



European  
Commission

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# panorama

inforegio



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EU regional policy

- ▶ Cohesion policy support for climate and energy investments
- ▶ What's next for Interreg?
- ▶ Peer-to-peer learning to strengthen administrative capacity

*Regional and  
Urban Policy*



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## ▶ EDITORIAL

**Walter Deffaa**  
 Director-General,  
 Regional and Urban Policy,  
 European Commission

In this, the first *Panorama* Magazine issue since the new Commission has taken office, we have the great pleasure of welcoming our new Commissioner for Regional Policy, **Corina Crețu**. We are fortunate to have a political master with such experience of the workings of the EU institutions combined with an awareness of the realities of our regions from the richest to the poorest.

It's also the moment to express our gratitude to Commissioner **Johannes Hahn** who has worked so successfully in his mandate to refocus cohesion policy as Europe's primary instrument for boosting investment in job creation, SME support, research, innovation and energy efficiency. He has made sure that the design of the new 2014-2020 programmes will be fully capable of contributing to the EU's main priorities.

### Green light for Partnership Agreements

We are pleased to report that all 28 Partnership Agreements with Member States have been finalised and approved. Each Partnership Agreement sets out the national strategy for the optimal use of European Structural and Investment Funds (ESIF) for the next seven years.

In 2015 Member States' Operational Programmes (OPs) which define the regional investment plans for the 2014-2020 programming period will be in full swing. Many of them are expected to be approved by the end of the year;

the remaining OPs should be adopted in the first semester of 2015. The Operational Programmes will impact on a wide number of key EU priorities such as energy security, climate action, the digital economy, urban development, and support for SMEs.

As you will read in this issue of *Panorama*, the Commission is already actively engaged in improving the administrative capacity of Member States to use ESIF and properly manage programmes. We are helping build up the skills of our colleagues in the Member States through innovative training sessions and through the networking of national specialists.

### 25th anniversary of Interreg

This issue also features the Interreg programmes, which encourage regions and cities from different EU Member States to work together and learn from each other through joint projects and networks. Celebrating its 25th anniversary next year, European Territorial Cooperation, also commonly known as Interreg, has become an important cornerstone of European cohesion policy. Those projects have built trust and created a sense of solidarity between regions, bringing people together and ensuring common solutions for shared problems, whether in the area of innovation, health, infrastructure, education, training or energy. For 2014-2020, almost EUR 10 billion will be invested in cooperation between regions and territorial, social and economic partners in the framework of around 100 cooperation programmes.

# ▶ ‘COHESION POLICY CAN PUT EUROPE BACK ON THE RIGHT TRACK’

CORINA CREȚU



**On 1 November, Romania’s Corina Crețu took over the reins from Johannes Hahn as Commissioner for Regional Policy. After eight years in the European Parliament, she is well acquainted with the development of the new cohesion policy and also the intricacy of EU affairs. She is determined to make sure it brings tangible benefits to all regions of the European Union.**

The new Commissioner for Regional Policy **Corina Crețu** will be overseeing the deployment of Europe’s largest investment and economic development budget of EUR 351 billion.

‘I was very pleased to be given the regional policy portfolio. With its focus on effective investment in the regions, it is one of the most important strategic policies for putting Europe back on the right track. With the European Structural and Investment Funds we now have at our disposal the resources to help lesser developed regions compete and to enable more advanced regions to excel. It is important that cohesion policy works for all of the people of Europe.’

A former spokesperson of the President of Romania, an experienced journalist and an economist by training, Corina Crețu has for the past eight years been a Member of the European

Parliament (EP), becoming vice-chair of the Development Committee, and later appointed Vice-President of the EP.

‘As an MEP I have been privileged to travel widely across Europe and beyond and meet lots of people and special interest groups. This has helped give me a good understanding of their needs and concerns.’

## Good relations with Parliamentarians

Through her work in the Parliament she has a clear idea about what this elected body, with its reinforced powers, expects from the Commission. The new Commissioner intends to maintain close ties with the European Parliament and provide regular reporting to and dialogue with MEPs.

‘This is, of course, important from the point of view of accountability, but also to better explain and communicate a vast and often complex policy area,’ she explains. ‘There are many new faces in the European Parliament – some 60% have changed. Many are arriving with practical experience of regional work. It is important to share information with them and listen to their ideas.’

## CURRICULUM VITAE

Bucharest-born **Corina Crețu** studied economics before entering journalism. From 1990 to 1992 she was a reporter and commentator for several Romanian newspapers. Between 2000 and 2004 she was an adviser and spokesperson for the Romanian President, and also Head of the Public Communication Department. She entered Romanian politics with the Social Democratic Party (PSD) rapidly rising to become its Vice-President.

In 2007 Corina Crețu entered the European Parliament where she has served on a wide range of committees: Employment and Social Affairs (2007-2012 and 2014), Civil Liberties (2014), Development (2009-2014), Foreign Affairs (2009-2014), and the Special Committee on the Financial, Economic and Social Crisis (2009-2011). She has also participated in many official delegations, in particular the Parliamentary Assembly of the Union for the Mediterranean, relations with United States, relations with Israel, and EU-Serbia. From 2012 to 2014 she was Vice-President of the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament. She is the author of the book *România europeană* (European Romania).



▶ Corina Crețu with Jonathan Hill (left), Commissioner for Financial Stability, Financial Services and Capital Markets Union, and Frans Timmermans, First-Vice President of the European Commission.

### Improving uptake of funds

In October Corina Crețu underwent detailed questioning during a Public Hearing at the European Parliament before her appointment was confirmed. During that Hearing she highlighted a number of key areas for immediate action. One of these is to improve the ability of Member States to obtain and manage the investment funds available from Brussels. 'Institutional capacity, good governance and strong public and private partnerships are, to my mind, more important than money. They are essential for the design and implementation of a successful cohesion policy,' she says. 'They define the necessary conditions for investment to have a lasting economic impact.'

### All Partnership Agreements agreed

'The Partnership Agreement which have now all been agreed represent a good strategic framework that is fully in line with the Commission's country-specific recommendations and the Europe 2020 Strategy. They provide the platform for developing better focused programmes based on clear priorities. And these will now include more explicit evaluation and performance requirements.'

**“The new cohesion policy is really designed to make a difference to the lives of the people of Europe, particularly by stimulating economic growth and jobs in the regions.”**

▶ CORINA CREȚU – EUROPEAN COMMISSIONER FOR REGIONAL POLICY

'Cohesion policy is not about a standard, one-size-fits-all economic recipe,' she explains. 'It is a "place based" policy, which needs territorial differentiation and looks individually at the economic capacities – including less obvious ones – and opportunities in each and every region.'

'Cohesion policy works close to the ground throughout the EU and is best placed for understanding and incorporating regional specificities,' she says. 'This can seriously help translate President Juncker's vision for growth and jobs into reality.'



## THE NEW GEOMETRY OF THE EUROPEAN COMMISSION

The new European Commission President, **Jean-Claude Juncker**, has introduced changes to the way the Commissioners operate and portfolios are managed.

A ‘supervisory’ group of Vice-Presidents has been introduced. They will assume a coordination role and work with individual Commissioners to ensure that all policy developments are fully in sync with the overarching EU strategic policy direction.

‘As Commissioner for Regional Policy I am happy to work under this new configuration, where Commissioners collaborate and pool resources together in a variable geometry under the coordination of a Vice-President, who acts in the name of the President,’ comments Commissioner **Corina Crețu**.

‘I am all in favour of Collegiality and breaking away from turf rivalries amongst services and power boundaries. This new system should allow us to redeploy resources swiftly to tackle urgent priorities, dedicating focused attention and joint action where the real urgencies are.’

The Commission has recently adopted a new Communication on working methods which explains how the new system will operate.

### New Task Force

The Commissioner has taken the initiative to create a dedicated Task Force to help those countries with the lowest absorption of funding improve their planning and investment capacities.

The Task Force will work with the targeted regions to help improve their take-up of EU Funds, in particular the remaining funding from the 2007-2013 programming period. It also plans to look at some of the regions which have received a lot of funding to date but show little economic growth. ‘We need to analyse what is happening there,’ she says.

At a broader level the Commissioner intends to mobilise technical assistance, expertise and advice, including through the mechanism of territorial cooperation, to help managing authorities define their strategies, project selection and project pipeline preparation, in line with the strategy and performance pre-conditions set out for the new programming period.

‘Most importantly, I intend to provide appropriate support for the use of all the new regulatory possibilities and financial instruments,’ she adds.

‘We are totally in agreement with anything that will make life easier for beneficiaries, including simplification. However we cannot relax controls too much. We have a responsibility to taxpayers to ensure money is spent properly. This is a question of balance.’

‘Next year, I would like to set up a simplification group to make sure that our money does reach quickly and effectively final beneficiaries, in particular SMEs.’

### Good governance and zero tolerance for fraud

Also during the Hearing with MEPs in October the Commissioner highlighted the importance of ensuring good governance in implementing ESI Funds and a zero tolerance for fraud.

‘I very much believe in preventive action. This can be achieved by appropriate training and the sharing of good practice across Europe. In particular, we need to enhance the administrative capacity of a number of management authorities in the fields of public procurement and State aid,’ she explains.

‘Besides this, we need to encourage further performance audits. This is essential to help continuously improve our policy and the way it responds to the people’s needs.’

On the issue of fraud prevention, the Commissioner stresses the need to promote transparency and better accountability. ‘It is important that we avoid “gold plating” and adding superfluous burdens that often only hide and complicate rather than prevent the misuse of our resources,’ she advises.

### New communication on urban policy

The new Commissioner fully agrees with the importance of integrating cities more closely into cohesion policy.

‘My predecessor changed the name of the Directorate-General to include Urban Policy and I fully endorse this. Next year, I intend to develop a Communication which will set the level of our ambitions in the field of urban policy. It will take stock of our current initiatives, including pilot actions and the URBACT network, and new regulatory opportunities to promote integrated urban and local programmes.’



▶ Visiting the new Horia Hulubei National Institute of Physics and Nuclear Engineering, Bucharest, with Eugen Tedorovici, Romanian Minister for EU Funds (top, third right), and the new Warsaw metro line, accompanied by the Mayor of Warsaw, Hanna Gronkiewicz (bottom, second left).



## Macro-regional strategies

‘The development of macro-regional strategies, such as for the Adriatic-Ionian area, clearly illustrates a broadening of the focus of regional policy to include both Member and non-Member States to resolve common regional challenges,’ Crețu explains.

‘But how do you assess the success of these programmes? Which other regions can benefit from this approach?’ she asks.

**‘Institutional capacity, good governance and strong public and private partnerships are, to my mind, more important than money. They are essential for the design and implementation of a successful cohesion policy.’**

▶ CORINA CREȚU – EUROPEAN COMMISSIONER FOR REGIONAL POLICY

Macro-regional and sea-basin strategies are an interesting new approach, which offer the possibility for Member States and regions to pool their resources, in order to tackle together common challenges through new territorial configurations.

‘Early results from the Baltic and the Danube Strategies reveal that participants are becoming increasingly aware of the benefits of this approach and starting to develop strong ownership and commitment,’ she says. ‘This is especially true when it comes to environmental issues: seas and rivers do not know about administrative borders.’

‘The Adriatic-Ionian Strategy has just been launched and in the future we will be launching the Alpine Strategy’, she explains. ‘We need to follow them carefully, take stock and learn from experience before we commit further.’

## Energy Union and Digital Single Market

The Commissioner emphasises that cohesion policy is also key to the delivery of both visions of the European Energy Union and the Digital Single Market.

‘Not least because cohesion policy funding will be dedicating nearly EUR 40 billion and EUR 14 billion of EU aid for each of them respectively.’

‘Beyond the money, we can contribute to the Energy Union in many ways. We can for example ensure a decentralised system of energy production from renewable sources at local level and by promoting smart systems and energy efficiency in buildings, which may also have a big impact in terms of local jobs.’

‘Regarding the Digital Single Market, we need not only to accelerate broadband roll-out but most importantly demand stimulation of new services and applications and in particular support digital entrepreneurship where many talented young people can reveal their talents.’

## Moving ahead

‘The modernised cohesion policy is designed to really make a difference to the lives of the people of Europe, particularly by stimulating economic growth and jobs in the regions,’ Corina Crețu stresses.

‘We have an exciting task ahead of us. We need to concentrate now on the swift and sound negotiation of Operational Programmes to ensure that our cohesion policy can help us overcome the economic crisis and generate much needed jobs.’

▶ FIND OUT MORE  
[http://ec.europa.eu/commission/2014-2019/cretu\\_en](http://ec.europa.eu/commission/2014-2019/cretu_en)

# ▶TACKLING CLIMATE CHANGE AND ENERGY SECURITY

HOW COHESION POLICY INVESTMENT AIMS TO ADDRESS THESE CHALLENGES

.....  
**Europe is today facing many challenges on the energy front with major issues arising with energy security alongside the long-standing threats posed by climate change. All highlight the necessity to change our consumption patterns, save energy and improve resource efficiency. At the heart of solutions to all these issues is to be found the EU's cohesion policy which is providing the funding and strategic drive to bring about substantive change.**  
 .....

One of the most significant achievements of the reformed cohesion policy has been the introduction of mandatory targets for investments in supporting the shift towards a low-carbon economy, with a major focus on energy efficiency and renewables.

As a result, energy efficiency and the development of renewable energy sources feature prominently in the Partnership Agreements being concluded with Member States on their spending plans for the European Structural and Investment Funds (ESIF).

Current data indicates that almost EUR 38 billion from the European Regional Development Fund (ERDF) and the Cohesion Fund (CF) will be allocated to low-carbon economy investments. This represents more than a doubling of funding in this area compared to the 2007-2013 period (see graph p. 10).

For the EU as a whole, this also goes well beyond the minimum allocations required by the new regulatory framework (approaching almost 50% more than required), which confirms the great importance that Member States attach to investments in this area.

## Promoting a low carbon economy

Support for the low-carbon economy includes investments in energy efficiency in public infrastructure, housing and enterprises, renewable energy production and use, smart distribution grids and sustainable urban mobility, as well as research and innovation in these areas.

The ESIF funding will make substantial sums available to local and regional authorities and other bodies which can be invested as appropriate in sustainable energy measures.

This funding can be leveraged with other sources such as private funding to underpin substantial investment projects. In many cases, this ESIF funding is the core element of a financing package triggering the investment.

## Cohesion policy and climate change

Preventing or diminishing the effects of climate change is a strategic priority for the EU and is driving its transition into a low-carbon and energy-secure economy.





.....  
▶ **BASSE-NORMANDIE/FRANCE**

**Tidal energy**

Ocean energy is one of the priorities of the smart specialisation strategy for Basse-Normandie, France. West Normandy Marine Energy, an organisation set up in 2012 to promote and organise the development of ocean based energy in the area, has already contributed to the development of new technologies to make use of tidal energy. Prototypes by Alstom and other companies have been tested, and industrial farms are to be created. In 2030, tidal industrial development is expected to provide some 3700 jobs in the region.  
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.....  
▶ **NIEDERÖSTERREICH/AUSTRIA**  
**Green Building Cluster**

The Green Building Cluster of Lower Austria is a network of the most innovative local companies, active in all areas of energy efficient and sustainable building, refurbishment, energy management and energy technologies. The Cluster connects construction and building professionals with researchers to address these challenges. The Cluster has received an EU contribution of EUR 1 million.  
.....



