budget cuts, Cohesion Policy (CP) is likely to have a smaller budget in the next multi-annual financial framework with additional, new priorities. This poses new challenges for CP, at a time when its

effectiveness in driving EU cohesion is, once again, under review. But this context also opens a window of opportunity for a new deal to be struck, underpinned by a more connected operating framework, which draws CP 'communities' together, instead of encouraging competition for funds and concessions.

There is a need for a full assessment of how CP can champion EU solidarity while ensuring that funding is delivered in a sustainable way. The policy has achieved much in previous decades contributing to the EU's 'smart, sustainable and inclusive growth' agenda. However, this is often traded off against excessive bureaucracy, criticisms of 'circular funding', lack of fit between spend and need, and funding absorption challenges.

The EU project requires fresh momentum, underpinned by bold reform of CP. To enhance its credibility and purpose, the policy's economic, social and territorial objectives should be repositioned at the core of the EU project. CP's relevance and value should be better integrated and communicated across the entire EU policy and funding framework. As the 'champion' of EU solidarity, CP can only harness and extend its presence at the local level when it is granted the necessary status and reach to achieve this.

Clarity of purpose is critical. The policy's credibility as a driver of investment needs to be significantly enhanced, which means streamlining the rules and delivery systems and aligning CP with economic governance to increase scale efforts and leverage investment. But the new CP should also

“To enhance its credibility and purpose, Cohesion Policy's economic, social and territorial objectives should be repositioned at the core of the EU project”

integrate a differentiated approach, taking due account of different delivery capacities across the EU (e.g. in funds absorption and levels of development).

Some of these proposals may face resistance. However, in the current environment, it is in the interest of all CP partners to seriously consider possible reforms to make the future policy fit for purpose post 2020. The worst of all outcomes would be a cut in funding without grasping the opportunity for reform and prioritisation. ■



The European Policy Centre is an independent, not-for-profit think-tank dedicated to fostering European integration through analysis and debate, supporting and challenging European decision-makers to make informed decisions based on evidence and analysis, and providing a platform for engaging partners, stakeholders and citizens in EU policy-making and the future of Europe:

<http://www.epc.eu/about.php>

Better financing for cities will help deliver stronger results for citizens

Cohesion Policy has long been one of the strongest expressions of solidarity between Member States and regions in the EU, and has delivered remarkable improvements in public services and infrastructure across Europe.

Cohesion Policy continues to bring clear and visible results to citizens in areas ranging from better access to schools, health and social care, cleaner air and water to improved and more sustainable mobility.

In my own city of Ghent, Structural Funds have made it possible to invest in both high-tech and 'low-tech' solutions. We have invested EUR 5 million from the European Regional Development Fund (ERDF) to create a new business district. A state-of-the-art building will reuse natural resources and stimulate research, innovation and entrepreneurship. At the same time, ERDF also provides valuable seed money to experiment with new forms of decision-making and social innovation, bringing clear, visible results for our citizens and improving their quality of life.

However, against the backdrop of both Brexit and the longer-term implications of the financial crises, the next round of debates on Cohesion Policy will take place in a markedly different context. It leaves open several questions regarding exactly what the capacity of the next EU budget will be.

This challenge gives us a chance to rethink how we do things in Europe, and to better involve citizens in decision-making. Cohesion Policy can be a building block towards

a stronger and more united EU where citizens feel connected to the European idea and see how the EU contributes to a better quality of life in our cities.

Cities are well placed to work in partnership with EU decision-makers to design policy based on citizens' needs. As the level of government closest to the citizens, we can connect EU investment with local needs, ensuring better returns on the funding. EURO CITIES' recent policy paper argues for a continuation of a strong Cohesion Policy post 2020 based on three principles:

- 1) Cohesion Policy must continue to cover all regions. It is a policy for European solidarity.
- 2) a stronger application of the partnership principle must help make cities more involved and allow for increased access to financing. Most global challenges are concentrated in cities, and it is in cities that solutions are most often put into effect.
- 3) simplification of existing funding sources, especially the better integration of the European Social Fund and the European Regional Development Fund, will help cities to be more efficient in delivering crucial services.

We have many reasons to be proud of Europe: enduring peace, greater wealth and solidarity. Nevertheless, the EU has been shaken to its core by Brexit and rising Euroscepticism. A strong Cohesion Policy that effectively supports cities and regions in their efforts to tackle our challenges can be one of the EU's strongest tools to overcome these crises.



