



European Association of Development Agencies  
Association Européenne des Agences de Développement

Editeur Responsable : Christian SAUBLENS

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# EURADA NEWS

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# EDITORIAL

While the European Commission is working out a European "Small Business Act", let's hope that it will also be inspired by the American "Community Reinvestment Act" according to which banks have to reinvest in the region part of the funds they have collected there. Thanks to that mechanism, part of the funds lost further to the American subprime crisis would perhaps have been reinvested in European innovative SMEs.

Within the framework of financing the SME growth, I leave to your analytical mind the following data extracted from the book of Hervé Leuret entitled "Start-up. What we may still learn from Silicon Valley" (purchase via the American web site of Amazon; Price: ± €17 postage included).

LARGE AMERICAN NTCI START-UPS				
Company	Creation	IPO	Capitalisation	Employees
Microsoft	1975	1986	\$ 290B	71 000
Cisco	1984	1990	\$ 172B	49 900
Google	1998	2004	\$ 149B	5 600
Intel	1968	1971	\$ 121B	99 900
Oracle	1977	1986	\$ 91B	68 400
Apple	1976	1984	\$ 73B	17 800
Dell	1984	1988	\$ 58B	78 700
eBay	1995	1998	\$ 42B	12 300
Yahoo	1994	1996	\$ 37B	9 800
Sun Microsystems	1982	1986	\$ 19B	38 000
Amazon	1994	1997	\$ 15B	13 300
Average	1984	1989	\$ 97B	42 000

LARGE EUROPEAN NTCI START-UPS				
Company	Creation	IPO	Capitalisation	Employees
SAP	1972	1988	\$ 65B	37 700
Dassault Systèmes	1981	1996	\$ 6.0B	5 700
Logitech	1981	1988	\$ 5.1B	7 200
Business Objects	1990	1994	\$ 3.7B	5 100
ARM Holding	1990	1998	\$ 3.1B	1 500
Soitec	1992	1999	\$ 2.6B	600
CSR	1998	2004	\$ 1.5B	810
Autonomy	1996	1998	\$ 1.5B	400
Gemplus	1988	2000	\$ 1.2B	6 300
Average	1987	1996	\$ 10B	7 200

It should be pointed out that the American companies were born, on average, three years earlier than the European businesses, that they were introduced earlier to the stock exchange (on average four years earlier), that they raise 10 times more capital at their IPO and that they create seven times more jobs. Europe is thus suffering from two ills: the access to risk capital and the lack of a system accelerating the growth of companies with a high innovative potential.

## IMPORTANT DATES

30.5.08	Ad-hoc working group on additionality within the framework of ERDF - Brussels
4/5/6.6.08	WIC La Baule 2008
12/13.6.08	Investing in Regional Revolving Financial Tools – Brussels (B)
23.6.08	Territorial Cohesion: The Future of Europe : Dialogue with Prof. James Galbraith of the University of Texas – Brussels (B)
24.6.08	What Type of EU Support for Competitive Regions after 2013 – Brussels (B)
2/4.7.08	INSME Annual Meeting 2008 – Guangzhou (Canton) (CN)
18/19.9.08	Annual Congress of CNER – Dunkerque (F)
1/2.10.08	8 <sup>th</sup> CEEC Congress – Rzeszow (PL)
19/22.10.08	IEDC Annual Conference in Atlanta (USA)
20/21.11.08	<b>Agorada 2008+</b>

## LIFE OF THE NETWORK

### MEETING OF THE ROUND TABLE OF PRACTITIONERS IN ECONOMIC DEVELOPMENT

Tuesday 24 June 2008 in Brussels on "What Type of EU Support for Competitive Regions after 2013"

EURADA members who usually do not participate in the Round Table meetings but who wish to take part in the one of 24 June can contact the Secretariat.

## EXCHANGE OF VIEWS WITH DG REGIO ON REGIONAL COMPETITIVENESS

During an exchange of views with the Director of DG Regio on 14 April last (cf. e-mail to the members of 4.4.08), the memorandum below was forwarded and discussed.