The EU has agreed that at least 20% of its EUR 960 billion budget for the 2014-2020 period should be spent on climate change-related actions. This represents around a threefold increase from the 6-8% share in 2007-2013.

Europe is working hard to cut its greenhouse gas emissions substantially and is a major force on the world stage encouraging other countries to do likewise.

To meet the EU's 2020 climate and energy targets for reduced greenhouse gas emissions (20%), an increased share of renewable energy (20%) and increased energy efficiency (20%), a major acceleration of investments is needed in the period up to 2020.

The 2030 policy framework for climate and energy agreed by EU leaders in October 2014 seeks to drive continued progress towards a low-carbon economy with new targets for reduced greenhouse gas emissions (40%), an increased share of renewable energy (27%) and increased energy efficiency (30%).

It also aims at building a competitive and secure energy system that ensures affordable energy for all consumers, increases the security of the EU's energy supplies, reduces

our dependence on energy imports and creates new opportunities for growth and jobs.

Moreover, in response to the political crisis in Ukraine and the overall importance of a stable and abundant supply of energy for the EU's citizens and businesses, the Commission proposed an EU energy security strategy in May 2014, based on an in-depth study of Member States' energy dependence.

The cohesion policy investments will not only be a crucial tool for helping Member States achieve the Europe 2020 objectives, including the headline targets on climate and energy, but also for contributing to the security of energy supply, as highlighted in the Commission Communication on the European Energy Security Strategy.

## Green growth

The substantial investments required to cut energy use and increase renewables have great potential for creating new businesses and business opportunities, which stimulate economic growth and create jobs. Such investments are already giving Europe a competitive advantage in a number of areas.

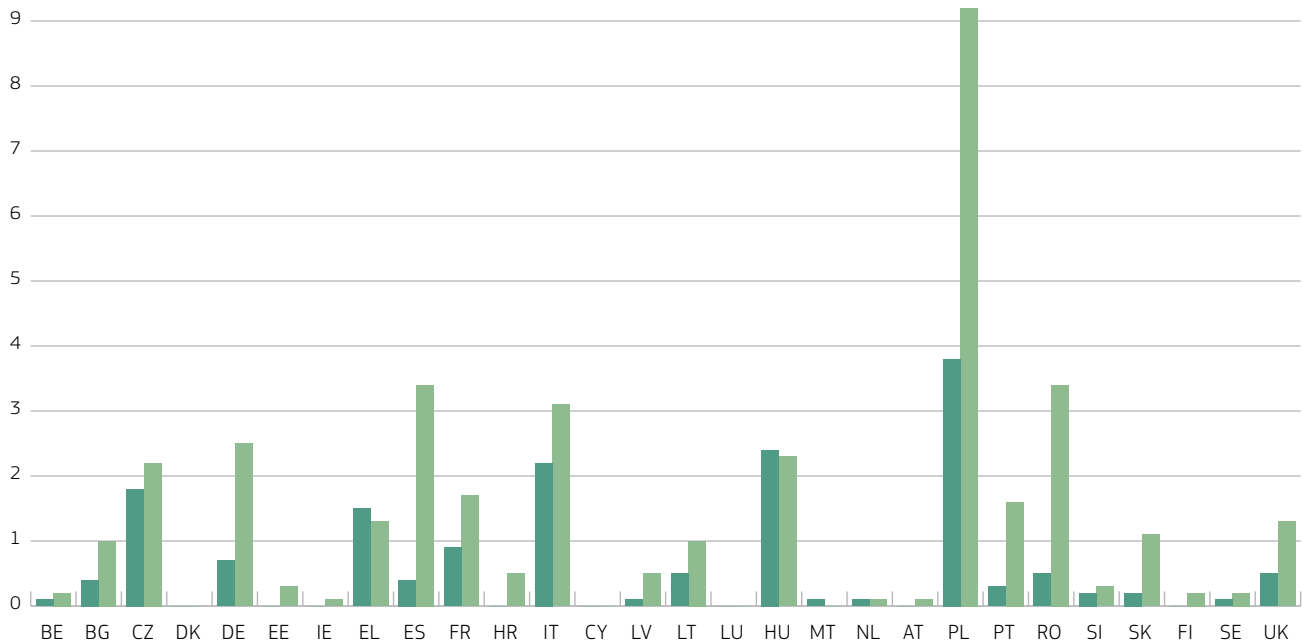
## LOW-CARBON ECONOMY INVESTMENTS

ERDF AND CF AMOUNTS ALLOCATED IN THE PARTNERSHIP AGREEMENTS TO LOW-CARBON ECONOMY INVESTMENTS 2014-2020, COMPARED TO AN ESTIMATE OF SIMILAR ALLOCATIONS IN 2007-2013.

▶BILLION EUR

2007-2013  
2014-2020

Source: European Commission



The global demand for environmental technologies, eco-friendly products and services, and sustainable design ideas is expected to gather speed in the coming years. The global market, currently estimated at EUR 1.15 trillion a year, could almost double, with the average estimate for 2020 being around EUR 2 trillion a year<sup>(1)</sup>.

EU Member States and regions can seize these opportunities by entering this expanding market. To do so, they need to invest more in the development of research and innovation and entrepreneurial capacity in areas such as sustainable energy, ecosystem services and eco-innovation.

Success in bringing about this shift to a low-carbon and resource-efficient economy based on innovation will be determined to a great extent by decisions made at local and regional levels. Regional policy will be vital for mobilising the potential of EU regions and cities to decouple growth from resource overuse, in particular through the research and innovation strategies for smart specialisation (RIS3).

### Support for ‘smart energy’ infrastructure

The main instrument for energy infrastructure investments at EU level is the Connecting Europe Facility, which will allocate EUR 5.85 billion for improving the trans-European

energy infrastructure (TEN-E) for the period 2014-2020. However, cohesion policy also supports investments in infrastructure for smart energy distribution, storage and transmission systems, mainly in less developed regions.

This can cover investments related to both electricity and gas provided that they contribute to the development of smart systems and are complementary to investments for supporting the shift towards a low-carbon economy.

Preliminary estimates suggest that around EUR 2 billion from the ERDF are expected to be allocated to such investments, making an important contribution to security of supply.

### Attracting private investment through EU funding

EU cohesion policy funding will be complemented by national public and private co-financing. Member States have expressed their political commitment to allow financial instruments, such as loans, guarantees or venture capital, to play a more important role over 2014-2020.

(1) ‘Connecting Smart and Sustainable Growth through Smart Specialisation – A practical guide for ERDF managing authorities’: [http://ec.europa.eu/regional\\_policy/sources/docgener/presenta/green\\_growth/greengrowth.pdf](http://ec.europa.eu/regional_policy/sources/docgener/presenta/green_growth/greengrowth.pdf)

The use of financial instruments in cohesion policy has been steadily increasing, by ten times from the 2000–2006 to the 2007–2013 period. In the ongoing discussions on the programmes, Member States should consider the advantages of using financial instruments as a potentially more effective and sustainable form of support for energy investments through the use of regional, national and/or EU financial instruments. In fact this is a sector where financial instruments can be particularly appropriate – and successful.

Grants could be used as a complement to support, for example, deep renovations of buildings going beyond minimum energy performance requirements, to help develop innovative technologies or to address social issues exacerbated by the crisis in many regions, such as fuel poverty.

In projects such as Housing Europe (European Federation of Public, Cooperative & Social Housing) for example, housing associations are using ERDF funding as leverage for private funding for energy-saving renovation work, as demonstrated by the UK's Retrofit South East programme<sup>(2)</sup>.

The JESSICA holding fund, set up with a contribution from the ERDF, is financing the energy efficiency renovation of apartment blocks in Lithuania, offering a combination of subsidised loans and grants.

In Estonia, the KredEx (Estonian Credit and Guarantee Fund) financial instrument has been established by combining different funding sources: ERDF, Council of Europe Development Bank (CEB) and KredEx's own funds. KredEx works with selected financial intermediaries to provide low interest rate loans.

## Energy-efficiency in buildings

Tackling energy consumption in European buildings is vital. Nearly 40% of final energy consumption – as well as 36% of all greenhouse gas emissions – is attributable to housing, offices, shops and other buildings across the public and private sector. Consequently, a major and sustained increase in public and private investment in buildings is needed for the EU to meet its climate change and energy targets.

In the 2014–2020 period, cohesion policy funds will play a major role in the refurbishment of buildings, including energy efficiency and renewable energy use in buildings.

Such investments also have important benefits in terms of regional development, competitiveness, growth and jobs, as well as to alleviate energy poverty.

## Urban dimension

The 2007–2013 period saw the mainstreaming of the 'urban dimension' in cohesion policy. Some 72% of the total EU population live in cities, towns and suburbs and this will rise to over 80% by 2050. Urban areas are places where the economy grows, jobs are created, pollution is generated and scarce resources are used.

All urban areas are potential beneficiaries of cohesion policy funds, and are likely to benefit from more than half of the cohesion policy budget for 2014–2020. Moreover, some EUR 370 million will be allocated in order to test and implement innovative solutions to meet the challenges of sustainable urban development.

## Strategic planning and effective implementation

Under the reformed cohesion policy, investments in the area of energy will be much better aligned with national strategies than ever before. Indeed it is a pre-condition that they are planned according to the National Energy Efficiency Action Plans and the National Renewable Energy Action Plans.

This kind of strategic planning means that the allocations for various types of energy investments will differ between Member States, reflecting differences in terms of the total volume of funds available, national needs and priorities.

Once all the cohesion policy programmes are in place, the development and implementation of high quality projects in the area of energy will be crucial. The continued involvement of local, regional and national energy authorities and stakeholders will be needed for this. The EU's macro-regional strategies (Baltic Sea, Danube and Adriatic-Ionian), as well as European Territorial Cooperation programmes can also play an important role in this respect by further promoting and supporting energy issues, with energy security and efficiency as key priorities.

(2) 'Housing investments supported by the European Regional Development Fund 2007–2013 -Housing in sustainable urban regeneration': [http://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/housing/2013\\_housing\\_study.pdf](http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/housing/2013_housing_study.pdf)

# ▶ REGIONAL PARTNERS PRESENT IN FORCE FOR OPEN DAYS 2014

With the 2014-2020 programming period stirring into action and new investment plans being finalised, cohesion policy regional partners flocked to OPEN DAYS 2014 to participate in more than 100 workshops and events discussing the myriad aspects of implementing the new investment rules.

The 12th European Week of Regions and Cities – OPEN DAYS, the annual forum jointly organised by the Directorate General for Regional and Urban Policy and the Committee of the Regions, attracted more than 5 000 people to Brussels from 6 to 9 October.

Representatives of some 200 regional partners and cities congregated in Brussels for the four-day event under the theme of ‘Growing together – Smart investment for people’. Also in attendance were many academics, associations and other interested bodies. Press interest was high with more than 250 journalists present.

The event featured some 700 speakers, 110 of whom were elected politicians. More than 100 workshops were organised, along with a record number of 47 side events and networking sessions. For those unable to attend in person, many of the sessions were streamed online.

## Local events across Europe

OPEN DAYS was once again associated with some 300 local events under the slogan ‘Europe in my region/city’.

These events, on topics linked to EU cohesion policy, Europe 2020 and cross-border cooperation, kicked off in September and continued until end-November, attracting an audience of some 30 000-40 000 people.

## Critical moment in cohesion policy

This year’s OPEN DAYS was held at the beginning of the new programming period of the EU’s 2014-2020 budget implementation, as well as shortly before the new Commission was due to take office, with Romania’s **Corina Crețu** taking on the role of Commissioner for Regional Policy.

The conference slogan ‘Growing together – Smart investment for people’ was selected to underline the importance of the effective implementation of the European Structural and Investment Funds (ESIF) by local and regional authorities and beneficiaries. Structured partnerships and targeted investment are now a necessary prerequisite to make the best use of the new result- and performance-oriented EU cohesion policy.

‘OPEN DAYS is the perfect showcase for the importance of shared management in the context of the European Structural and Investment Funds,’ said former regional policy Commissioner **Johannes Hahn**.

‘This approach has forged strong relationships not only between the European Commission and Member States but even more importantly between national, regional and local authorities with stakeholders. This inclusive approach and partnership principle has been behind the success of cohesion policy.’

‘Through the shared management principle and the partnership approach, cohesion policy is able to deliver on the ground, mobilise resources, and create ownership. And it is precisely for these reasons why cohesion policy can contribute to our common European goals. The reform has made cohesion policy an instrument to deal with whatever challenges may come our way by 2020 and beyond.’



President of the Committee of the Regions (CoR) **Michel Lebrun** stressed that 'Now it's delivery time and that's exactly what these OPEN DAYS will be about: delivery of added value for EU money at the level of our regions and cities. [...] "Growing together – Smart investment for people", is what now counts – let's not forget it – to those responsible for the majority of the programmes to be kicked-off now for the 2014-2020 period.'

Indeed the array of OPEN DAYS workshops and seminars provided an invaluable platform for discussion and information exchange about the new ways of working with the reformed policy. With some 500 ESIF-financed EU programmes being prepared for launch, public administrations at all levels of government are being required to work ever more together to ensure their efficient management.

## High level speeches

The conference opened with a series of keynote speeches highlighting the latest findings on regional and urban development contained in the Commission's *6th Cohesion Report*.

The OECD Secretary General **José Angel Gurría**, presented the latest OECD research in its *Regional Outlook 2014* and *Regional Well-being* reports, both of which were released at the event. These reports provide a valuable compilation of information on the impact of the crisis on regions, the state of sub-national finances and government reforms.

In addition, **Luc van den Brande's** report to Commissioner Hahn on the application of the multilevel governance and partnership principle in 2014-2020 ESIF programming was also unveiled (see article on page 27) as was Eurostat's 2014 edition of the *Regional Yearbook*.

The opening session was followed by a joint meeting of the Committee of the Regions' Commission for Territorial Cohesion Policy (COTER) and the European Parliament's Committee on Regional Development (REGI) discussing the topic of 'Getting cities and regions back on track to growth and convergence – How to make best use of the new cohesion policy instruments'.

## OPEN DAYS AT A GLANCE



### EU DELEGATES COMPARED TO NON-EU DELEGATES



### WHERE ARE THE NON-EUROPEAN DELEGATES FROM?



**18 743**km

FURTHEST TRAVELLED DELEGATE  
(New Zealand ▶ Belgium)

▶ The Master Class saw PhD students and early career researchers discuss future cohesion policy and identify areas for further research.



The members of both committees analysed, in the presence of representatives from European local and regional authorities, the uptake of the cohesion policy package 2014-2020. The session also focused on new instruments such as Integrated Territorial Investment (ITI) and Community-led Local Development (CLLD) in the regions, as well as how cities and regions can make the best use of the available instruments.

Discussion focused particularly on the question of how to ensure that local and regional authorities have the necessary capacity to deal with the new ESIF, as well as how beneficiaries can be supported in this area.