Daniël Termont
Mayor of Ghent and
President of EURO CITIES

“Cohesion Policy can be a building block towards a stronger and more united EU where citizens feel connected to the European idea and see how the EU contributes to a better quality of life in our cities”



EURO CITIES is the network of major European cities. Its members are the elected local and municipal governments of major European cities. Through six thematic forums, a wide range of working groups, projects, activities and events, it offers members a platform for sharing knowledge and exchanging ideas on issues that affect the day-to-day lives of Europeans:

<http://www.eurocities.eu/eurocities/home>

EU Cohesion Funds and the fight against poverty

The lack of progress towards reaching the Europe 2020 target of reducing poverty by at least 20 million people is due not only to the financial crisis, but also to the failure to pursue a more balanced social and economic agenda.



Leo Williams
Director of the European
Anti-Poverty Network

This failure is leading to a social and democratic crisis. The recently proposed European Pillar of Social Rights could be the beginning of a real response – but it needs serious commitment to follow up and implement at the national level.

“The next round of EU Cohesion Funds should consider a higher earmarking of ESF funds for social inclusion”

Without the poverty target and significant efforts to follow up through the Europe 2020 strategy and the Semester process, the situation would be even worse. One of the most meaningful efforts to reduce the number of people living in poverty has been the ring fencing of 20% of the European Social Fund for social inclusion. An initial assessment by the Commission shows formal compliance to this commitment in all Member States. However, if the Commission is truly serious about this, then further monitoring

and reporting is necessary to reveal what is included as social inclusion in the measures funded, and to assess to what extent these measures are helping people escape poverty.

The ESF platform, supported by the Commission, and in particular the Thematic Network on Inclusion, provides opportunities for exchange on ESF-supported social inclusion actions, under three themes:

- 1) innovation in social service provision with a particular focus on deinstitutionalisation;
- 2) actions to reach groups and communities experiencing high levels of poverty and discrimination, with a focus on homeless people and Roma; and
- 3) actions to support active inclusion approaches with a focus on integrated pathways and fostering participation in society and the labour market. This work should contribute to the identification of social inclusion indicators that could help monitor the ring fencing of funds for social inclusion.

The next round of EU Cohesion Funds should consider a higher earmarking of ESF funds for social inclusion. The commitment to invest the necessary time and resources to ensure all social inclusion measures are really meeting their indicators will be crucial. In addition, the Fund for European Aid to the Most Deprived programme, focusing on social inclusion, food aid and material assistance, demonstrates how EU funds can stimulate effective actions that reach people and communities experiencing poverty and exclusion.

This practice makes the case that the future EU financial framework, as well as supporting food aid, should include a large-scale social inclusion programme. Such actions are needed to give meaning to the Pillar of Social Rights. ■



The European Anti-Poverty Network is the largest European network of national, regional and local networks, involving anti-poverty NGOs and grass-root groups as well as European organisations active in the fight against poverty and social exclusion:

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

Creating an ‘alliance of the willing’

Karl-Heinz Lambertz, President of the Association of European Border Regions and incoming President of the European Committee of the Regions (CoR), stresses the importance of cross-border cooperation in boosting economic development and cohesion.



What is the added value of the European Cohesion Policy for border regions in the EU?

The European Union is divided by many internal borders where differences in competencies, structures, social and fiscal laws often cause difficulties. Border and cross-border regions are also further burdened by geographical obstacles, such as boundaries running along rivers and mountain ranges. Borders are often regarded as impenetrable barriers which require too much effort and time to overcome. Nevertheless, successful cross-border cooperation shows that clashes can also be a source of economic growth and mutual understanding. Achieving sustainable and effective European integration therefore needs close collaboration through cross-border cooperation. If there is no cohesion along European borders then it will be difficult to achieve the Treaty objective of territorial cohesion for the entire EU.

Without support from Cohesion Policy, border regions would never develop their potential due to differing local and regional priorities. Far too often opportunities are missed to use a ‘critical mass’ of investment which only makes sense when implemented in cross-border projects – for example, hospitals, cross-border services, waste-management facilities, economic cooperation, etc. The challenge is to create a new function of borders, turning them into meeting rooms. This shows the real added value Cohesion Policy can play in Europe’s border regions.

Can you summarise what have been the major achievements and what is still to be done?