### **MEMORANDUM RELATING TO EURADA'S THOUGHTS IN THE FIELD OF REGIONAL COMPETITIVENESS**

**The diagnosis** of the regional competitiveness ingredients is known :

- basic infrastructures and quality of life;
- local business infrastructures:
  - universities and higher education institutions
  - research centres
  - sectorial technology centres and technological / economic advisory centres
  - incubators
  - science and technology parks
  - generic and specialised industrial parks
- access to financial tools:
  - equity at all stages, including business angels
  - loans
  - guarantee funds
  - public investment funds
  - reimbursable advances
  - grants
- high added value support services (proof of concept, investment readiness, IPR valorisation);
- entrepreneurship and innovation culture;
- regional economic intelligence (networks, interfaces, clusters, ...);
- quality, mobility and availability of human resources;
- efficient cooperation between academics and enterprises.

**The problem** is identified: each individual tool is necessary, but by lack of governance and critical mass (fragmentation or no integrated approach), their potential is seldom maximised at regional level.

#### **The potential remedies**

- refine the regional governance and leadership;
- improve the analysis and efficiency of the regional competitiveness value chain;
- favour talent attractiveness, development and retention;
- invest in the formation of critical mass;
- develop support mechanisms combining information, mentoring and guidance services with financial tools;
- systematically take account of the international dimension in SME support services;
- promote a segmented approach of enterprises deserving to be supported by EU funding;
- simplify the administrative procedures and enable the use of public procurement to develop innovation (lead markets);
- support the creation and implementation in each region of an exchange and cooperation forum between all stakeholders, with a mutual recognition of competences and a quick and efficient "sign posting" (no wrong door);
- give evaluation and benchmarking a real management tool status;
- better balance the supply of public funding with the tools enhancing the quality of the demand for such funding (investment readiness, innovation vouchers, proof of concept, etc);
- strengthen and even stimulate the role of university in regional development;

- combine the sectoral approach with the geographical approach in order to take the strengths and weaknesses of the regions, city-regions and cities into consideration.

### **EU means of action**

- develop Community interest programmes (draw the lessons from the LEADER and RIS-RITTS initiatives);
- give a priority to financial engineering and private-public partnership;
- re-think and promote the global grant concept as an integrated approach, also for human resources, in the field of high added value support services to enterprises;
- reinforce the aspects linked to the governance of the regional programmes (partnership, local and regional authority networks, integrated approach and assessment);
- add to the INTERREG initiative a new strand entitled "Training and professionalisation of all actors of regional development as far as economic stimulation and management of proximity infrastructures for SMEs are concerned";
- reinforce the means devoted to assessment in order to make a management tool aiming at optimising the efficiency of interventions.

The exchange of views dealt with the preservation of a competitiveness objective in the cohesion policy post 2013 and of its way of implementation. Mention was made of the option of Community initiatives (4 or 5 topics) which would be subject to calls for proposals, as well as of the selection criteria (quality of PPPs, leverage effect of the European funds, type of financial engineering implemented, analysis of the enterprises' demand, ...). Were also discussed the merits of the pedagogical role of the EU through the LEADER and RIS-RITTS initiatives as well as those of the global grant.

It was also deemed opportune to organise an ad-hoc meeting of the members of the Round Table of Practitioners in Economic Development and of representatives of DG Regio.

### **DRAFT MEMORANDUM ON STATE AIDS AND THE CREDIT CRUNCH**

In recent years the dialogues between EURADA and the European Commission on the subject of state aids policy have focused on policy aimed at supporting small and medium-sized enterprises. This has covered the rules applying to government investments in venture capital funds, issues of the *de minimis* level of aid, and the recent extension of block exemptions. With the arrival of the credit crunch and its potential negative effect on the participation of banks and other financial institutions in economic development projects, there is now an urgent need for the Commission to review the application of state aid rules on a much broader basis.

Apart from the explicit aim of preventing member states from exploiting the single market unfairly by subsidies and other support to their national companies, the existence of the state aids rules is based on an implicit assumption that market mechanisms will, by and large, produce the best economic outcomes when left to work freely. The credit crunch, triggered by the sub-prime lending crisis in the US, means that this implicit assumption may no longer be valid.

The credit crunch has arisen from the working of the free market. Its consequence is that banks in the US, and increasingly in Europe, are no longer able to fulfil their normal role of providing loans to support viable projects and businesses because a loss of confidence has massively reduced the supply and increased the cost of credit. The consequence in recent weeks has been that governments and central banks, as lenders of last resort, have had to step in with public funds to protect some banks from the threat of insolvency, and to create more lending capacity and hopefully boost confidence in the banking system in general. This is of course the right and proper role of the state in such exceptional circumstances. Very

quick action may be required in emergencies such as the collapse of the Northern Rock Bank in the UK.