### Good feedback

The level of participation confirmed that OPEN DAYS is ‘the place to be’ for those involved in regional policy.

According to the feedback provided by the post-event survey, participants appreciate the sharing of in-depth information, beyond what is available on the websites of the European Commission.

With participants attending from countries all round the world, OPEN DAYS once again showed the benefit of being part of the vibrant regional policy community.

## ▶ MASTER CLASS GENERATES IDEAS FOR FUTURE RESEARCH

**For the second year running a group of academics have been invited to OPEN DAYS to take part in a Master Class and discuss and develop ideas about future cohesion policy. Their conclusions make a thought-provoking contribution to the debate on the direction of research in this area.**

The Master Class is a joint initiative of the Directorate General for Regional and Urban Policy, the Committee of the Regions and the Regional Studies Association, and is open

to PhD students and early career researchers in the field of regional and urban policy. Its programme of lectures and modules are led by high-reputation academics in the field of regional and urban policy, as well as experts from the EU institutions.

This year, 29 participants from universities in 15 EU Member States and three non-EU countries were selected to attend the Master Class.

The Master Class programme focused on three themes:

- ▶ Reform of EU cohesion policy and its impact on regional and urban development in the EU.
- ▶ Building administrative capacity and partnerships at local level.
- ▶ Challenges for European Territorial Cooperation.

A World Café session was organised on the future performance of EU cohesion policy.

## Reforms, governance and management

During the sessions, which were moderated by officials from the Commission, the CoR and academics, participants were divided into groups which focused on the different themes of the Master Class.

The group which focused on the reforms, governance and management of EU cohesion policy highlighted the need for a more interdisciplinary approach to governance and local development. They spoke about the need for better partnerships and multilevel governance, which could better represent local preferences.

The group presented five points to guide future research:

- ▶ Strengthening the legitimacy of cohesion policy through the effective involvement of sub-national stakeholders. Research should focus on the nature of effective bottom-up engagement.
- ▶ Developing new conceptual approaches that take account of the asymmetries across European regions. Research should look beyond static structures and focus on the dynamism in the process of policy-making and implementation.
- ▶ The short- and long-term effects of macro-economic conditionality on troubled regions should be assessed. Research should look for counterproductive consequences at regional level.
- ▶ Refocus the policy's rationale from economic growth to regional development. Instead of short-term job initiatives, research should focus on social services provision, the modernisation of infrastructure and public administrations, etc., to counter economic stagnation.

- ▶ Examine the performance of integrated funding: and assess whether thematic concentration performs better than the previous widespread variety of initiatives.

## Capacity building

A second group focused on administrative capacity-building and discussed the importance of good governance. These researchers concluded that administrative capacity had become a key condition for the successful implementation of any European or national policy – but that research could help better understand the various components of administrative capacity.

The group suggested a further conceptualisation and clarification of the notion of good governance. They highlighted the lack of indicators and methodology in measuring the impact of development policies.

Participants proposed a stronger focus on reducing political intervention in public administrations. More research was proposed on the role of political leadership and civic society in ensuring the establishment of capable, competitive and flexible public administrations.

## Territorial cooperation

A third group discussed the issues of territorial cooperation. Discussion was centred on the cross-border cooperation process, since it absorbs more than 70% of the EU territorial cooperation funds and involves probably more than 90% of academic research on territorial cooperation studies.

The group identified *inter alia* the following issues of territorial cooperation as relevant for future research:

- ▶ Cross-border governance.
- ▶ Building capacity in territorial cooperation programmes.
- ▶ How to measure the success/failure of territorial cooperation.
- ▶ Defining a typology of the different border realities to propose variations in programmes.
- ▶ Defining a coherent methodology to gather data.

Finally, the group suggested that future research be not only be about practical issues, but also take the academic point of view into account and hence strive for reinforcement of linkages with theory.

▶ FIND OUT MORE  
[www.opendays.eu](http://www.opendays.eu)

# TERRITORIAL COOPERATION UNDER THE REFORMED COHESION POLICY

## WHAT DOES THE 2014-2020 PERIOD HOLD FOR INTERREG?

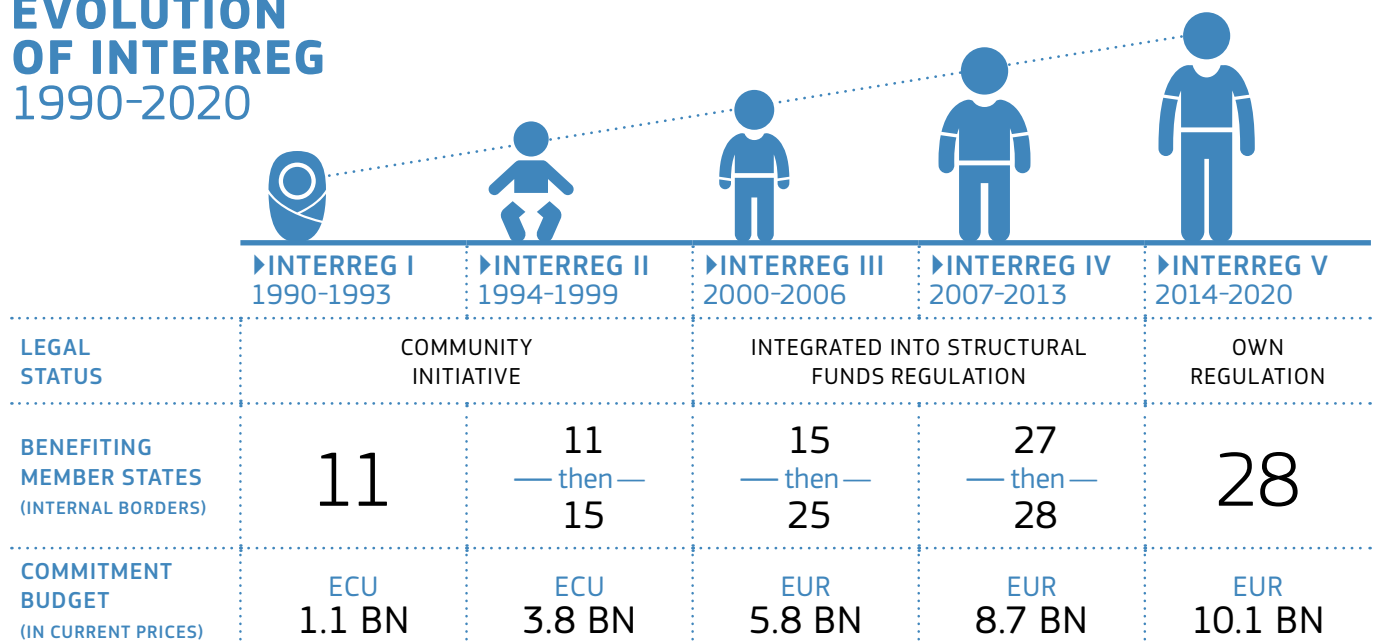
**Interreg**  First developed as a Community Initiative in 1990 with a budget of EUR 1 billion covering exclusively cross-border cooperation, Interreg was developed into a formal 'objective' of European cohesion policy in 2000. Over the years, Interreg has become a mature instrument to support cooperation between partners across borders: between regions located on EU internal and external borders, regions located within transnational areas, and regions across the 28 Member States wishing to learn from each other to foster smart and sustainable growth.

Today, we are entering into the fifth Interreg programming period and in 2015 we will celebrate its 25th anniversary.

Now Interreg represents more than to EUR 10 billion invested in cooperation between regions and territorial, social and economic partners in the framework of over 100 cooperation programmes. Interreg has brought about many changes: it has helped heal old wounds and changed mindsets, it has invested in bridges across borders and cultures, it has highlighted the importance of looking after common assets together and it has created a real sense of belonging and solidarity in many regions.

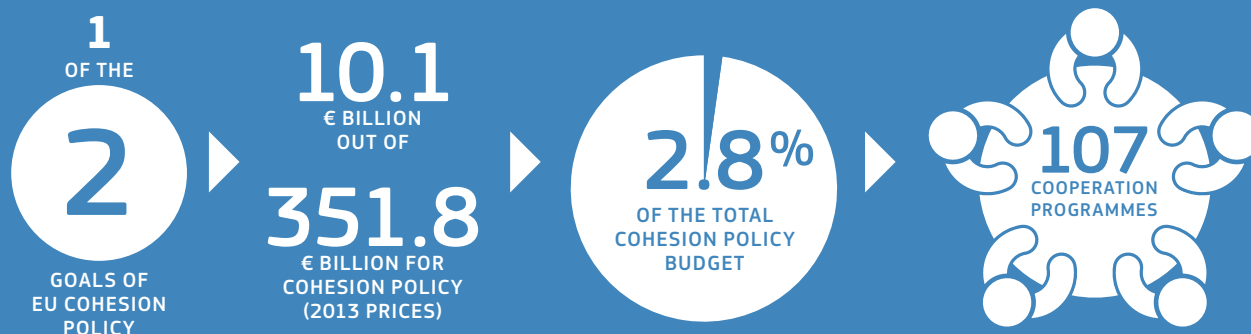
Interreg programmes too are being asked to contribute to the reform of cohesion policy for the new 2014-2020 period. A more strategic approach, better and clearer results, and greater concentration for more impact, are all new challenges for those involved, both programmes and project partners alike.

### EVOLUTION OF INTERREG 1990-2020

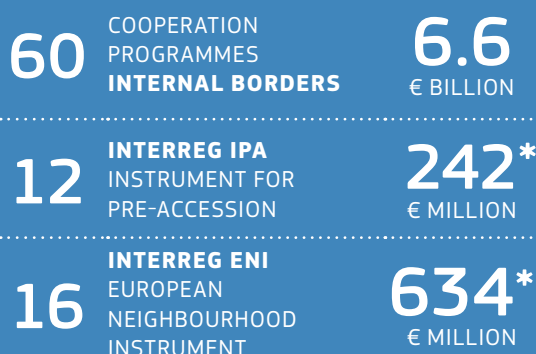




## INTERREG 2014-2020



### ▶ CROSS-BORDER INTERREG VA



### ▶ TRANSNATIONAL INTERREG VB



### ▶ INTERREGIONAL INTERREG VC



\*ERDF contribution

## Why cooperate?

In line with Article 174 of the Treaty on the Functioning of the European Union, the European Regional Development Fund (ERDF) contributes to reducing disparities between the levels of development across the regions of the EU, and particularly where development may be lagging behind in some regions: rural areas, areas affected by industrial transition, regions which suffer from severe and permanent natural or demographic handicaps, islands, cross-border and mountain regions. Therefore, in addition to supporting investment for growth and jobs (the first goal of cohesion policy 2014-2020), under the European territorial cooperation goal (the second goal of cohesion policy 2014-2020) the ERDF also finances cross-border, transnational and interregional programmes in order to support the harmonious development of the Union's territory<sup>(1)</sup>.

One third of the EU population lives in border areas along 38 internal borders that are still often affected by geographic, linguistic, administrative and legal barriers. In some border areas Interreg programmes still have to heal the scars of history and turn recent 'enemies' into 'neighbours' and foster a lasting trust. The more integrated stages of cooperation contribute to harmonious territorial development by creating living and working conditions that can help retain human capital and knowledge in the border areas and attract innovative businesses. Cooperation can contribute to more efficiently exploiting together under-used potential to boost economic development in often peripheral regions. It also helps towards managing a common territory together, thereby recognising the borderless character of natural elements such as water and air.

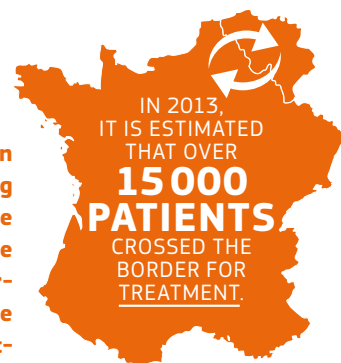
Cooperation in larger regional areas also adds an important additional European dimension to regional development: large functional areas need to be analysed together at a European level, so that priorities and strategic responses are agreed and acted upon. Lastly, cooperation enables the building of networks throughout the 28 EU Member States to develop good practices and facilitate the exchange of experience by successful regions. Learning from each other is a real asset shared by European regions.

(1) European Territorial Cooperation Regulation: Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal, OJEU L 347 of 20 December 2013, p. 259.



►BELGIUM/FRANCE  
Cross-border  
healthcare

For over 20 years, the cooperation scheme supported by the Interreg programme has aimed to improve access to healthcare for people living in the French–Belgian border area, by strengthening the medical and health service capacity in both countries and by pooling equipment.



A framework agreement, negotiated between France and Belgium in 2002 and entering into force in 2011, created ‘health regions’ which give resident patients the possibility of being treated on both sides of the French–Belgian border, free of any administrative or financial obstacle. In 2013, it is estimated that over 15 000 patients crossed the border for treatment, about 6 000 disabled French patients stayed in a Belgian facility, and that over 500 cross-border emergency medical interventions were carried out, via the mobile emergency and intensive care services on both sides of the border. Two other agreements are in the process of being ratified regarding emergency medical assistance, and services for disabled people.

The new Interreg programme is expected to respond to certain needs and challenges:

- IT management of patients by their healthcare insurance company;
- framework agreement regarding the repatriation of bodies of patients who have died on the other side of the border;
- developing cooperation for managing the needs of elderly and dependent people;
- cross-border projects for promotion, prevention, and patient education;
- improving the communication of project results.

►BELGIUM/FRANCE/IRELAND/UK  
InTraDE – Intelligent Transportation  
for Dynamic Environment

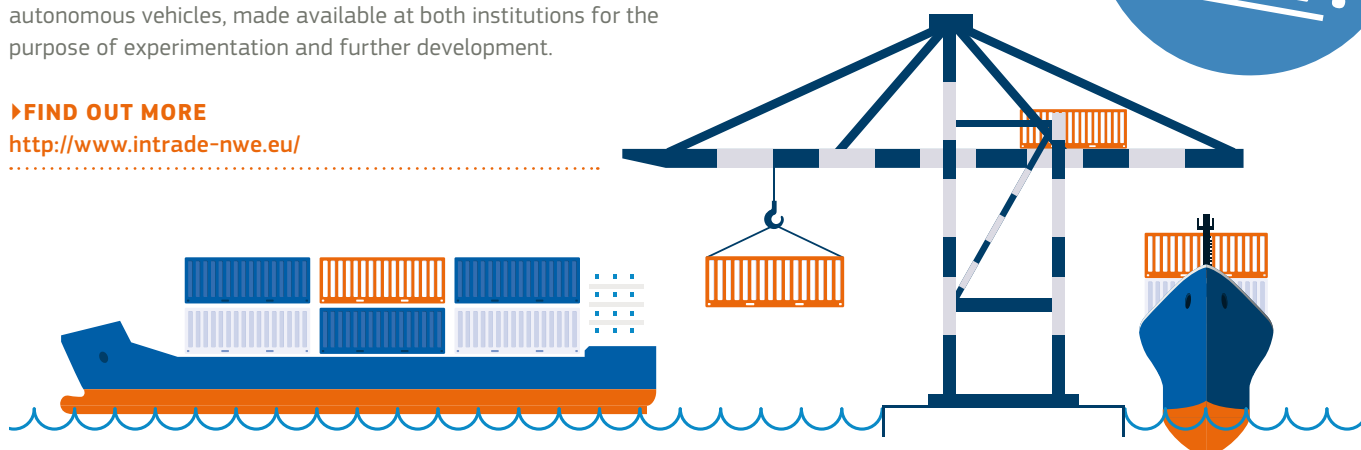
The InTraDE project, funded under the North West Europe Interreg IV B programme, is improving connectivity in the region by promoting intelligent and sustainable transport and ICT solutions.