Cohesion Policy helps border regions develop their potential by overcoming differences in priorities either side of the borders. Cross-border cooperation positively impacts Europe’s border regions,

especially as regards economic growth and employment, always occurring in addition to national measures and contributing significantly to the implementation of current and future European strategies.

This goes far beyond the exchange of experience and coordination, and leads to practical cooperation with proven results of success in infrastructure development, economic cooperation, innovation and research, labour market, tourism, culture and much more.

Cohesion Policy is not only an instrument for economic development and reducing regional disparity, but demonstrates the added value of the EU across the Union and in all regions and cities. Furthermore, it is a unique example for European solidarity and unity, leading to a stronger and more resilient European Union – our common aim as stated in the Rome Declaration.

“ Borders are often regarded as impenetrable barriers which require too much effort and time to overcome. Nevertheless, successful cross-border cooperation shows that clashes can also be a source of economic growth and mutual understanding ”



What are the major priorities for the border regions regarding the future of EU finances?

Border regions – as is the case for all regions in the EU – are interested in having an EU budget that makes a real difference for all citizens. Instead of increasing the number of EU-funded programmes centralised at European level, border regions are more in favour of EU funds being designed to support cross-border development strategies and are based on regional needs. This is what we call the ‘place-based’ approach which is the essential element of the Cohesion Policy.

It is therefore important that the financial support envisaged for European Territorial Cooperation after 2020 is increased and significantly higher than the current allocation of 3 % of the European Structural and Investment Fund.

We must also make sure that our procedures for managing funds are streamlined and simplified, as intended by the ‘Budget for Results’ initiative led by the European Commission.

As the next President of the European Committee of the Regions (CoR), from 12 July, what are your views regarding the future of the policy and the ESI funds beyond 2020?

At our May plenary, the CoR has – as the first EU body – adopted its formal position on the future of Cohesion

“ The sole purpose for everyone working with and for the EU is to improve and benefit the lives of its citizens ”

Policy based on intensive discussions with European cities and regions, the European Commission, the European Parliament, as well as with many Member States and countless stakeholders.

I see my role as the future CoR President is about promoting joint ideas on the future of Cohesion Policy, also in

the context of the debate on the future of Europe and in view of the UK leaving the Union.

The sole purpose for everyone working with and for the EU is to improve and benefit the lives of its citizens. I am deeply convinced that we can only address growing populism and the lack of trust felt by many citizens in the EU by demonstrating that the EU does benefit their lives and their communities. This is exactly what Cohesion Policy intends to do and why we will need it more than ever in the future.

We will try to create an ‘alliance of the willing’ to fight for a reformed Cohesion Policy which should be drastically simplified and based on a stronger partnership with the cities and regions. This also includes putting more emphasis on assessing the territorial impacts of EU policies to ensure that they all support the Treaty’s objective of economic, social and territorial cohesion. ■

AER for a result-orientated Cohesion Policy post 2020

The Assembly of European Regions (AER) believes in a new vision for the future of Cohesion Policy: a delivery mechanism that is simple and achieves results throughout Europe.



Michiel Rijsberman
AER Rapporteur
Cohesion Policy post 2020
Regional Minister of the Province
of Flevoland (NL)

Europe's regions work with Cohesion Policy every day, making proposals from the ground for a better future. AER set up a Cohesion Policy Task Force which adopted a declaration on 1 June 2016 in Sankt Pölten, Austria. It identified four areas: a long-term vision; simplification and audit; combining the European Structural and Investment Funds with other funds; and multi-level governance and gold plating.

Cohesion Policy needs to be reshaped to address future EU challenges. The public value attached to ESI Funds will grow following Brexit, EU budget cuts and the rise of new EU challenges. Against Cohesion Policy is its low absorption rate and

burdensome delivery mechanism. However, ESI Funds have brought added value. The only way forward is a results-orientated Cohesion Policy, clear EU objectives and a simple delivery mechanism for its beneficiaries.

The major economic, social and territorial challenges from regions should form the backbone of a vision for Cohesion Policy post 2020. By providing grants for innovations in energy transition, climate change and social inclusion in our regions, it is becoming more than just a mechanism to converge income inequalities among European regions. Improving the quality of life of citizens around Europe is the key behind every euro spent in grants. A vision on the Europe of tomorrow with common European objectives should give direction and create a sense of ownership among the beneficiaries.