There is a fall-out from all of this for economic development policy. For years now accepted best practice involved leveraging commercial funds – often from banks – to work alongside government money to realise projects. Public/private partnerships have been applied to infrastructure projects, real estate developments in the retail and industrial sectors, and also financial instruments to assist the growth of small and medium sized enterprises. Many of these projects may now be at risk as banks re-appraise their participation, and in the slightly longer term it may be much more difficult to put together partnership deals. The consequence will be that Europe's regions could experience a significant contraction in the volume of activity in economic development for some little time.

The situation will be particularly critical for deals which have been planned for some time, with all the detailed preparation which this often requires, which banks may no longer support. The loss of confidence across the board may also adversely affect the willingness of private developers to proceed with critical projects.

In these circumstances, because of the priority placed by governments nationally and regionally on regeneration, there may be a willingness to provide additional state funding to enable projects to proceed. The public side of the public/private partnership may have to take on a much more dominant and pervasive role. However, in many cases this will immediately raise the issue of whether such increased public participation constitutes state aid and how this problem can be addressed. In situations where decision making has to happen quickly to keep a project on track, there might simply be no time to gain clearance.

In times of economic downturn – and current problems could result in something rather more serious than just this – a greater importance is usually attached to public policy interventions to boost regional economies. The credit crunch is likely to make it much harder to make such interventions through public/private sector deals, and state aid rules could make it much more difficult to quickly create alternative deal structures which increase the participation of the state.

Some examples might help to illustrate these points. One situation might be where the private sector is unable to borrow to finance a project, even though it is otherwise viable. A solution might be for the public sector to lend or guarantee loans for a temporary period, in a similar way to which the UK government is now dealing with the clearing banks. A clear statement that this kind of arrangement would not be considered a breach of state aid rules, provided certain conditions were observed would be helpful. A further problem might arise where the increased cost of finance makes a project unviable even though the debt is available. Here there could be a temporary relaxation of the permitted aid intensity limits. A third type of problem might be where aid is required to assist a business which is failing because of the effects of the credit crunch, but is otherwise sound. Here, a clear statement of the conditions under which intervention might be permitted would be helpful.

EURADA recommends that the European Commission immediately begins a review of state aids policy, and its implementation, in the light of the credit crunch so that it is prepared to respond if the situation worsens. In the present state of the banking system it should matter much less to protect the ability of banks to compete with each other fairly, than to protect our national and regional economies from the consequences of the credit crunch, for which the banks themselves are responsible. In a similar way to governments acting to protect their financial systems from the consequences of the credit crunch, consideration might also be given to allowing governments of member states to be much more active and flexible in financing regional economic development in response to the same crisis.

Such a review would clearly raise complex issues of policy which the Commission and members states would find challenging, but even at a very minimum level, such measures as creating an emergency fast track approvals system which could respond in time to keep complex deals together might be a great help. Once they fall apart, complex public/private deals are often very hard indeed to pull together again.

EURADA would be keen to enter into direct discussions with the Commission on these problems in the near future. There should be no doubt that unless speedy action is taken, projects will be lost through banks withdrawing from deals and governments being unable to act freely to save the situation because of state aids rules.

### HEARING OF ORGANISATIONS REPRESENTING REGIONAL DEVELOPMENT IN THE FIELD OF TERRITORIAL COHESION

As scheduled (cf. eReminder n°86, 21.3.08), DG Regio has organised the discussions around the following topics :

- ✓ Concept of territorial cohesion: territorialisation of economic and social cohesion and of the environmental issues;
- ✓ Community policies having the highest impact on territorial cohesion: Common Agricultural Policy, structural policy (nearly 80% of the EU budget for both of them), FP7, transport, energy and environment, competition policy and most particularly State aids, miscellaneous regulations, ...
- ✓ Typology of the territories to be privileged within the framework of a territorial cohesion policy (territories defined in Article 158 of the Treaty\* as well as peripheral regions);
- ✓ Real or supposed opposition between rural and urban areas on the one hand, and between competitiveness and cohesion on the other hand;
- ✓ Additional costs of investment in the territories mentioned in Article 158 of the Treaty;
- ✓ Statistical indicators to be taken into account to analyse the regional disparities with regard to territorial cohesion;
- ✓ Need to redefine the role of the interested parties in the multi-governance system.