InTraDE is designing a new concept in Intelligent Autonomous Vehicles to autonomously handle and route freight transport within the confined spaces of regional ports from North West Europe, and which is being tested in the ports of Radicatel (France), Dublin (Ireland), and Oostende (Belgium).

A socioeconomic impact study has shown the vehicle to have an advantage over existing port container routing systems, and to have succeeded in optimising the process and the space needed to load and unload shipping containers and adapted to existing infrastructure.

The project has generated a significant knowledge capital which will be incorporated in a two year International Masters degree in Robotics and Transport to be taught in English, delivered jointly by Polytech-Lille and École Centrale de Lille. The programme combines a range of practical applications through technological test benches like holonomic robots, robot manipulators, and intelligent autonomous vehicles, made available at both institutions for the purpose of experimentation and further development.

►FIND OUT MORE  
<http://www.intrade-nwe.eu/>



## INTERREG vs COUNTRY-SPECIFIC PROGRAMMES

**COUNTRY-SPECIFIC**  
COHESION POLICY – INVESTMENT FOR  
GROWTH AND JOBS GOAL

**INTERREG**  
COHESION POLICY – EUROPEAN TERRITORIAL  
COOPERATION GOAL

▶ SAME RESULT ORIENTATION  
REQUIREMENTS



PERFORMANCE  
FRAMEWORK



...BUT NO PERFORMANCE  
RESERVE



THEMATIC  
CONCENTRATION

...BUT SPECIFIC RULES  
(**80%** OF NON-TECHNICAL ASSISTANCE  
BUDGET TO CONCENTRATE ON A MAXIMUM  
OF **4 THEMATIC OBJECTIVES**)

▶ **11** THEMATIC  
OBJECTIVES

...PLUS A FEW SPECIFIC  
INVESTMENT PRIORITIES  
AMONG WHICH DIALOGUE BETWEEN  
INSTITUTIONS AND CITIZENS



### Interreg under the reformed cohesion policy

Cohesion policy for the 2014-2020 period has been significantly reformed to achieve greater impact. With the overarching objective of helping deliver the Europe 2020 targets for smart, sustainable and inclusive growth, investments need to be made in a more strategic and integrated way. Hence, investments under the ERDF will be concentrated on four key priorities: innovation and research, the digital agenda, support for small and medium-sized businesses (SMEs) and the low-carbon economy. Interreg programmes will directly contribute to this concentration effort, while retaining their specific focus on improving institutional cooperation across borders.

To ensure the maximum impact of the available EU funding, the reformed cohesion policy focuses even more on objectives and results through clear, transparent and measurable aims and targets and a greater emphasis on evaluation. Interreg programmes too are asked to be more strategic and to define better and clearer results.

Also crucial in this new period is the objective of reinforcing cooperation across the various funding instruments, programmes and cooperation mechanisms, such as the macro-regional strategies. The new Interreg programmes will be asked to re-enforce their links to national and regional programmes and to show greater consistency with the newly developed macro-regions.

Finally, the reformed cohesion policy also focuses on simplification by establishing a common set of rules for all European Structural and Investment Funds, as well as simpler accounting rules, clearer eligibility rules and more targeted reporting demands. Interreg programmes will hopefully make the most of these simplification opportunities to reduce the administrative burden placed on beneficiaries.

#### ▶ FIND OUT MORE

[http://ec.europa.eu/regional\\_policy/cooperate/cooperation/index\\_en.cfm](http://ec.europa.eu/regional_policy/cooperate/cooperation/index_en.cfm)

# ▶ NEWS

## [IN BRIEF]

### EXCHANGING EXPERIENCE ON FINANCIAL INSTRUMENTS

This year's Open Days saw a panel session presenting the work of the FIN-EN project – 'Sharing methodologies on FINancial Engineering' – an initiative between 13 institutions, each representing a different EU region. This unique project, which is co-funded by the ERDF through the INTERREG IV C cooperation programme, has encouraged an interregional exchange of experience on financial instruments (FIs) and has analysed the strengths and weaknesses of their implementation.



With FIN-EN is coming to an end in December 2014, it is time for the project to take stock and look ahead to the use of FIs in the new programming period. The project's executive summary identifies six areas that give scope for further action: capacity building, continuity, flexibility, leverage, timing, and certification.

#### ▶ FIND OUT MORE

FIN-EN guidelines and executive summary:  
<http://www.fin-en.eu/index.php/fin/guidelines/>  
 See also the FIN-EN project profile in *Panorama 47*.



### COMMISSION'S NEW 'NORTHERN IRELAND IN EUROPE' REPORT

Launched in Brussels on 3 November 2014, the report marks an important milestone in a relationship which has deepened ever since the decision in 2007 of then Commission President **Jose Manuel Barroso** to set up a Northern Ireland Task Force within the institution. Representing the region at the joint launch, **Malcolm McKibbin**, Head of the Northern Ireland Civil Service, said that the new report 'confirms the step change in Northern Ireland's engagement in Europe which the Task Force was established to facilitate.' Looking forward he added, '...we look to continue to strengthen our engagement in Europe, with more ambitious targets set in relation to draw-down of funds, a greater determination to have our voice heard in the development of European policy and to have our region seen as a partner of choice for others across the EU.' The origins of the Northern Ireland Task Force lie in the agreement to re-establish power sharing arrangements in Northern Ireland in May 2007 involving the two largest political parties, the Democratic Unionist Party (DUP) and the Republican party, Sinn Fein (SF). Commission President Barroso offered to set up a Task Force within the Commission in order to examine how Northern Ireland could benefit more from EU policies, and how it could participate more actively in the EU policy process in order to generate greater prosperity. The NITF has been highly flexible and the initial group of 10 Commission services subsequently expanded to 18. The latest report is based on a submission made to the Northern Assembly earlier in 2014 on the outcome of the seven years of operation of the NITF.

#### ▶ FIND OUT MORE

[http://ec.europa.eu/regional\\_policy/activity/ireland/report2014.pdf](http://ec.europa.eu/regional_policy/activity/ireland/report2014.pdf)



1. **ADELA NISTORA, Portugal:** Project: Marina of Ponta Delgada, São Miguel, Azores, Portugal – EU Fund: ERDF
2. **IEVA VĪKSNE, Latvia:** Project: New train in Riga that takes passengers from one coast to the other – EU Fund: ERDF
3. **KRISTINA GRIGUOLĒ, Lithuania:** Project: Geological Survey of Lithuania – EU Fund: ERDF

## ▼ EUROPE IN MY REGION PHOTO COMPETITION

EU funds help tackle a wide range of issues across Europe, from improving transport links and supporting small and medium-sized enterprises, to investing in a cleaner environment, developing new products and improving education and skills. The annual Europe in My Region photo competition aims to highlight the excellent work that projects across Europe are doing with the help of EU funding, and explore what these projects mean to local communities.

The 2014 competition took place over the summer, run as in previous years on social media. Entries were uploaded onto the online platform, and then open to a public vote. In total, there were over 100 000 unique visits to the Facebook application, over 1 000 eligible photos submitted, and more than 14 000 votes cast.

▶ **1 002**  
competition entries from ▶ **27**  
countries

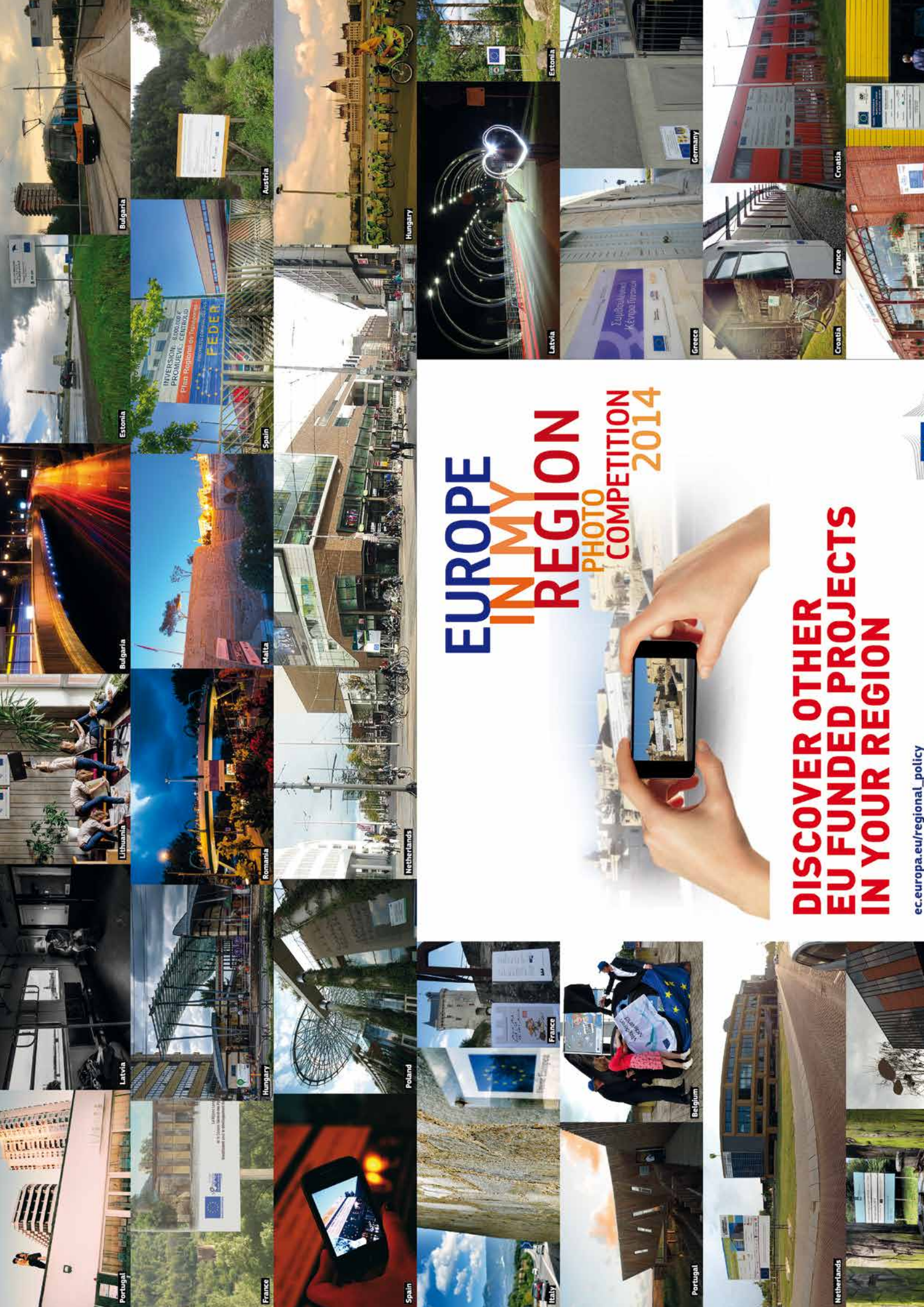
▶ **14 268**  
votes

▶ **106 474**  
unique visitors to  
the social media app

▶ **3**  
winners

An independent jury formed of photography and social media professionals chose three winners from amongst the 100 photos which received most votes and a selection of 50 'wildcards'. The winners were **Adela Nistora** from Portugal, **Kristina Griguolė** from Lithuania and **Ieva Vīksne** from Latvia, who each received EUR 1 000 of camera equipment and a trip for two to Brussels. They collected their prizes from Commissioner Hahn at a ceremony during Open Days – the European Week of Regions and Cities in Brussels in October, and shared the stories behind their winning photos.

▶ The poster on pages 22-23 is available in A1 format upon request from: [regio-panorama@ec.europa.eu](mailto:regio-panorama@ec.europa.eu)



# EUROPE IN MY REGION PHOTO COMPETITION 2014



**DISCOVER OTHER  
EU FUNDED PROJECTS  
IN YOUR REGION**

[ec.europa.eu/regional\\_policy](http://ec.europa.eu/regional_policy)

Bulgaria

Estonia

Bulgaria

Lithuania

Latvia

Portugal

Austria

Spain

Malta

Romania

Hungary

France

Hungary

Netherlands

Poland

Spain

Italy

Latvia

Germany

France

Belgium

Portugal

Greece

Croatia

Croatia

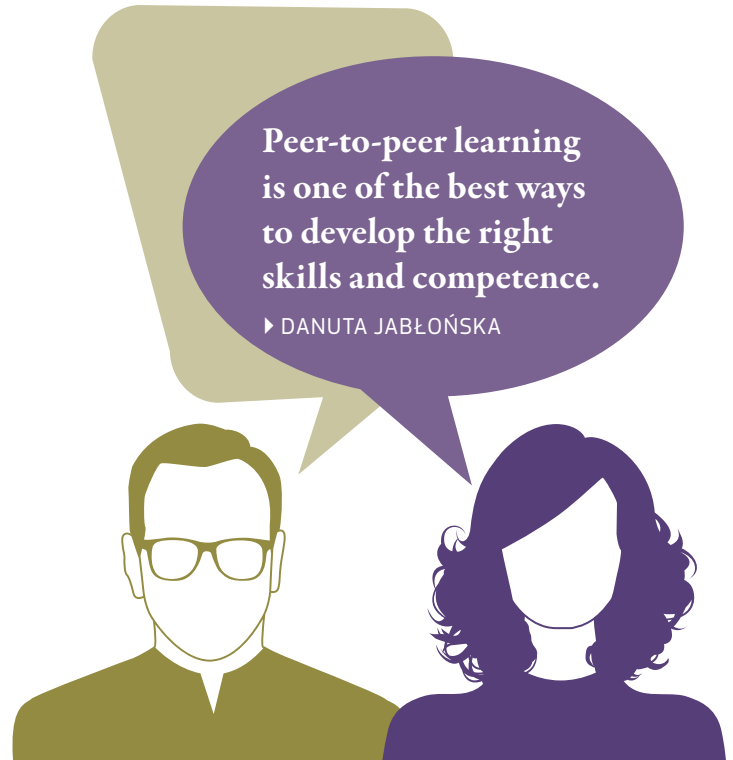
Netherlands



# ▶ CAPACITY BUILDING

## STRENGTHENING ADMINISTRATIVE CAPACITY TO MANAGE THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS

The introduction of the new regulations on cohesion policy 2014-2020 has thrown the spotlight on the capacity of Member States to fully adapt to the new requirements for using the European Structural and Investment (ESI) Funds. This has a direct bearing on the ability of Member States to properly implement their investment programmes and achieve the best possible results. Against this background, a number of initiatives have been launched by the European Commission to assist EU Member States in boosting administrative capacity and addressing implementation bottlenecks where it is needed.