“The major economic, social and territorial challenges from regions should form the backbone of a vision for Cohesion Policy post 2020”

The renewed delivery mechanisms should provide for: the prevention of gold plating; one single rulebook for different ESI Funds; and differentiated audit regimes based on proportionality in error rates and scale of programme. ■



The Assembly of European Regions is the largest independent network of regions in wider Europe, gathering regions from 35 countries. It has always taken an active role in Cohesion policy debates. Last September, the initiative 'Strong renewed regional policy post 2020 for all regions' was signed by more than 300 regional presidents.

<http://aer.eu/>

Moderating the 7th Cohesion Policy Conference 2017

As the moderator of the EU's 7th Cohesion Policy conference this year in Brussels, I am looking forward to interacting with the dynamic mix of keynote speakers, panel participants, attendees, EU folk and others over the course of the two-day event.

This year's conference takes place in the shadow of Brexit which, of course, will have a significant impact on future EU budgets, including Cohesion Policy funds. At the moment, it is impossible to properly calculate the financial cost of Britain's exit on future EU budgets. Estimates put it at anything from a EUR 5 billion to EUR 17 billion annual deficit depending on a range of factors, including whether we end up with a soft or a hard Brexit.

As an Irish journalist, I am acutely aware of the economic and political implications of Britain's withdrawal from the EU, with a shared border between the Irish Republic and Northern Ireland posing huge challenges post-Brexit. And that is not to mention the damage it may have on the significant trade between Ireland and the UK. But the Irish issue aside, managing a potential financial deficit will be a mammoth issue for the EU and its budget beyond 2020, following Britain's exit from the bloc. So Brexit is bound to feature in the forthcoming Cohesion Policy conference.

One of the first debates I will moderate on the first day will focus on how Cohesion Policy can contribute to the modernisation

of the European economy. Usually when I moderate panel debates on modernising European economies, we invariably end up discussing the growing impact of digitisation on industry and society. Issues such as driverless trucks, autonomous production lines and advanced robotic technologies are frequently tackled during these debates.

How EU countries embrace that digital transformation is a big question. It is particularly relevant for those regions and cities which may not be as advanced as others. If they fail to facilitate the kind of digital advancement needed to remain economically and socially viable, there is a danger they will be left behind and we will have a kind of two-speed Europe with some countries much more technologically advanced than others.

“As an Irish journalist, I am acutely aware of the economic and political implications of Britain's withdrawal from the EU, with a shared border between the Irish Republic and Northern Ireland posing huge challenges post-Brexit”

We now live in an era which requires us to regularly upskill and retrain in order to stay relevant in our jobs and our societies. If we disconnect from the digital grid we may get left behind in an ever-more technological world.

So regions and cities need to be clever about how they manage the transition from old to new economies, whether it is



Karen Coleman
broadcaster/journalist/moderator

facilitating the retraining of truck drivers or integrating robotic technologies in ways that enhance rather than replace people's roles in society. And the EU Commission must ensure that it does not stymie their attempts to modernise by imposing a plethora of unnecessary rules and regulations and red tape. Because if regions and cities fail to grasp this digital transformation then we may not see the kind of cohesion the EU aspires to develop. ■

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Get ready for European Week of Regions and Cities 2017

In 2017, the European Week of Regions and Cities will take place under the title 'Regions and Cities working for a better future'. The event will include around 100 workshops, debates and networking activities which will be attended by some 5000 participants. In addition to the Brussels-based workshops, a programme of local events will be organised across Europe between September and December 2017.

The 15th European Week of Regions and Cities (EWRC) will take place just ahead of the publication of the Cohesion Report and the presentation of the EU multiannual financial framework 2020-2026. This provides an opportunity for the EWRC to be one of the platforms for gathering and presenting the views of regions and cities on both the budget and the subsequent legislative proposals, namely with regard to Cohesion Policy and rural development.



**15TH EUROPEAN WEEK
OF REGIONS AND CITIES 2017**

**9-12 OCTOBER 2017, BRUSSELS
REGISTRATION OPENS ON 10 JULY**

FIND OUT MORE
[http://ec.europa.eu/regional_policy/
regions-and-cities/2017/index.cfm](http://ec.europa.eu/regional_policy/regions-and-cities/2017/index.cfm)

Building resilient regions and cities

This strand will focus on the economic and social effects of globalisation and the policy response at EU, national, regional and local level. It will enable participants to present and discuss innovative ways to foster change, in particular on how to make Europe's cities smarter and more resilient.