The European Commission has confirmed its calendar :

- Adoption of a Green Paper end of September / early October 2008
- Launch early October of a large public consultation on the Green Paper
- Adoption of the action plan in the second half of 2009.

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\* Lagging regions, less favoured islands, including rural areas

## IMPACT OF THE COMMUNITY FUNDS ON THE REGIONS' BUDGETS

Further to an exchange of views between a representative of DG Regio and a few Eurada members during the lunch organised within the framework of **Agorada 2008**, a reflection exercise will be undertaken with regard to the impact of the Community funds on the regions' budgets.

Further to our e-mail of 7 April last, a dozen of members expressed their interest to participate in this exercise. If other members want to join, they can still contact the Secretariat, all the more so that a meeting is scheduled on 30 May 2008. The following methodology is envisaged :

1. Participants will provide budgetary figures regarding the sources of funding of regional authorities and the nature of expenditure. They will also shortly describe the competences of their regional authorities.
2. Period to be covered : 1998 - 2008
3. Data to be collected :  
Authority :
  - Total budget of the authority : 1998 – 1999 – 2000 – 2001 - 2002 .....
  - Sources of income
    - National transfer
    - Own resources
    - European Union
    - Others
  - Expenditure for :
    - Basic infrastructure
    - Productive environment (Enterprise support)
    - Human resourcesTotal budget of the RDA :

NB : Explanations

### **Basic infrastructure:**

Capital expenditure on transport, telecommunications, energy, water, environmental protection and health is considered as eligible. "Water" includes any public or similar investment in water supply, i.e. capture (including dams), treatment and distribution of water. Environment includes public or similar investment in drainage networks, treatment and control of urban, agricultural and industrial waste water as well as treatment, control and storage of other urban agricultural and industrial waste.

### **Human resources:**

Capital expenditure on education, training, research and development is considered as eligible. Some current expenditure in the following fields can be considered as public investment:

- Education: teacher training, total cost of technical secondary education and higher education, post graduate scholarships;
- Training: total cost of training courses and training of instructors;
- Research and development: *operational expenditure for the provision of services to firms as regards the diffusion of technologies and applied research*; training and



specialised training for researchers, technicians and research managers; research scholarships.

**Productive environment:**

Expenditure aimed to promote activities in the productive sectors, including local economic infrastructures and aid to business, industry and services and tourism.

**THE FUTURE OF THE EU ECONOMIC AND SOCIAL COHESION POLICY**

Lucyan Papiernik – Member of the Executive Committee – has represented EURADA in the conference of the Council Presidency in Maribor (SLO) on the subject "The Future of the EU Economic and Social Cohesion Policy". He had the opportunity to present EURADA's proposals contained in its Memorandum Post 2013 which are reproduced below, as a reminder. It appears that at this stage, only EURADA has made proposals on the eligible actions. The other organisations representing local authorities are still taking positions in principle.

- A good balance between investment in infrastructure and in soft measures to improve the competitiveness and attractiveness of all regions.
- Strong coordination of all EU policies having a spatial dimension, even if they are primarily defined as having sectorial one, in order to create critical mass and leverage effects at mesoeconomic level.
- A framework for a concept of Community Interest Programmes focusing on thematic priorities to give EU interventions a greater visibility. This should be implemented by programmes rather than by multiple projects.
- An increased use of all revolving financial instruments in order to improve the formation and availability of equity capital in the regions.
- Qualitative evaluation criteria for the implementation of the cohesion policy in order to ensure higher added value of EU interventions and avoid small-scale "political wishes" projects.
- A stronger inside and outside inter-cooperation scheme focusing on helping enterprises to become more global.
- Stronger regional dimension of ESF interventions to adjust the skills to the local needs.
- Alignment of European funding with regional priorities by providing a greater role to regions in the management and implementation of programmes in order to maximise the leveraging effects of EU financial contributions.
- Further administrative simplification in the field of State aid controls, the n+2 rule for intangible investment programmes as well as in terms of prefinancing programmes.
- More flexibility in time and in space to recognize changes in circumstances during a 6-7-year period.
- Stronger integration of rural development in the cohesion policy.
- Eligibility of energy and agro food expenditure under the reformed CAP to avoid the use of ERDF for such investments.