## ▷ TRAINING EU MEMBER STATES' EXPERTS ABOUT THE NEW RULES

As part of the preparations for the new programming period and in order to support EU Member States in interpreting and applying the new regulatory requirements, the European Commission has launched a series of training events for the managing, certifying and audit authorities dealing with the European Structural Funds (i.e. the European Regional Development Fund – ERDF – and the European Social Fund – ESF) and the Cohesion Fund.

The training focuses on the key new elements in the EU cohesion policy legislative framework for 2014-2020 and is

organised in two modules: one dedicated to the programming and implementation; the other dealing with financial management and control issues. The training recognises that a lot of the knowledge already resides with the participants. Therefore, the design of the training programme is geared to encouraging an exchange of experience between the participants and also an interaction between the participants and the European Commission officials.

The training runs throughout 2014 and the beginning of 2015, and it is expected that over 500 experts from all EU Member States will take part.

### ▶ FIND OUT MORE

All training materials, including presentations and podcasts, can be accessed on the DG for Regional and Urban Policy website:  
[http://ec.europa.eu/regional\\_policy/what/future/experts\\_training\\_en.cfm](http://ec.europa.eu/regional_policy/what/future/experts_training_en.cfm)



## ▷ CONTACT WITH, AND LEARNING FROM, COUNTERPARTS

Face-to-face contact with Commission officials is very valuable, as is the possibility to learn from my counterparts in other countries.

▶ GABRIELA HILKOVICOVA



Feedback from the training shows that Member State experts are glad to meet their counterparts from other countries. The opportunity to get to know the Commission officials on a personal basis is also appreciated.

'In the future, if I have a question or a problem, I will be able to pick up the phone and call the desk officer in Brussels for an informal chat. It will make life so much easier,' says **Mr Piotr Wolski**, from the Marshall's Office of the Zachodniopomorskie voivodship, Poland. 'Also by having this direct contact, we know exactly what is wanted. When I return I will brief my own team on what I have learned.'

**Ms Gabriela Hilkovicova** from the Methodology department of the Slovak Government Office also endorsed the value of the training sessions. 'Though we already know a lot, there are a lot of nuances and finer points in these processes that we need to clearly understand. Face-to-face contact with Commission officials is very valuable, as is the possibility to learn from my counterparts in other countries.'

## ▷ NEW PEER-TO-PEER EXCHANGE SCHEME FOR REGIONAL POLICY EXPERTS

While training is an attempt to facilitate the preparation of bodies managing ESI Funds for the 2014-2020 programming period, the Directorate-General for Regional and Urban Policy is working in parallel on another initiative aimed at setting up a scheme for a more systematic exchange of experience among EU Member States.

Across the EU, roughly 24 000 staff members are involved in the implementation of the European Regional Development Fund and the Cohesion Fund (CF). Altogether these people possess a wealth of knowledge and invaluable know-how which could and should be exchanged in order to further improve the management of the investment programmes. A recent study commissioned by the DG Regional and Urban Policy has confirmed that there is high demand for a peer-to-peer exchange instrument among bodies managing the ERDF and the CF.

### Responding to the capacity building needs in Member States

It all started with a needs analysis<sup>(1)</sup>. At the beginning of 2014 a survey and a series of in-depth interviews were carried out asking EU Member States about their capacity building needs related to the management of the European Structural and Cohesion Funds. The outcome of this demand analysis was unequivocal. Approximately half of the respondents confirmed the need for further capacity building and nearly all of the respondents (90%) thought that a new EU-level instrument facilitating peer-to-peer exchanges would be a valuable complement to the existing capacity building measures (e.g. training and consultancy).

Furthermore, the study revealed that certain types of institutions – namely, regional or sectoral managing authorities as well as intermediate bodies – have a particular interest in exchanges of expertise as they have less access to professional networks as compared to audit authorities or coordinating bodies.

(1) The full report is available online:  
[http://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/cees\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/cees_en.pdf)

Another interesting point which came up as a result of the analysis was that institutions in all Member States saw themselves as both potential beneficiaries and providers of expertise.

**REGIO PEER2PEER – a pilot scheme for exchanges**

Taking into consideration the results of the demand analysis, the Directorate-General for Regional and Urban Policy will launch a pilot scheme, ‘REGIO PEER2PEER’, which will finance up to 100 exchanges among public sector officials managing the ERDF and the CF in the EU Member States.

The scheme will finance exchanges that are of a short-term nature, geared towards the transfer of hands-on expertise and good practice on concrete issues. Exchanges can take

the form of a study visit, expert assignment or a workshop. Effort is made to set up a scheme that offers rapid assistance and spares the users the bureaucratic and logistic hassles. The new peer-to-peer exchange instrument will also have in-built arrangements for quality assurance and evaluation. It will make use of the infrastructure and build on the experience of TAIEX (Technical Assistance and Information Exchange) which is a well-established instrument. All Member States will be eligible to apply. The request can come from any institution performing management and control functions in relation to the ERDF or CF.

The pilot peer-to-peer exchange scheme will be launched in 2015 and will run for a period of two years. At the end of the pilot phase, the results of this initiative will be carefully evaluated in order to determine the future of the instrument.

▷ **OPEN DAYS 2014 – FOCUS ON PEER-TO-PEER LEARNING**

Peer-to-peer exchanges as a tool to foster administrative capacity in the context of cohesion policy were discussed during one of the workshops at Open Days 2014. In the workshop, representatives of EU Member State authorities shared their experience of, and lessons learnt from, participating in peer-to-peer assistance schemes, while the Commission presented the new pilot scheme that is under development.

Speakers and representatives from the audience were in agreement on the benefits that peer-to-peer exchanges bring in terms of transferring hands-on knowledge and forging lasting relationships. For example, **Ms Danuta Jabłońska**, expert from the Polish administration providing assistance to the Croatian authorities stressed the importance of the ‘human factor’ in managing the European Structural and Investment Funds and expressed the opinion that ‘Peer-to-peer learning is one of the best ways to develop the right skills and competence.’

**Ms Dobrinka Mihaylova**, the head of the Audit Authority in Bulgaria shared the successful experience of her organisation working with colleagues in other Member States to strengthen their administrative capacity in the audit area, for example by being able to participate in joint audits where they could learn from colleagues and discuss working procedures.



She highlighted that ‘...the new friendships and shared experiences left a mark on all of us. In our everyday work, we come across challenging questions for which we crave for someone to give us a practical solution. I see many opportunities for all of us with the new instrument of peer-to-peer exchanges.’

The presentations and debate in the workshop pinpointed a number of preconditions that need to be in place for a successful exchange of expertise and a lasting impact. The key to success relies on a mutual interest in the exercise, on thorough preparatory work put into planning the assignment, and well defined needs and expected outcomes. It is also important to leave sufficient room for flexibility when implementing the exchange and take active ownership of the learning process.

# ▶ MULTILEVEL GOVERNANCE

## HOW TO STRENGTHEN THE ROLE OF REGIONS AND CITIES IN COHESION POLICY

**A special report prepared at the request of the outgoing Commissioner for Regional Policy, Johannes Hahn, points the way forward to strengthen cohesion policy through improved multilevel governance and partnership.**

In his report 'Multilevel Governance and Partnership: The Van den Brande Report', published in October 2014, **Luc Van den Brande**, special adviser to Commissioner **Johannes Hahn**, highlights a series of ways in which greater coherence can be brought into the Europe 2020 Strategy to ensure better coherence between the Strategy and the new Partnership Agreements. He also proposes a series of guidelines on how the culture of multilevel governance and partnership can be further strengthened in other EU policies with a territorial dimension.

As Mr Van den Brande says: 'It is my sincere conviction that only through well-targeted, concerted and coordinated action between both public and private actors at all levels important structural reforms will succeed. The modernised cohesion policy for 2014-2020 is without any doubt exemplary in this respect.'

### White paper

The report builds on a series of initiatives which have sought to reinforce the principles of governance and partnership.

The Committee of the Regions (CoR) adopted a White Paper on Multilevel Governance in 2009, which it defined as: 'coordinated institutional action by the European Union, the Member States and local and regional authorities, based on partnership and aimed at drawing up and implementing EU policies.'

More recently the CoR adopted a 'Charter for Multilevel Governance in Europe'. This aims to promote respect for this principle through all stages of policy making both at EU and



LUC VAN  
DEN  
BRANDE

SPECIAL ADVISER  
TO COMMISSIONER  
JOHANNES HAHN

Van den Brande was Minister-president of Flanders from January 1992 until July 1999. A member of the Committee of the Regions since 1994, he was CoR President 2008-2010. He took the initiative to create the Flanders Institute for Biotechnology (VIB), and he also holds positions as chairman of the Flanders-Europe liaison agency, chairman of Flanders Technology International/Technopolis, and chairman of the board of VRT (Flanders public broadcasting company).

Member State level. More than 150 regional and local authorities have already signed up to the Charter and an increasing number of policy makers have expressed their support.

### Binding principle

The Charter is not, as yet, a binding principle. This could only happen through EU legislation. The basic principle has, however, been introduced in the Common Provisions Regulation which now underpins operations of the European Structural and Investment Funds. Member States are now obliged to organise a partnership at all stages of programming and at all levels.

## MULTILEVEL GOVERNANCE BUILDING EUROPE IN PARTNERSHIP

'We call for a new compact between the European institutions and economic and social actors; and between different levels of power – national, regional and local. Above all, we call for strong leadership, a form of leadership marked by the capacity to sustain an honest and fruitful dialogue with citizens and to govern in partnership.'

Van den Brande recalls that, in terms of governance, the European Union has gradually evolved from a 'top-down' model to a more inclusive model, involving to a greater extent social and economic partners. Over time, regional and local authorities have also been given more possibilities to contribute from the 'bottom up' to the EU integration process. They have an important role in many Member States in the shared management of the ESI Funds and in drafting and implementing the OPs.

In 2000, the European Commission adopted its White Paper on European governance which highlighted five principles of good governance in EU policy making, namely openness, participation, responsibility, effectiveness and coherence. Respect for all these principles throughout the EU's policy cycle is an important additional step in mainstreaming EU objectives and increasing ownership amongst societal partners.

Van den Brande argues that the new MLG-based cohesion policy should be a source of inspiration for a review of Europe 2020 next year. The review is an 'excellent occasion to increase the ownership of the Strategy and to ensure a better delivery on the ground'.

## European Code of Conduct

The European Code of Conduct on Partnership constitutes yet another further important step forward in its bid to enhance collective commitment and ownership of cohesion policy.

The Code defines the objectives and criteria allowing Member States to implement the multilevel governance and partnership principles, but leaves the necessary flexibility for the practical implementing arrangements to be determined by the Member State in question.

## Impact on PAs

The philosophy of multilevel governance and reinforced partnership now impacts not only on operational programmes (OPs), but also on the new Partnership Agreements (PAs).

A first evaluation of the 2014-2020 PAs, in respect to MLG and partnership principles, generally reveals that there are no fundamental problems, the report says. Member States do however implement MLG and partnership principles in different ways, within the function of their institutional background, administrative capacity, know-how, etc. Irrespective of the country, there is enough flexibility to adapt the cohesion policy systems to national institutional arrangements.

Ten Member States further consolidated the existing MLG and partnership culture already in place; another ten made significant improvements. In eight other Member States there is yet clear scope for improving the MLG and partnership culture in the future.

## 7-point plan

Van den Brande supports the plan outlined by the CoR in its Athens Declaration <sup>(1)</sup>.

- ▶ 1. Give the Strategy a territorial dimension.
- ▶ 2. National Reform Programmes in partnership.
- ▶ 3. Making MLG the standard approach.
- ▶ 4. Aligning the European Semester with genuine long-term investment.
- ▶ 5. Using the Europe 2020 Flagship Initiatives for enhanced policy coordination.
- ▶ 6. Mobilising funding for long-term investment, ensuring better spending.
- ▶ 7. Strengthening administrative capacity for more effective implementation.

## Guidelines for the future

At the start of a new legislative mandate, the EU has a real chance to make the case for a strong European Union based on an intelligent system of MLG and a shared partnership culture, says Luc Van den Brande. He maps out a series of measures to take the process forward:

(1) Athens Declaration on the mid-term review of Europe 2020, made by the CoR at the 6th European Summit of Regions and Cities in March 2014: <http://cor.europa.eu/en/events/summits/Pages/athens-2014-material.aspx>

▶ Luc Van den Brande presents his report on multilevel governance and partnership to Commissioner Johannes Hahn.



“ In anchoring MLG and partnership as guiding principles, cohesion policy will in my view thus pave the way for other EU policies/strategies (with a strong territorial dimension), such as the (successor to) Europe 2020 Strategy, the EU’s climate and energy policy, development cooperation, neighbourhood policy, the implementation of the Stockholm programme, the consolidation of fundamental rights, the deepening of the Single Market Act, ... to become truly EU-wide and owned at all levels. ”

▶ LUC VAN DEN BRANDE – SPECIAL ADVISER  
TO COMMISSIONER JOHANNES HAHN

▶ **EVIDENCE-BASED MLG:** Given the different institutional and constitutional arrangements within every Member State no unique MLG arrangement exists for the EU. The system of evaluation needs to be set up on the basis of results. The CoR is in the process of drafting MLG Scoreboards to measure the development of MLG in specific EU policies.

▶ **PLACE-BASED MLG:** To allow for a more inclusive process, no distinction should be made between constitutional regions, regions with legislative powers or other regions. Partner regions of the EU can, in Van den Brande’s view, be broadly identified according to each Member State’s constitutional system.

▶ **TOWARDS A MLG AND PARTNERSHIP-BASED UNION:** Implementation of the Charter for MLG in Europe at all levels of governance.

▶ **FIND OUT MORE**

Multilevel Governance and Partnership:  
THE VAN DEN BRANDE REPORT  
[http://ec.europa.eu/regional\\_policy/upload/documents/Commissioner/VandenBrandereport\\_08102014.pdf](http://ec.europa.eu/regional_policy/upload/documents/Commissioner/VandenBrandereport_08102014.pdf)

# ▶ RURAL ECONOMY AND SUSTAINABLE ENVIRONMENT IN EUROPE

SUPPORT FROM THE EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT 2014-2020

▶ Rural development: an example of what can be achieved. PRIORITY 4 is about restoring, preserving and enhancing ecosystems related to agriculture and forestry.

Continuing its series of articles addressing each of the European Structural and Investment (ESI) Funds, in this edition *Panorama* turns its attention to the European Agricultural Fund for Rural Development (EAFRD). The ESI Funds – namely the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Maritime and Fisheries Fund (EMFF) and the European Social Fund (ESF), as well as the EAFRD – are the main EU funds for the 2014-2020 period for supporting jobs and growth across the EU. They are a major contribution to the Europe 2020 Strategy for smart, sustainable and inclusive growth.

The European Agricultural Fund for Rural Development finances the EU's contribution to rural development across the entire European Union. It is one of the two pillars of the Common Agricultural Policy, which also finances direct payments for farmers and support for agricultural markets.

## Background

Some 80% of the territory of the EU is rural and most of this land is used for farming or is covered by forests. Half of the EU's population lives in rural areas. The countryside is also a source of recreation, relaxation and enjoyment for many people who live in towns and cities. Just as in the past, human activities shaped the landscape, so the same process continues to this day.