The workshops will concentrate, for example, on how digital opportunities can help to develop innovative planning, industrial transformation, smart specialisation and better governance to overcome current challenges and foster jobs and investment at all EU levels.

Regions and cities as change agents

This strand will consider possible adaptations to EU regional and urban policy for the next five to ten years, and encourage more general reflections on the EU from the perspective of regions and cities. It will provide a platform to illustrate the effective contributions EU regions and cities are making to the European project and will allow them to provide input to the main political debate in parallel with the 'Reflecting on Europe' process launched by the European Committee of the Regions.

The workshops will focus on how local and regional ecosystems reduce disparities through, for example, the circular economy, the third industrial revolution, open data, integrated territorial development, urban laboratories, research and innovation actions, while, at the same time, looking ahead to future prospects.

Sharing knowledge to deliver results

Under this strand, regional and national authorities implementing programmes supported by the European Structural and Investments funds will have the opportunity to exchange

experiences and good practices on programme management during the period 2014-2020. Key issues include considering ways to reduce the administrative burden on beneficiaries through simplification, as well as different means of strengthening institutions and building administrative capacity among administrations at all levels.

Discussions with practitioners will be integrated with input from academia as well as from participants from non-EU countries interested in the process of European integration, both from an institutional point of view and in terms of policies that promote European cohesion.

The workshops will analyse regional innovation systems, territorial impact assessment, transforming learning into action, resource-efficient cities, cost-benefit analysis, inter-regional collaboration and how innovation hubs can deliver a more sustainable performance.

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RegioStars



RegioStars Awards aim to identify good practices in regional development and to highlight original and innovative projects which could be attractive and inspiring to other regions.

The Award Categories for 2017 are:

1. Smart specialisation for SME innovation
2. Energy Union: Climate action
3. Women empowerment and active participation
4. Education and training
5. CityStars: cities in digital transition

Members of the RegioStars Awards Jury, chaired by Lambert Van Nistelrooij MEP, are currently evaluating 110 applications which have been submitted this year.

The RegioStars 2017 Awards Ceremony takes place in Brussels on Tuesday 10 October. This year will also see the celebration of the 10th anniversary of the Awards and, for the second year running, a public vote will also be presented.

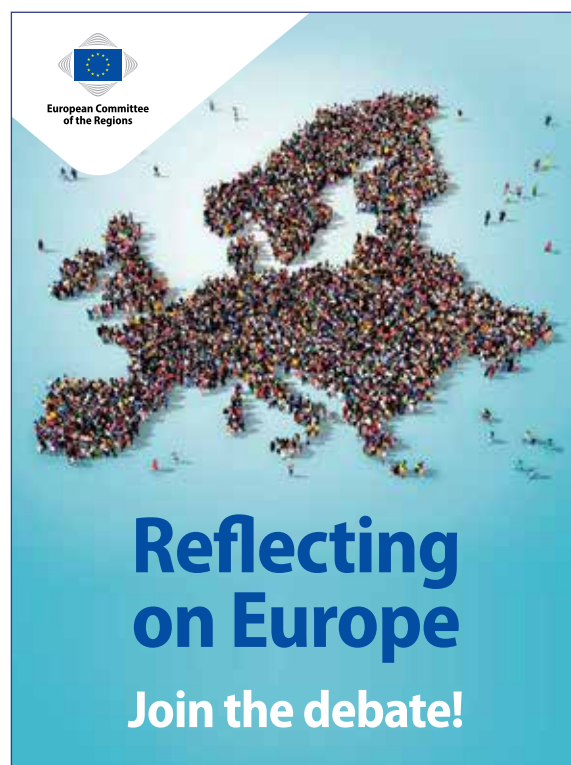
FIND OUT MORE

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

Local events

Each regional partnership is requested to organise one local event under the title 'Europe in my region/city' in the format of a citizens' dialogue, to take place between September and December 2017, and including a member of the European Committee of the Regions (CoR).

The objective of the citizens' dialogues is to listen and report back directly from cities and regions and from the discussions taking place. These dialogues are an integral part of the CoR initiative 'Reflecting on Europe' which, in spring 2018, will feed into an opinion on 'Reflecting on Europe: the voice of regional authorities to rebuild trust in the European Union', thereby enabling real inputs from regions and cities to the political process. The aim is to attract a wide range of participants, including the general public, policymakers and experts, and to raise awareness of the impact of EU policies on their region and city.