## CONFERENCE OF THE COMMITTEE OF THE REGIONS

Christian Saublens has been invited to the conference of the EDUC Commission of the Committee of the Regions on 30 April 2008 in Cagliari (I). He made a presentation of the role of RDAs in stimulating RTDI activities at regional level.

The content of his intervention was based on the following elements :

- a) Some RDAs
  - contribute to an integrated approach (value chain)
  - promote the networking of the key actors
  - propose high added value services
  - develop new forms of private-public partnership
- b) The challenges :
  - access to the sources of finance
  - acceleration of the enterprises' growth in addition to their incubation
  - importance of intangible factors in support to investment in infrastructures
  - role of universities in regional development
- c) The asymmetries between a support service oriented approach and the enterprises' demand :
  - absence of reference to the concepts of profit and market in the CoR documents and in the speakers' interventions; now, the major source of finance for SMEs is the reinvestment of profits
  - non adaptation of services to the new innovation forms developed by enterprises (open innovation, in-house, crowdsourcing, imitation, co-development, design, ...)
  - low investment in high added value services (investment readiness, proof of concept, intellectual property promotion centre, ...).

The text of the conclusions of the conference is reproduced below. It should be noted that it refers to the role of RDA.

*The participants of the conference :*

- *emphasise that to achieve the ambitions of the renewed Lisbon agenda and the Barcelona 3% objective of spending at least 3% of GDP in the EU on R&D by 2010 with two-thirds of this coming from the private sector, as well as to boost a vibrant European Research Area, further actions to create substantial research and innovation capacities in Europe's regions and cities are needed. Local and regional authorities play an important role in achieving these goals.*
- *believe that if research and innovation are to bring lasting benefits to regional development, close cooperation towards achieving common goals and increased responsibility amongst all relevant stakeholders, including in particular public administration, research institutions and universities, business, SMEs, and user organisations is crucial. Regional development agencies can play a crucial role in this regard.*
- *encourage further regional and local government action to make research and innovation a key priority in using the EU Structural Funds, to better coordinate the use of EU funding for research and innovation, to set up integrated research and innovation strategies and governance, to support and create research and innovation resources and skills, to develop regional and inter-regional clusters, placing research institutions within innovative and attractive surroundings, as well as to facilitate the commercialisation of research and innovation outputs, in particular by SMEs.*
- *encourage at the same time universities and colleges to explore new avenues of cooperation between public institution and the private sector, for example through joint public and private innovation funds. Universities and colleges must be seen and supported as drivers of innovation in their regions.*

- *stress the need for substantial and coordinated EU, Member States and the private sector support for research and innovation at local and regional level, as well as the need for a more sophisticated EU and national policy mix and balance between fostering existing "poles of excellence" in research and innovation and enabling new ones to emerge.*
- *call upon the EU and Member States to provide with regular and better coordinated dissemination of results and good practices and to support greater interaction of the regional development, innovation and research policy "communities", as well as to further promote examples of best practice across the EU and within Member States on how regions and cities are increasing and better coordinating their investments in research and innovation.*

## DOCUMENT BY THE SECRETARIAT

### EUROPEAN COMMISSION'S RENEWABLE ENERGY AND CLIMATE CHANGE PACKAGE REFLECTIONS OF THE SECRETARIAT ON ITS IMPACT FOR RDAs

#### **3x20 for 2020 Background**

In January 2007 the European Commission put forward an integrated energy/climate change proposal that addressed the issues of energy supply, climate change and industrial development. Two months later, European Heads of State endorsed the plan and agreed to an Energy Policy for Europe.

The plan called for a:

- 20% increase in energy efficiency
- 20% reduction in greenhouse gas (GHG) emissions
- 20% share of renewables in overall EU energy consumption by 2020
- reach a proportion of 10% of biofuels of the total vehicles consumption by 2020

#### **1. COMMISSION PROPOSAL**

To achieve the renewable energy policy goals, the European Commission has proposed a Directive. This aims to establish national renewable energy targets that result in an overall binding target to be achieved by each Member State.

##### **1.1 The objectives**

To set an EU target of a 20% share of renewable energy in 2020 (8.5% today). Three sectors are implicated by renewable energy: electricity, heating and cooling and transport.

It is up to the Member States to decide on the mix of contributions from these sectors to reach their national targets, choosing the means that best suits their national circumstances. They will also be given the option of achieving their targets by supporting the development of renewable energy in other Member States and third countries.