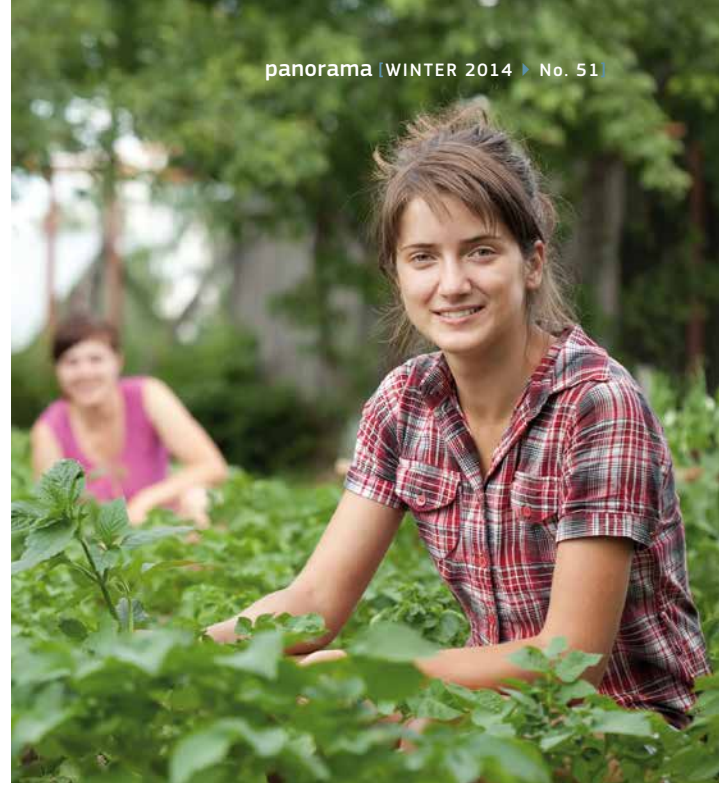
Rural development is a vital component of the Common Agricultural Policy and over the last decades it has emerged

## NETWORKING

Launched in 2008, the European Network for Rural Development (ENRD) and the Member States' National Rural Networks (NRNs) have made – and will continue to make – important contributions to the delivery of rural development policy. Working in liaison, they have demonstrated their potential to play a series of useful roles in adding value to, and enriching the quality of, the delivery of rural development plans. They have helped to improve the consistency in programming and have led to regular exchanges of information and practices between rural development stakeholders. They have also been instrumental in essential capacity building work supporting LEADER approaches and their existence has assisted joint analyses, which have provided advantageous perspectives at EU and national levels. The network will continue to contribute to further improvements in the new programming period.



from the need to target farm support towards competitiveness, diversification of economic opportunity, and the provision of environmental public goods, coupled with the recognition that the agricultural sector cannot be seen as isolated from the wider rural economy. One of the specificities of rural development policy is that it is designed to respond to the needs of its beneficiaries. Projects are typically small and dispersed throughout rural areas.



## Support for rural needs

Experience shows that without dedicated support rural needs might lose out in competition to the funding of urban centres. And yet it is vital to pay adequate attention to rural areas. Some of them face particular challenges, including falling population, lower levels of education and income, and unsatisfactory infrastructure and services. EAFRD interventions help to address these urban-rural disparities. But rural areas also have great potential, providing a range of vital private and public goods, such as food and other raw materials, landscapes, clean air and water, and pleasant places in which to live and work.

The EAFRD plays a fundamental role in supporting economic, environmental and social activities in rural areas. It strengthens rural economies by stimulating growth, diversifying economic activities and creating jobs. It finances many initiatives and projects in rural communities to improve the quality of life, and improves and maintains the rural environment, enhancing sustainability and the protection of natural resources such as soil, water and biodiversity and supporting the delivery of public goods.

## Six priorities

Taking into account the current and future challenges facing the EU's rural areas, six priorities have been set for the EAFRD. This will ensure that the Funds are spent where they are most needed, with policy achievements and effectiveness being assessed in relation to them. The six priorities are as follows:

- ▶ 1. To encourage the transfer of knowledge and innovation in agriculture, forestry and rural areas.
- ▶ 2. To promote the viability of farms – of all types (lowland, hill, mountain, large and small) – in all regions, and the sustainable management of forests.
- ▶ 3. To improve the organisation of the food chain, including the processing and marketing of farm products, promotion of animal welfare and the use, by farmers, of risk management tools.
- ▶ 4. To restore, preserve and enhance ecosystems that are related to agriculture and forestry.
- ▶ 5. To promote the efficient use of resources and the shift towards a low carbon and climate-resilient economy in the agricultural, food and forestry sectors.
- ▶ 6. To promote social inclusion, the reduction of poverty and economic development in rural areas.

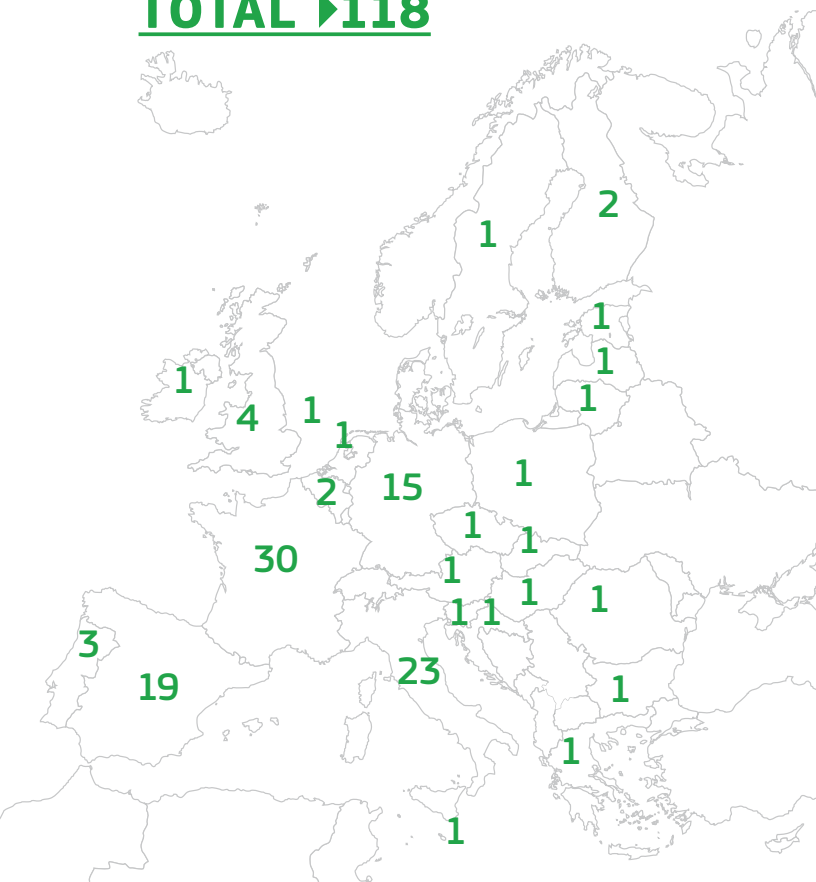
## How does the EAFRD work in practice?

At the beginning of the 2014-2020 programming period each Member State compiles a national Rural Development Programme (RDP) or a set of regional RDPs to cover its entire territory. In all, there will be 118 RDPs for the new programming period.

The RDPs are constructed starting from an analysis of the territory and identification of the needs of the rural area in relation to the six rural development priorities, which are further broken down into 18 focus areas. On the basis of this a strategy is developed, selecting those focus areas which are appropriate to address the specific national or regional context.

## ▶ NUMBER OF RURAL DEVELOPMENT PROGRAMMES PER COUNTRY

### TOTAL ▶ 118



Source: European Commission

The focus areas constitute the key structural elements of each RDP, and each has at least one quantified target which should be achieved through implementation of the programme. A set of measures and operations is then proposed which, taken together, should enable the target to be reached. For example, a package of activities encompassing land management practices, advisory support and investments, all aimed at reducing leaching and run-off, might be required to improve water quality.

### How much money is available?

Within the EU budget some EUR 95 billion has been allocated to the EAFRD for the seven-year period 2014-2020. In practice this constitutes only some of the money that will be available because for every euro that the EU contributes, the Member State government and/or beneficiary is obliged to provide a contribution – the size of which varies according to the level of economic development of the Member State concerned and the type of activity funded. Thus the

## STAYING IN THE LEAD



LEADER is a bottom-up approach to rural development, initiated by 'Local Action Groups' (LAGs). Over the years, this approach has proved itself an effective tool for handing power to 'people on the ground' to examine the challenges and opportunities which they face, come up with their ideas in response and turn these into reality. Valuable lessons yielded from the previous 2007-2013 period are applied to bring out the proper flavour of LEADER more fully for the new period 2014-2020 while also further raising participation.

Seven principles drive the LEADER approach:

- 1. AREA-BASED:** taking place in a small, homogeneous socially cohesive territory.
- 2. BOTTOM-UP:** local actors design the strategy and choose the actions.
- 3. PUBLIC-PRIVATE PARTNERSHIP:** LAGs are balanced groups involving public and private-sector actors, which can mobilise all available skills and resources.
- 4. INNOVATION:** giving LAGs the flexibility to introduce new ideas and methods.
- 5. INTEGRATION:** between economic, social, cultural and environmental actions, as distinct from a sectoral approach.
- 6. NETWORKING:** allowing learning among people, organisations and institutions at local, regional, national and European levels.
- 7. CO-OPERATION:** among LEADER groups, for instance to share experiences, allow complementarity or to achieve critical mass.

responsibility for providing the necessary funding for projects is shared between the EU and national and local actors. In addition, a number of Member States have transferred some of their direct payments allocation to increase the funding for their RDPs.

### What type of activities can be funded?

A great variety of measures and actions can be supported by the EAFRD and the following list is just a selection:

- ▶ **1.** A contribution to the cost of investments aimed at improving the overall performance and sustainability of farms, marketing and processing of agricultural products, and investments in the creation and development of non-agricultural activities.
- ▶ **2.** Advisory services designed to help farmers, foresters, and small and medium enterprises (SMEs) in rural areas to improve economic and environmental performance and climate-resilience.

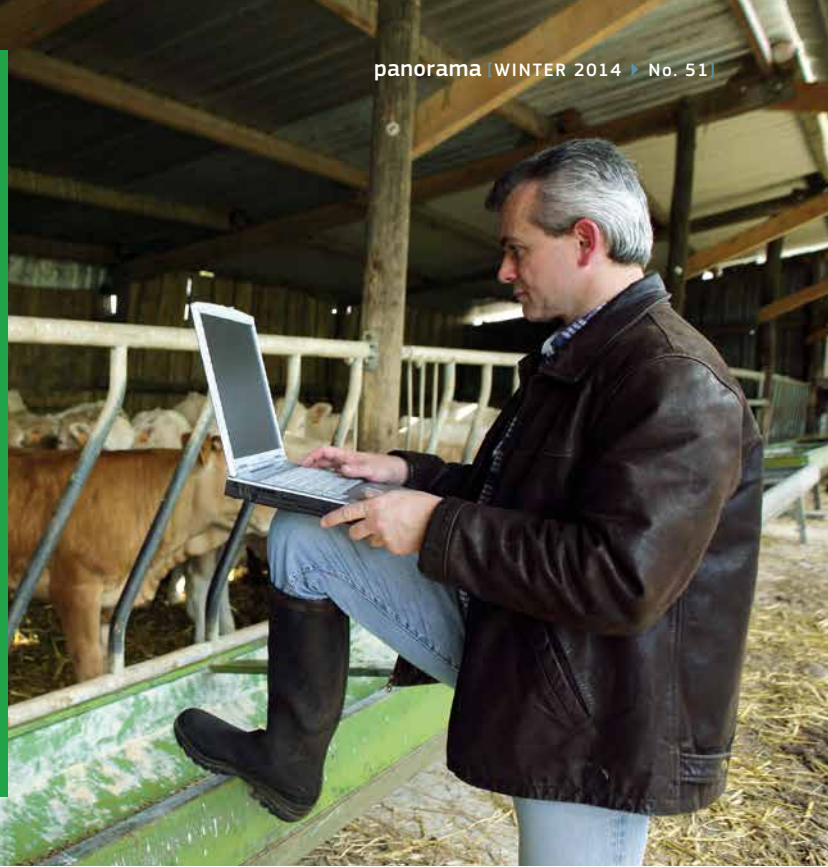


## INNOVATION

INNOVATION OF VARIOUS KINDS  
CAN BE AN ENGINE OF PROGRESS.

Objectives in the EU's Europe 2020 growth strategy underscore the importance for all parts of Europe (rural and urban) to harness this innovation engine equally. New products, services, technologies, processes and forms of organisation (amongst other things) can lift the profits of a farm or other rural business, deliver better care for the environment and strengthen the social fabric of the countryside.

During the 2010-2014 period various rural development measures have been used in the service of innovation. Measures addressing knowledge transfer, advisory services, investments in physical assets or cooperation have been especially relevant. Under the new programmes these will be further reinforced.



- ▶ **3.** Capital grants of up to EUR 70 000 as business start-up aid for young people setting up as farmers, and for the creation of non-agricultural activities in rural areas.
- ▶ **4.** Vocational training, which may take the form of workshops, training courses, coaching, farm/forestry exchanges and visits.
- ▶ **5.** Support for basic village services and the renewal of all types of small scale infrastructure, including investment in renewable energy, energy saving and broadband infrastructure.
- ▶ **6.** Setting up of producer groups and organisations for purposes such as adapting the production and output of producers to the requirements of the market and of jointly organising their preparation and sale.
- ▶ **7.** Supporting land managers who commit themselves to agricultural practices that make a positive contribution to the environment and to the mitigation of climate change.
- ▶ **8.** Promoting the conversion from conventional farming to organic farming.
- ▶ **9.** Support to land managers to compensate them for the additional costs and income foregone arising from the Natura 2000 and Water Framework Directives.
- ▶ **10.** Payments to farmers in mountain areas and other areas facing natural and other specific constraints to compensate them for the additional costs and income foregone related to the constraints for agricultural production in the area concerned.
- ▶ **11.** Compensation to farmers who voluntarily undertake animal welfare operations over and above those which are mandatory under existing rules.

## Achievements and legacy

The EAFRD provides financial support to land managers so that they can manage their land in a manner that is environmentally friendly, at the same time as producing food for our citizens and creating jobs in the agricultural and food sectors. These payments ensure that land continues to be used well and sustainably, to provide the many public goods that society expects – such as recreation, aesthetic appreciation, facilities for relaxation, the protection of precious natural resources (soil, water and biodiversity) and actions to combat climate change. This all helps to ensure that we hand on a healthy planet to future generations.

The achievements of EU rural development can best be seen when visiting rural areas. Farms are becoming more competitive, new rural businesses are created and our countryside, wildlife and natural resources are protected. Rural development support helps rural areas to become better connected via local roads, and improves services such as water, sewerage and social facilities. Rural communities develop stronger governance and the quality of life for people living in rural areas is enhanced.

In the 2014-2020 period, rural development funds should deliver results more effectively and provide even better value for EU money.