FIND OUT MORE

<http://cor.europa.eu/en/events/Pages/reflecting-eu.aspx>



"Interreg Volunteer Youth": promoting cooperation and solidarity across borders

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

Strasbourg, 14 September 2016: I enter the European Parliament and take a seat in the Hemicycle – eager to listen to Jean-Claude Juncker delivering his State of the Union speech.

“Solidarity is the glue that keeps our Union together. [...] When the Portuguese hills were burning, Italian planes doused the flames. [...] In the same spirit, the Commission is proposing today to set up a European Solidarity Corps. Young people across the EU will be able to volunteer their help where it is needed most [...].”

Having grown up and studied for many years in cross-border regions, I got to appreciate the added value of territorial cohesion and integration within a transnational

area. When crossing a border is part of your daily business, be it for work or for jogging, you start to realise how significant it is that these borders are not barriers.

As far as I can tell, the EU is all about solidarity, democracy and being able to travel freely; about countries sharing a common vision; about people cooperating, defending human rights, and breaching inequalities; about citizens living in peace. This European Solidarity Corps offers the very possibility to promote and foster all these values, strengthening the glue between Europeans.

I started my volunteering experience in the framework of Interreg Volunteer Youth, on Monday 20 March. As an Interreg reporter within the Joint Secretariat of the Danube

"When crossing a border is part of your daily business, be it for work or jogging, you start to realise how significant it is that these borders are not barriers"

Transnational Programme (DTP), I seek to support, promote and report on the importance of cooperation across European borders and the benefits of European territorial integration. The DTP aims at promoting economic, social and territorial cohesion, addressing common challenges where transnational cooperation is expected to deliver tangible results.

By working very closely with the 54 projects approved under the first call for proposals, I have a better/deeper/further insight into the way transnational cooperation prepares the ground for long-lasting and comprehensive projects, in a sustainable perspective. Cooperation among countries can indeed help solve joint problems, by enriching perspectives on best practices and lessons learnt in other countries. Bringing Europeans closer together is a way to facilitate the sharing of ideas and assets, thus encouraging strategic work towards common goals.

Being the first ESC/IVY volunteer ever deployed on the ground opened me up to new highly valuable experiences. It allowed me to live experiences of a lifetime – participating in the EU Open Door day in Brussels, being filmed by the European Commission for a video, giving interviews to the radio and newspapers, meeting the Commissioner for Budget & Human Resources and the President of the European Committee of the Regions, talking about this whole adventure during a seminar for Hungarian journalists... What a challenging yet epic journey I have just begun!

Manon, France (pictured left)

.....

Coming from Germany, why should I take an interest in Poland, Denmark, Sweden and Lithuania? What motivated me to volunteer for the Interreg South Baltic programme – a special cross-border cooperation programme engaging several regions in the South Baltic Sea area – is a strong belief in the added value that cooperation brings to citizens in Europe. I further believe that the European Solidarity

Corps can offer Interreg Volunteer Youth participants the unique opportunity to contribute in a meaningful way to building a foundation of trust – a sense of community – that is mutually beneficial and enriching. Involving a variety of partners at the local, regional, national and European level, IVY's unique 'bottom-up' approach made me think of solidarity in terms of an extended community that fosters cooperation across borders and comprises multiple complementary levels of belonging.

Putting theory into practice, what experiences have I actually had so far? My learning curve as an IVY reporter started with a 'big bang': the EU Open Day in the Berlaymont premises in Brussels. More than 30 Directorates-General of the European Commission presented their activities to about 12 000 citizens! Manon and I mastered interviews, informed interested visitors, and even had the opportunity to air our opinions on the ESC in a live radio broadcast. Back in Poland again, I am looking forward to reporting 'on the ground' on many interesting European Territorial Cooperation projects this summer.

"What motivated me to volunteer for the Interreg South Baltic programme is a strong belief in the added value that cooperation brings to citizens in Europe"

Ending 6 May on a positive note, coming from Germany and volunteering for this special cross-border cooperation programme in the South Baltic Sea area has widened my horizons, broadened my sense of solidarity and strengthened my belief in finding joint solutions to today's common challenges. I hope that my learning curve as an IVY reporter will continue to grow as promisingly as it had begun and that there will be many more young IVYs with an open optimistic outlook joining the ESC in the future.