To remove unnecessary barriers to the growth of renewable energy - for example by simplifying the administrative procedures for new renewable energy developments - and encourages the development of better types of renewable energy.

## 1.2 The advantages

- a boost for high-tech industries, new economic opportunities and jobs, mainly in rural areas - as no country has the monopole of these high-tech industries for the moment, there are really opportunities for everyone.
- reduction of CO<sup>2</sup> emissions
- reduction in fossil fuel consumption

All this will cost €13-18 billion per year - this investment will drive down the price of the renewable energy technologies that will form a growing part of our energy supply.

In 2007, global investment in sustainable energy increased by 43%. Market revenues for solar, wind, biofuels and fuel cells are forecast to increase to approximately €150 billion by 2016, while record levels of investment in wind, solar and biofuels reflect technological maturity, a growth in policy incentives and increased investor confidence.

The use of renewable energy sources also contributes to increasing local and regional employment opportunities. Renewable energy in the EU has a turnover of €30 billion, providing approximately 350 000 jobs. Employment opportunities are vast, ranging from high-tech manufacturing of photovoltaic components to maintenance jobs at wind power plants or in the agricultural sector producing biomass.

The EU's proactive policies on renewable energy provide an industrial opportunity.

The European Union is already a world leader in renewable energy and the sector has huge and growing economic importance worldwide. It is the EU's ambition to stay at the forefront of this fast-developing area.

The European Commission's new Directive sets out the renewable energy targets and aims to provide a stable and integrated framework for all renewable energy, which is critical to ensure investors have the confidence needed to make renewables play their envisaged role. At the same time, the framework is sufficiently flexible to take into account the specific situations in Member States and to ensure that they have leeway to meet their targets in a cost-effective manner, including through an improved regime for transfers of guarantees of origin. In addition, the Directive contains specific measures to remove barriers to renewable energy's development such as excessive administrative controls and to encourage greater use of better-performing types of renewable energy.

## 2. OTHER RECENT PROPOSITIONS

### 2.1 Sustainable Industrial Policy

The European Commission (DG Environment with DG Enterprises & Industry) will launch this year an action plan for "Sustainable Industrial Policy".

The purpose of this plan is threefold:

- innovation and development of lead markets to launch new, low CO<sup>2</sup> products, services and technologies
- create an internal market for those products, services and technologies
- export the low CO<sup>2</sup> economy know-how

The whole proposition set will be adopted this May 14th 2008.

## 2.2 Lead markets

In a recent communication, the European Commission has presented six markets considered as leading. Among them, there are sustainable construction, recycling, bio-based products and renewable energies. These markets are highly innovative, respond to customers' needs, have a strong technological and industrial base in Europe and depend more than other markets on the creation of favourable framework conditions through public policy measures. Renewable energies are considered as one of those markets. This initiative calls for the urgent coordination of policies through ambitious action plans targeting these markets, with advantages for European economy and consumers as results. European enterprises should take a leader position on the fast growing world markets, to get competitive benefits.

## 2.3 Regions of knowledge

The 'Regions of knowledge' initiative aims to strengthen the research potential of European regions, in particular by encouraging and supporting the development, across Europe, of regional 'research-driven clusters', associating universities, research centres, enterprises and regional authorities. This topic is covered by the 2008 calls for proposals which includes a special theme "Environment" including Climate Change.

## 3. CHALLENGES FOR RDAs

How to develop regional capabilities and world class enterprises in those industrial sectors or market niches linked to the achievement of the European Commission proposals?

Will the adoption end of January of the Energy-Environment package by the European Commission really give market opportunities to the enterprises and territories which will be able to innovate in products and services allowing the respect of the standards and objectives assigned to the 27 Member States ?

The question is no longer to take into account the impact on the environment of the business support policies, investment in infrastructure and even the rehabilitation of derelict industrial sites, but rather to create regional ecosystems for the innovation and commercialisation of products and services in connection with energy savings, the production of alternative energies and the reduction of CO<sup>2</sup>.