### ▶ FIND OUT MORE

[http://ec.europa.eu/agriculture/rural-development-2014-2020/index\\_en.htm](http://ec.europa.eu/agriculture/rural-development-2014-2020/index_en.htm)

# ► NEXT STEPS FOR THE EU URBAN AGENDA

Over 360 million people live in Europe's towns and cities. That is over two thirds of the EU's population. These urban areas face huge challenges relating to transport and mobility, jobs and business, the economy and the environment, housing and social issues, to name but a few. With the urban agenda, the EU is taking steps to better integrate these issues affecting towns and cities into EU policy making.

## What is the urban agenda about?

The discussion on the EU urban agenda has been going on for some time. Already in its 1997 Communication 'Towards an urban agenda in the European Union' <sup>(1)</sup> the European Commission argued that new efforts were necessary to strengthen or restore the role of Europe's cities as places of social and cultural integration, as sources of economic prosperity and sustainable development, and as the bases of democracy. Since then urban development has become a more prominent feature of EU policymaking, which is especially visible in the new cohesion policy.

However, as the complexity of urban challenges continue to increase, a growing number of voices argue that cities need to be better involved in the conception and implementation of EU policies, and that EU policies need to be better adapted to the urban realities where they will be implemented. This is reflected in the renewed calls for an EU urban agenda. As a response to these calls the European Commission organised a CITIES Forum <sup>(2)</sup> to initiate a debate on the need for an EU urban agenda and, following clear demand for agenda expressed in the Forum, adopted a Communication <sup>(3)</sup> launching a public consultation on what the key features of an EU urban agenda should be.

(1) 'Towards an urban agenda in the European Union', COM(97) 197 final.  
 (2) [http://ec.europa.eu/regional\\_policy/conferences/urban2014/index\\_en.cfm](http://ec.europa.eu/regional_policy/conferences/urban2014/index_en.cfm)  
 (3) 'The urban dimension of EU policies – key features of an EU urban agenda', COM(2014) 490 final.

► SLOVENIA  
 Contemporary eco-friendly residential architecture in Ljubljana.



► SPAIN  
 The Trambaix in Barcelona passing the Agbar Tower.

## Public consultation on the key features of the EU urban agenda

The public consultation on the urban agenda was launched on 18 July 2014 and closed on 26 September. The consultation attracted considerable interest and in total the Commission received more than 220 answers. The respondents were private individuals, public authorities, private enterprises, international organisations, civil society organisations, and other types of organisations.

Fifteen Member States have responded and, although the consultation is officially closed, there are still some responses coming in from Member States due to the timing of their decision making processes.



▶ GERMANY  
Urban gardening  
at the now closed  
Tempelhof airport  
site, Berlin, which  
is being redeveloped  
as a city park.

Six main questions were raised:

- ▶ 1. What are the main rationales for an EU urban agenda?
- ▶ 2. Should an EU urban agenda focus on a limited number of urban challenges or provide a general framework?
- ▶ 3. Is the European model of urban development as expressed in 'Cities of Tomorrow' a sufficient basis to start work?
- ▶ 4. How can urban stakeholders better contribute to the policy development and implementation processes at EU level?
- ▶ 5. What are the best ways to support a stronger urban and territorial knowledge base and exchange of experience?
- ▶ 6. What should be the roles of the local, regional, national and EU levels?

The questions were kept general to allow newcomers to the debate a say, not least on the need for an urban agenda. The responses are currently being analysed and will be presented in a summary report at the end of 2014.

## First results of the consultation

The first analysis shows very clearly a broad agreement on the need for an EU urban agenda.

The consultation demonstrated that there is a clear demand for a European approach to urban development in several areas, for example:

- ▶ to improve the coordination of policies;
- ▶ to establish stronger links with citizens and improve their lives;
- ▶ to improve implementation of agreed strategies;
- ▶ to solve pressing societal challenges, such as the carbon neutral economy.

The message is also clear on what is needed and what is not. A large number of respondents insist that subsidiarity needs to be respected and new legislation should be avoided. The EU urban agenda should enable cities to fully contribute to the implementation of the Europe 2020 Strategy, but it should not impose a rigid framework tying cities hands.

Clear support is emerging for a new working method to ensure a better involvement of cities in the EU policy process. Moreover, many argue that this needs to be combined with a focus on priorities of special relevance to the EU and its cities, especially priorities linked to Europe 2020.

## Next steps

Following the CITIES Forum and the public consultation, there is a clearly expressed demand for an urban agenda and also genuine expectations on the Commission to present its idea of what an EU urban agenda should be and how it should function in concrete terms.

The consultation has brought the debate on the EU urban agenda decisively forward, but it has not ended the debate. The Commission will now continue a dialogue with key stakeholders on more concrete issues based on the consultation findings before tabling a proposal for action in 2015.

### ▶ FIND OUT MORE

[http://ec.europa.eu/regional\\_policy/consultation/urb\\_agenda/index\\_en.cfm](http://ec.europa.eu/regional_policy/consultation/urb_agenda/index_en.cfm)

# ▶ ASSESSING THE EFFECTIVENESS OF COHESION POLICY

## COMMISSION LAUNCHES COMPETITION TO IDENTIFY THE BEST EVALUATIONS AND EVALUATION PROPOSALS

Evaluations can serve a dual purpose of both assessing the effectiveness and impact of EU investments, and generating findings that could influence future cohesion policy. With the new European Structural and Investment Funds placing a greater emphasis on the results orientation of the Operational Programmes, the Commission is focusing its efforts on identifying good examples of evaluation practices and methodologies.

While there are moderately positive expectations for European economies in the coming year, the financial crisis is not over yet, and there is an increasingly urgent need for new sources of funding. The total European Structural and Investments Funds (ESIF) budget for the period 2014-2020 (which comprises five Funds – the European Regional Development Fund, European Social Fund, Cohesion Fund, European Agricultural Fund for Rural Development and European Maritime and Fisheries Fund) will amount to EUR 376 billion. As the Commissioner for Regional Policy **Corina Crețu** reminds us, ‘our funds are the only fresh new money on the table for badly needed investment efforts in the real economy’, and this is part of the reason for the growing media attention on how the European Structural and Investment Funds are spent.

### Results and effectiveness

This attention increasingly includes an emphasis on the effects of cohesion policy, and raises many questions: What was achieved as a result of the resources invested? What worked? What didn't, and why? What was the relative effectiveness of different interventions? What works in different contexts?

### EVALUATIONS 2007-2013

Up until 2013 at least 830 evaluations had been produced for the programming period 2007-2013 on ERDF and Cohesion Fund operations.

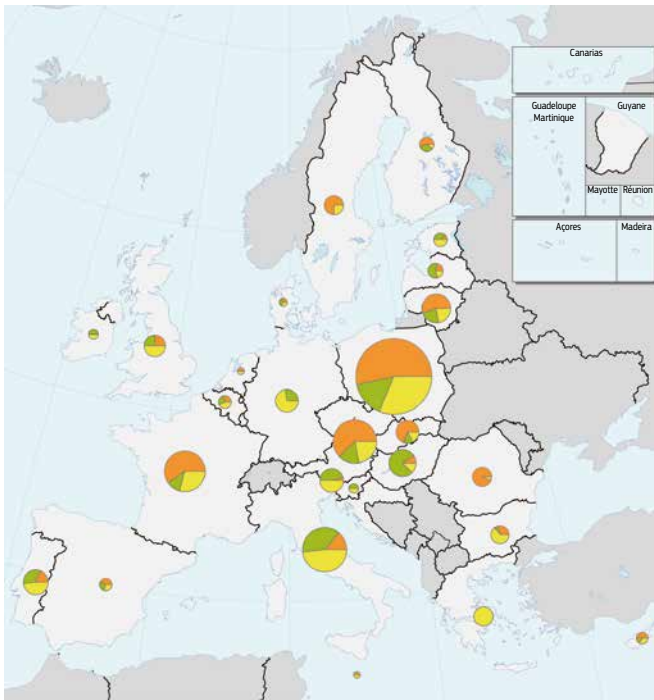
42% of the evaluations focused on processes and procedures, 36% on progress in implementation, and only 22% on results, although the focus of the reports shifted towards results in 2013.

Over time, there has been a shift also in the methods used. An increasing number of evaluations use counterfactual techniques to estimate the impact of cohesion policy on outcomes (6% in 2013 compared to 3% in the 2011-2012 period).

Although not obligatory in the 2007-2013 programming period, Member States and regions were encouraged to design and carry out their own evaluations when they were needed; the general reception to this approach from Member States was positive and diverse evaluation plans were developed across different Member States (see box).

The regulation for the 2014-2020 European Structural and Investment Funds <sup>(1)</sup> represents a radical change in its focus on results. The Common Provisions Regulation emphasises programme objectives, the intervention logic to achieve the expected results, and the evaluation of effectiveness and impacts. Furthermore, from 2016 onwards, it requires annual reporting on outputs and results from Managing Authorities and the Commission, including the findings of evaluations where available.

(1) Regulation (EU) No 1303/2013 of the European Parliament and the Council of 17 December 2013 laying down common provisions on the ESI Funds, known as the Common Provisions Regulation (CPR).



© EuroGeographics Association for the administrative boundaries

## ▶ FOCUS OF THE STRUCTURAL AND COHESION FUND EVALUATIONS 2007-2013 PROGRAMMING PERIOD

### KEY:

- Process
- Effects
- Monitoring

Source: European Commission DG for Regional and Urban Policy, Unit DGA1.B.2

Against this background, the European Commission Directorates-General for Regional and Urban Policy, and Employment, Social Affairs and Inclusion are organising a conference on the 'Effectiveness of EU Cohesion Policy' in 2016. The event seeks to bring together a worldwide audience, including academics and professionals from universities, think tanks, public authorities, government agencies and the private sector, to discuss how different lessons could be applied in evaluation and policy design.

## Competition launched

In preparation for the conference, the Directorates-General have also launched a competition for the best evaluations of EU cohesion policy. This will identify evaluations in two strands – the Best Completed Evaluations and the Best Evaluation Proposals – which are for assessing the effectiveness of operations co-financed by Structural or Cohesion

Funds primarily, but not exclusively, in the areas of research and innovation; enterprise support; ICT; large infrastructure; employment, skills and social inclusion; or institutional capacity building.

The focus of the competition is on understanding the effectiveness of operations co-financed by Structural (i.e. ERDF and ESF) or Cohesion Funds by using at least one of the following three methods:

- ▶ *ex post* cost benefit analysis (CBA);
- ▶ theory-based evaluations;
- ▶ counterfactual evaluations.

A panel of international experts will assess the entries, in terms of both the appropriateness of the methodologies used in the evaluation and also the potential policy significance of the findings for future cohesion policy.

There will not be a monetary prize for the winners, but a minimum of the three best contributions from each strand will be selected, and the authors will be invited to take part in the aforementioned Evaluation Conference in 2016.

What kinds of investments promise more effects than others? What are the hidden factors under certain conditions that could significantly affect job creation? These might be some of the questions whose answers could really make a change in future EU cohesion policy.

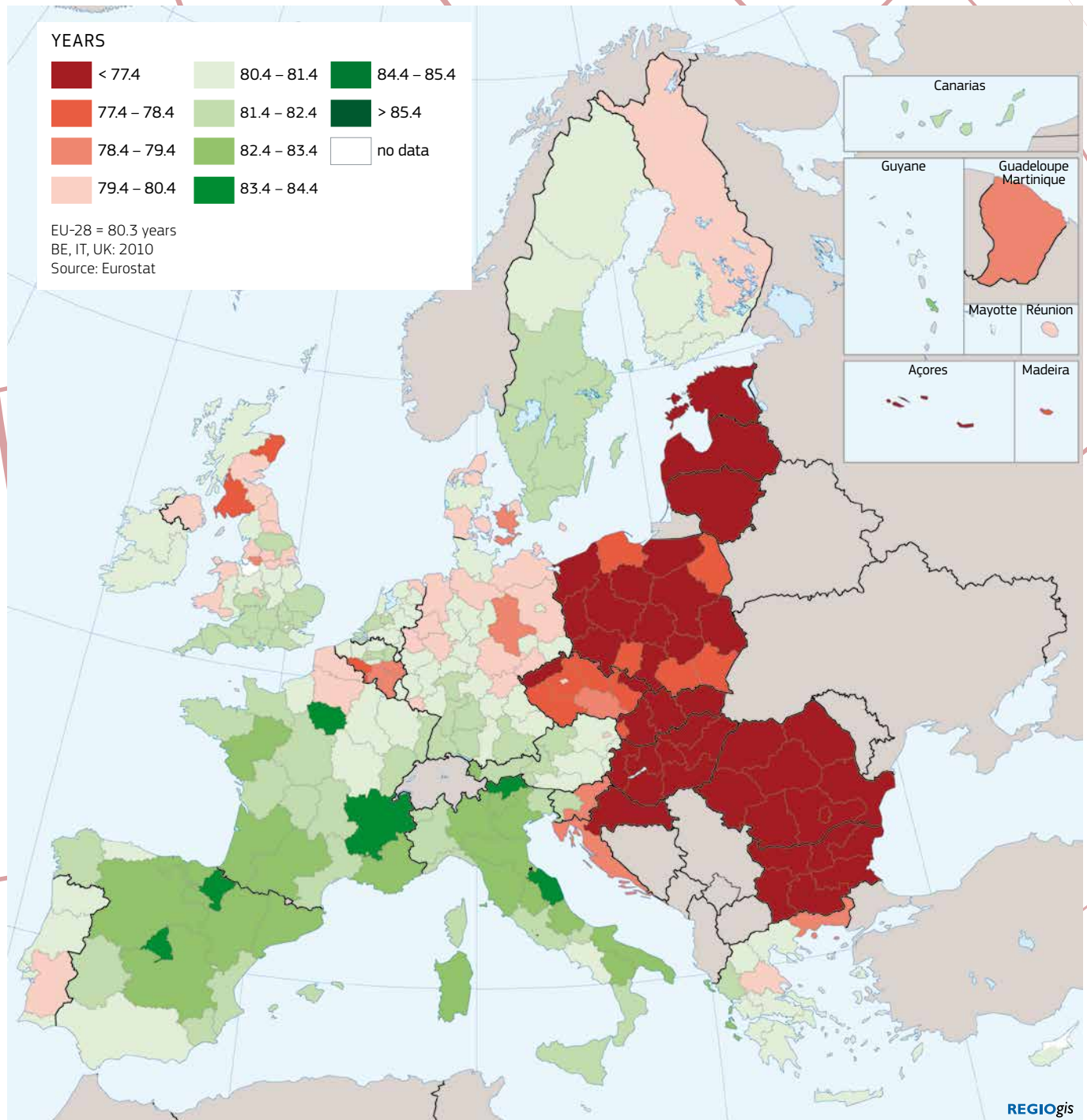
Yet, there are no universal answers to these questions. Instead, there is cumulative learning process that feeds on the hard field work done around Europe over the years. The hope is to take a further step forward on the pathway to answering these and other questions and for this reason the Commission is encouraging the participation in the competition of all evaluators and researchers in the field.