Yasmin, Germany (pictured right)



FIND OUT MORE

https://europa.eu/youth/solidarity_en
<https://www.interregyouth.com/>



Students report on Interreg projects in Malta

The Interreg Annual Meeting 2017 took place from 26-28 April in Malta. It was organised by the European Commission, Directorate-General for Regional and Urban Policy with the support of the Maltese Presidency of the Council of the European Union.

During the event, participants had the opportunity to visit one of three projects:

- Lithos cross-border project on the protection and valorisation of historical heritage;
- CypFire transnational project on protecting the Mediterranean regions' natural heritage against fire;
- Malta south sewage treatment infrastructure.

Students from the journalism school at the Malta College of Arts Science and Technology - MCAST were also invited to attend. These project visits were an opportunity for these young people to witness the concrete benefits of cooperation. Their impressions of the project visits are given below.

Lithos

This cross-border project between Malta and Sicily focuses on the protection and valorisation of the historical heritage. Speaking to Daphne Marie Fenech, the lead architect behind the Lithos project at the Inquisitor's Palace in Vittoriosa, she explained that in essence the project focuses on the synergy between the historical profession of two nations (Malta and Sicily) and the ability to put it to use to restore building and structures that otherwise would be lost.

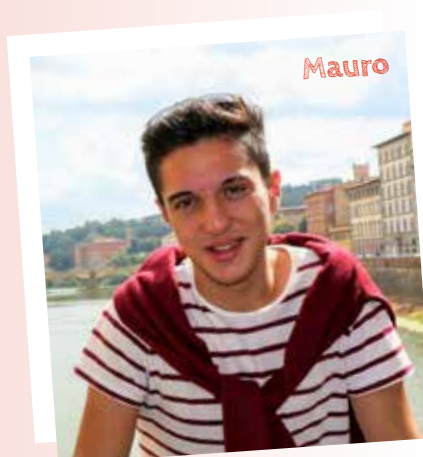
One of the techniques in the forefront of the project is stereotomy, revolving around the geometrical knowledge of drawing and cutting the blocks of solid material. Fenech stated that the fact that the project's results were tangible aided the process of receiving funds from the European regional fund. Consequently, a museum and training centre were erected with material, equipment and expertise not present in Malta but imported from Ragusa, Sicily.

Speaking on the benefits of working with another EU Member State in a cross-border project, Fenech said the communication between parties is exceptional and a platform such as the EU helps in creating a pool of countries that seeks partners in similar projects.

Apart from the rejuvenation of old structures and infrastructure, the project also aimed at the resurgence of masonry skills in Malta. Prior to this and similar initiatives local architects feared the death knell for masonry skills and other historical professions targeting architecture.

The important role of MCAST was also highlighted during this informative meeting. The institution's work in conjunction with Heritage Malta's various research operations gave a new lease of life to a number of prospective masons.

Liam



CypFire

On 27 April I had the chance to attend the CypFire project event held by the EU Commission. Prior to visiting some sites a talk was held at the local council of Mgarr where we were greeted by the mayor Paul Vella who introduced three more speakers – Roberto Danti, Gianni Della Rocca and Eman Vella.

Each spoke of their involvement in this project. Danti started by stating the aim of this CypFire project: to suppress forest fires with a natural barrier, cypress trees. He talked about how the project came to be with the various experiments done in different countries and the general spreading of knowledge.

Della Rocca spoke about the technical aspect of the project by going into scientific detail about the properties of the particular species of trees called Mediterranean cypresses.

Lastly, Vella spoke of the input the Mgarr local council had in previous experiments to determine the best species of cypress to use in this natural barrier. Mgarr was the best contender for planting trees as it has the best maintained rural area in Malta and plenty of space. The trees were planted in two sites – one near Gnejna and one in Ballut – in 2006 and 2012, respectively. The monitoring of these trees is still ongoing even though CypFire has ended.

Sara and Andrew

Ta' Barkat sewage treatment plant

The annual meeting included a visit to the sewage treatment infrastructure known as Ta' Barkat, at Xgħajra, Malta, Stefan Cachia and David Sacco, engineers within Water Services Corporation, discussed the project's aim and objectives, agenda and the treatment's key infrastructure.

Cachia opened up the discourse with CF116, one of the most iconic waste projects in Malta. This operational programme was originally submitted to the Commission in December 2007 and formally submitted in July 2010. According to Cachia, CF116 re-establishes the bathing water quality along with the Bathing Water Directive and eliminates extra raw waste water which is discharged into the sea. This project also aims to get rid of all bad odour emissions in raw waste-water discharge. Cachia said the project cost around EUR 80.1 million.

Sacco discussed the project's aim and objective with regards to the reduction in pressure on natural water resources to diversify the available water supply and increase the proportion of reclaimed water. He also stated that the water services facilitates 90 boreholes, 10 pumping stations and 3 sea-water reverse-osmosis plants in Malta and 44 boreholes and 2 pumping stations in Gozo.

The Water Services Corporation aims to continue to invest in better quality of life which leads to an investment in the future of the Maltese people. The delegation then visited the plant.

Miguela and Mauro



FIND OUT MORE

<http://webcasting.streamdis.eu/Mediasite/Catalog/Full/Seea1d0698264ad88e78a7cbf397459221>

NEWS [IN BRIEF]

THE EUROPEAN INVESTMENT PROJECT PORTAL

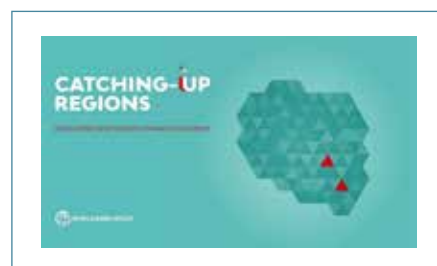


The EIPP is a web portal enabling EU-based project promoters – public or private – to reach potential investors worldwide. Designed in response to investors' desire to see more potential EU investment opportunities in one central information platform, it offers advanced search and filtering criteria, making it easy for investors to find projects according to their preferences.

The portal will boost the visibility of EU-based projects to a large network of international investors, by presenting them in a structured and harmonised format.

YOU CAN SUBMIT YOUR INVESTMENT PROJECT AT
ec.europa.eu/eipp

POLAND: A COMMISSION INITIATIVE HELPS LOW-INCOME REGIONS CATCH UP



As part of the European Commission's tailored assistance to low-growth and low-income EU regions with the help of Cohesion Policy funds, a one-year pilot initiative is showing promising results in Poland. Commission and World Bank experts, together with Polish national and local authorities, have been working over the past year to identify solutions to boost economic development in the low-income regions of Podkarpackie and Świętokrzyskie in Eastern Poland. They have defined strategic priorities and concrete, quickly implementable actions for academia, the business environment and the workforce.

On the basis of these first promising pilot actions, a roll-out plan is being prepared to replicate these projects in other suitable Polish regions.

FIND OUT MORE
<http://europa.eu/!Cm83tg>

PEER 2 PEER MARKS ITS 100TH EVENT AND IS READY FOR MORE!



TAIEX-REGIO PEER 2 PEER reached its 100th event milestone as the Hungarian delegation visited peers in Lithuania to exchange good practice on implementing financial instruments for energy efficiency. Launched only two years ago by DG Regional and Urban Policy, in close co-operation with DG NEAR, TAIEX-REGIO PEER 2 PEER is a widely appreciated and simple-to-use tool designed to help Member State administrations meet more easily and share their experience on various topics related to managing the European Structural and Investment Funds.

To date, the Commission has received 171 requests for exchanges, of which 100 have taken place, involving 1500 participants from 25 EU Member States. The wide variety of topics covered in these exchanges ranges from management and control issues to financial instruments, urban development, smart specialisation, public procurement, etc. In their feedback, Member States say the instrument is helpful, easy to use and non-bureaucratic.

FIND OUT MORE
<http://funding.balticsea-region.eu/>

AGENDA

21 SEPTEMBER 2017
European Cooperation Day

9-12 OCTOBER 2017

Brussels (BE)

European week of Regions and Cities

10 OCTOBER 2017

Brussels (BE)

Regiostars Awards Ceremony

18-19 OCTOBER 2017

Budapest (HU)

**6th Annual Forum of the EU Strategy
for the Danube Region**

21-23 NOVEMBER 2017

Munich (DE)

**2nd Annual Forum of the EU Strategy
for the Alpine Region**

27-28 NOVEMBER 2017

Rotterdam (NL)

Cities Forum

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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