### ▶ FIND OUT MORE

Competition details are available online and entries can be submitted up to 31 December 2015.  
[http://ec.europa.eu/regional\\_policy/impact/evaluation/index\\_en.cfm](http://ec.europa.eu/regional_policy/impact/evaluation/index_en.cfm)

Contact for further information:  
**REGIO-EVAL-CONFERENCE@ec.europa.eu**

# ▶ EU LIFE EXPECTANCY 2011

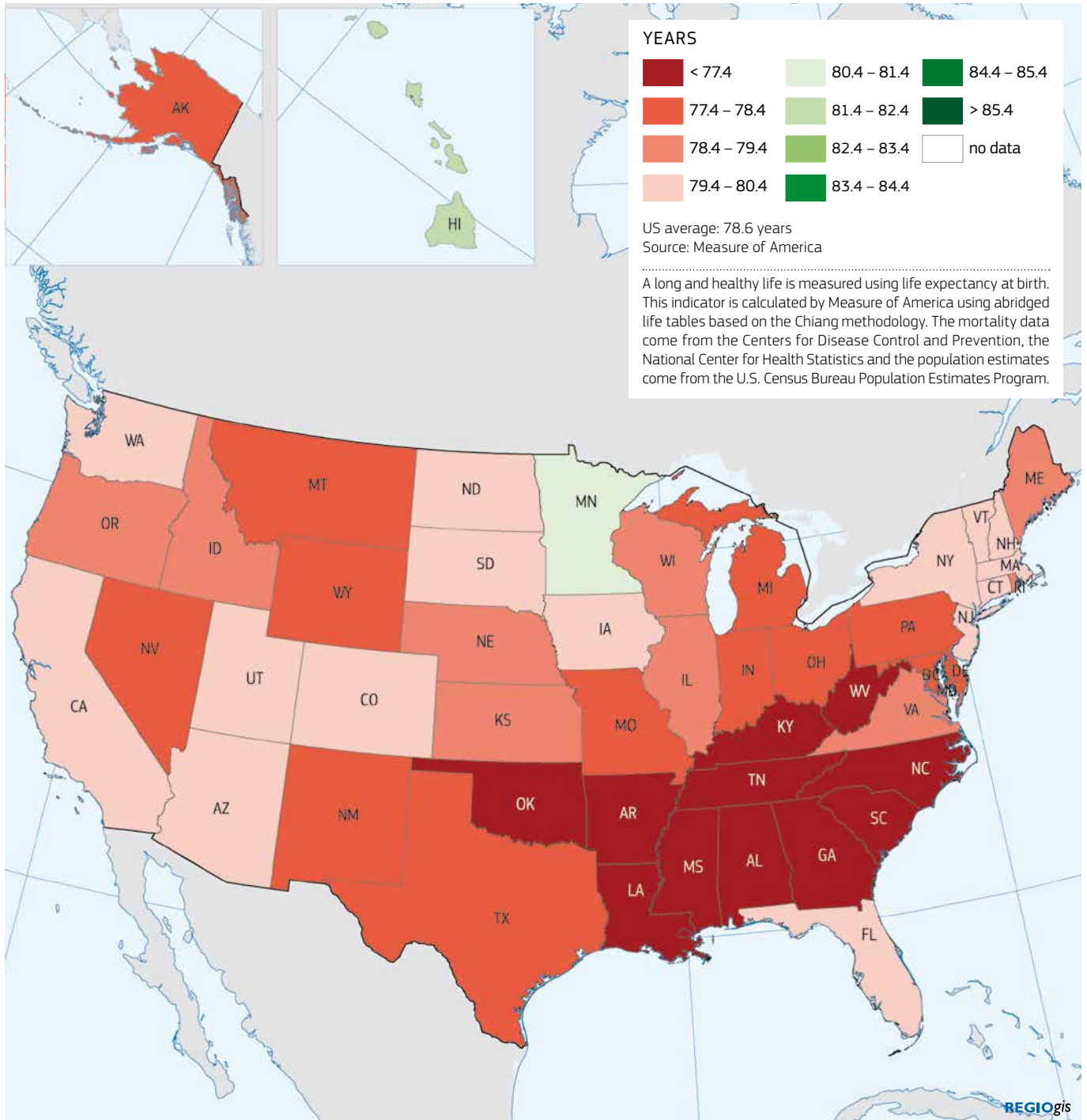


Life expectancy is one of the main reflections of well-being, and in a global perspective the EU scores particularly well in this indicator.

Of the 50 countries in the world with the highest life expectancy in 2012, 21 were EU Member States. Out of these, 18 had a higher life expectancy than the United States of America.



# ▶ USA LIFE EXPECTANCY 2010



In the USA, Hawaii and Minnesota are the only States with a life expectancy above the EU average. In many of the southern States, it is similar to that in Poland or Hungary. As the European map shows, differences between regions in the EU are marked. Life expectancy at birth is less than 74 years in

many parts of Bulgaria as well as in Latvia and Lithuania, while overall across the EU it was over 80 years in two out of every three regions. In 17 regions in Spain, France and Italy, it is 83 years or more.

# ▶ ITALIAN PRESIDENCY OF THE EU COUNCIL

## CHALLENGES FOR THE IMPLEMENTATION OF COHESION POLICY



**The second half of 2014 sees Italy holding the Presidency of the Council of the European Union. Gilda Carbone, Italian Seconded National Expert, talks about her experience and outlines the main challenges and results of the Italian Presidency for cohesion policy.**

▶ **When the Italian Presidency semester started on 1 July 2014, it was a period of intense activity at the European Commission Directorate General for Regional and Urban Policy. What made you decide to accept working for the Italian Presidency of the EU Council?**

Having been working at the DG for Regional and Urban Policy for more than five years and thus engaged with cohesion policy from the Commission's perspective, I was sure that working for the Presidency of the EU Council would enrich my experience and knowledge of the European Institutions and allow me to see cohesion policy from another angle. Therefore, I accepted to join the Italian cohesion team at the Italian Representation to the EU, convinced that it was one of the ways for the Italian administration to make the most out of my European professional experience.

▶ **How was the Italian Presidency programme for growth and jobs implemented as far as cohesion policy was concerned?**

The first element of 'Europe, a Fresh Start', the strategic programme for the Italian Presidency of the Council of the European Union, was 'A job-friendly Europe: delivering economic growth'. The Italian Presidency put forward its programme for cohesion policy within this framework.

As far as regional and territorial policy was concerned, the Italian Presidency programme set the following objectives:

- ▶ Promote a structured **political debate in the EU Council** with the aim of maintaining a focus on ensuring the increased effectiveness and improved result-oriented initiatives of cohesion policy, as well as to promote a reflection on the effects of strengthening the **link between structural policies and economic governance**.
- ▶ Highlight the contribution that an effective cohesion policy can deliver to the **review of the Europe 2020 Strategy**.
- ▶ Continue the political debate on the **EU Urban Agenda**, ushering in the Trio Presidency programme on territorial cohesion and urban policy, aiming to provide by the end of 2015 a review of the state of the implementation of the Union's territorial cohesion objective and better linking territorial cohesion and urban policy.
- ▶ Oversee the assessment of the 2007-2013 results and the launch of the new 2014-2020 programmes.
- ▶ Contribute to developing and consolidating the implementation of the **macro-regional strategies**.

The Presidency's programme for cohesion policy has been fully implemented.

▶ **What was the main challenge faced during the Italian semester?**

The adoption of the Council Conclusions on the Commission's Sixth Report on economic, social and territorial cohesion was definitely challenging. The Sixth Report is an important document that recognised cohesion policy as the main investment policy at EU level for pursuing economic, social and territorial cohesion and as one of the main investment policies to achieve the objectives and targets of the Europe 2020 Strategy; its mitigating effect on the crisis; its relevance in the 'policy mix' of fiscal consolidation, structural reforms and growth enhancing investment supported by cohesion policy.





▶ Mr Matteo Renzi, Italian Prime Minister, presents the Italian Presidency programme to the European Parliament.

Member States views of cohesion policy can vary, depending on their specific circumstances, and the relevance and impact of cohesion policy, as well as their differing opinions on the reinforced link between cohesion policy and economic governance, and uncertainties linked to the institutional transition period. The challenge therefore was to identify the ‘common denominator’, which could provide a meaningful focus for future developments to boost jobs and growth.

▶ **Which was, in your opinion, the main result of these six months and what do you think will remain after the Italian Presidency?**

The main general result achieved during the Italian Presidency was that the EU Council recommended holding a regular debate in the General Affairs Council among relevant ministers to discuss the implementation and results of the European Structural and Investment (ESI) Funds, contributing in a meaningful and substantial way to ensure effective cohesion policy implementation and result orientation.

This was a success for all the cohesion policy community: cohesion policy can now have a regular voice in the Council in a formal setting. Holding a regular and formal debate on cohesion policy at a political level not only ensures that a relevant part of the EU budget is spent in the most effective way to support growth and jobs, but also ensures that the cohesion policy perspective is taken into account when discussing issues related to growth and jobs and to the use of the ESI Funds.

As a matter of fact, the General Affairs Council dedicated to cohesion policy held on 19 November 2014 was the opportunity to not only adopt the Conclusions on the Commission’s Sixth Report on economic, social and territorial cohesion, but also to discuss cohesion policy’s contribution to the mid-term review of the Europe 2020 Strategy, as well as the state of play of the adoption of the 2014-2020 programmes.

There is merit in continuing to hold regular and formal debate on cohesion policy considering, *inter alia*, the annual Commission summary reports, and Commission strategic reports in 2017 and 2019, as well as other future issues such as the revision of the Europe 2020 Strategy, the implementation of the ‘Investment Plan for Europe’ adopted by the Commission on 26 November 2014, the Commission report on the outcome of the negotiations concerning the Partnership Agreements and the 2014-2020 programmes, etc.

In my view, the debate within the General Affairs Council session dedicated to cohesion policy was an important opportunity to reaffirm cohesion policy as a ‘self-standing’ EU policy, which – thanks to its specific features like the multi-level governance structure and the sectoral and territorial integrated approach – continues to play a key role for the re-launch of growth and jobs across the EU.

▶ **FIND OUT MORE**  
[www.italia2014.eu](http://www.italia2014.eu)



# ▶FIRST HYBRID WIND POWER PLANT

Total cost:  
EUR 10 948 000  
EU contribution:  
EUR 6 082 000



**An innovative wind energy generator in Germany converts unused power into hydrogen for later use.**

An innovative system for generating energy from wind power which converts surplus electricity into hydrogen has been developed in the East German region of Uckermark.

Behind the project is one of the leading European wind energy suppliers, Brandenburg-based ENERTRAG AG, which has developed the new hybrid technology in partnership with the Brandenburg Technical University Cottbus-Senftenberg, the Deutsche Bahn AG, Vattenfall Europe, and Total Germany.

Opened in 2011 as a pilot project, the ENERTRAG hybrid project combines a wind energy plant with a water electrolysis unit which uses surplus electricity to produce hydrogen. On days of high energy demand, the hydrogen is converted back into electricity in a co-generation plant, where it is mixed with biogas to achieve ideal output levels.

The capability to store unused electricity as hydrogen helps stabilise the power grid, and provides a model for the future for load-balancing with renewable energies.

Surplus hydrogen gas can also be turned into fuel for hydrogen powered cars and delivered to automotive refuelling stations in Berlin. As an additional bonus, waste heat from the cogeneration process is used as district heating for the nearby town of Prenzlau.

The hybrid power plant is one of the first of its type in the world and is a showcase for the diversity of ways in which renewable energy generated through wind farms, can be used or stored.

The project, which has been co-financed by the European Regional Development Fund, has demonstrated how some of the most pressing difficulties that renewable energies face could be overcome. Surplus electricity from wind generators can be stored on-site as hydrogen and used to help balance out fluctuations in the power grid, which are caused by differences in the supply of solar- and wind energy. In this way renewable energy can be 100% flexible and can be used when and where it is needed.

By strengthening the use of renewable energies such as wind power, the project is making a valuable contribution to the aim EU's aim of raising the share of renewable energies to 20% by 2020.

'The ENERTRAG Hybrid Power Plant sets a milestone in systems integration of renewable energy sources. Hydrogen is the best way of integrating renewables into mobility and heating,' commented ENERTRAG's CEO, **Jörg Müller**.

**▶FIND OUT MORE**

<https://www.enertrag.com/en/project-development/hybrid-power-plant.html>

More information about ERDF in Brandenburg is available on the Managing Authority website: [www.efre.brandenburg.de](http://www.efre.brandenburg.de)

## ▶ EUROPEAN TERRITORIAL COOPERATION

# ▶ ENTERPRISING WOMEN PROMOTES EXPORTS AND BUSINESS SKILLS

**More than 200 British and French women entrepreneurs have joined an innovative cross-Channel enterprise network to promote business skills, exports and good practices.**

B.NEW – the Business Network for Enterprising Women – was set up to in 2009 to bring together female entrepreneurial talent in Brittany (FR), Cornwall and Hampshire (UK). Its aim has been to create a cross-Channel network to promote the creation of women-led businesses and facilitate their international development. Since its launch, more than 200 British and French women entrepreneurs have joined the online B.NEW network.

These business women come from a variety of sectors ranging from fashion and business consulting to tourism, crafts, design and film production.

One of the prime objectives of the organisation is to help women to start and develop a business and the network can help give new entrepreneurs access to experienced business-women on either side of the Channel. The network also opens the door to cross-channel export development through the use of its network of contacts.

B.NEW aims to share best practice regarding women entrepreneurship in England and in Brittany and to develop intercultural relations and business between the enterprising women in the two countries. The network has created a database of the businesses involved in B.NEW. This is supporting the internationalisation of businesses and also helping women entrepreneurs to get access to European and national funding. The network's website features a forum enabling members to share experience and best practices while making new contacts.



**Total cost:**  
EUR 1 783 000  
**EU contribution:**  
EUR 891 000

B.NEW also promotes language learning and the understanding of business creation and IT development. Some 400 businesses have participated in network activities such as workshops, training courses and networking opportunities. More than 60 women have taken part in its linguistic and ICT training sessions.

Understanding the dynamics of women entrepreneurship is also an underlying role of B.NEW. It has made steps in this direction by undertaking comparative research into the situation of woman entrepreneurs in the different territories. This has been facilitated by round-table meetings and interviews to identify the barriers experienced by women entrepreneurs and the potential actions to tackle these issues. The project will make recommendations to decision-makers in both France and England to help foster women entrepreneurship.

The project has been funded by the ERDF through the INTERREG IV A France (Channel) – England cross-border cooperation programme with the overall aim of creating new businesses and jobs, and increasing access to qualified jobs for women on each side of the Channel.

**▶ FIND OUT MORE**  
<http://www.bnew-project.eu/>

## AGENDA

**19 JANUARY 2015**

\_Brussels (BE)

Financial Instruments  
supporting ESI Funds

**4-6 FEBRUARY 2015**

\_Riga (LV)

Challenges for  
the New Cohesion  
Policy in 2014-2020:  
An Academic and  
Policy Debate

**5 MARCH 2015**

\_Brussels (BE)

How regional and local  
partners can work together  
to achieve the goals of  
Europe 2020

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

[http://ec.europa.eu/regional\\_policy/  
conferences/agenda/index\\_en.cfm](http://ec.europa.eu/regional_policy/conferences/agenda/index_en.cfm)

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