Cluster	Sector	Region
<b>Advancity</b>	Environment	Seine-et-Marne (FR)
<b>ENIN Környezetipari Klaszter</b>	Environment	Nord Hungary
<b>Slovenian Environmental Cluster</b>	Environment	Slovenia
<b>Aclima</b>	Environment	Basque Region (E)
<b>EnCluster</b>	Environment	East of England (UK)
<b>Yorkshire and Humber environmental cluster</b>	Environment	Yorkshire (UK)
<b>Envirolink Northwest Ltd</b>	Environment	North West (UK)
<b>Cluster Rhône-Alpes Eco-Energies</b>	Energy	Rhône-Alpes (FR)
<b>Reiso 77</b>	Energy	Seine-et-Marne (FR)
<b>EnergieRegion Nürnberg e.V.</b>	Energy	Nürnberg (D)
<b>ENG-NET</b>	Energy	Baden – Württemberg (D)
<b>Fuel Cell and Hydrogen Network Nordrhein-Westfalen</b>	Energy	Nordrhein - Westfalen (D)
<b>ArchEnerg</b>	Energy	Hungary
<b>Interregionális Megújuló Energia Klaszter Egyesület</b>	Energy	Hungary
<b>Pannon Termál Klaszter</b>	Energy	Hungary
<b>District Energy Cluster of Slovenia</b>	Energy	Slovenia
<b>NWDA</b>	Energy	North West (UK)

#### 4. MEMBERS INITIATIVES

Here is a list of some renewable energies and/or sustainable development projects initiated by Eurada members:

- EEDA (UK) supports projects Waterwise East and Renewables East
- EMDA (UK) has launched Economics of Climate Change and take part in the Renewable Energy project
- Highlands & Islands (UK) supports the Community Energy Company project
- NWDA (UK) has launched the Joule Center and the Climate Change Action Plan
- OneNorthEast (UK) took in place the Sustainable Development Toolkit
- ADERLY (FR) is involved in the ERRA Energies Renouvelables Rhône-Alpes project
- CENTRECO (FR) supports on its territory the Pôle S<sup>2</sup>E<sup>2</sup> Pôle des Sciences et Systèmes de l'Energie Electrique
- The Hérault Council (F) has launched few action plans for sustainable development
- France Initiative Réseau (F) has signed for sustainable development inside its national regional parks
- IGRETEC (B) realised the EOLE project, an innovative environmental building created for its offices and other regional actors.

### REALISATIONS OF MEMBERS

#### [BIC SARDEGNA \(I\)](#)

BIC Sardegna has just inaugurated its Città dell'Impresa concept ([www.cittadellimpresa.it](http://www.cittadellimpresa.it)), an area to raise awareness to entrepreneurship which is based on interactive video techniques enabling to get familiarized with all aspects of enterprise creation. This awareness area is completed by incubation areas.

## REGIONAL POLICY

### FINANCING RESEARCH, DEVELOPMENT AND INNOVATION PROGRAMMES

DG Research has worked out the following documents relating to research, development and innovation programmes :

- Synergies in funding Opportunities between 7th Framework Programme for Research, Competitiveness and Innovation Programme and Structural Funds (Practical Guide)
- Checklist for EU Innovation and Research Funding

The documents are available, only in English, from the Secretariat or on Cordis web site :

[ftp://ftp.cordis.europa.eu/pub/fp7/docs/practical-guide\\_en.pdf](ftp://ftp.cordis.europa.eu/pub/fp7/docs/practical-guide_en.pdf) and  
[ftp://ftp.cordis.europa.eu/pub/fp7/docs/check-list-guide\\_en.pdf](ftp://ftp.cordis.europa.eu/pub/fp7/docs/check-list-guide_en.pdf)

## SME

### SME PERFORMANCE REVIEW

The European Commission intends to regularly issue as from the end of 2008 or early 2009, a scoreboard relating to the importance of SMEs in Europe. This scoreboard should contain data regarding :

- the size of enterprises
- the structure of the SME sector
- the performance of SMEs
- the demography of SMEs
- the administrative costs for SMEs
- innovation and RTD in SMEs
- the entrepreneurial culture.

The statistical data will be complemented by analyses and thematic reports. The first reports might concern the internationalisation of SMEs and sub-contracting.

### CONVERTING KNOWLEDGE INTO SOCIO-ECONOMIC BENEFITS

The European Commission has just submitted a series of recommendations in the field of converting knowledge into socio-economic benefits.

The recommendation is addressed to all Member States to help them develop or adapt policies or guidelines on the management of intellectual property and knowledge transfer activities, and intends to promote the exploitation of publicly funded research results.

Link to the full text of the recommendation :

[http://ec.europa.eu/invest-in-research/pdf/ip\\_recommendation\\_fr.pdf](http://ec.europa.eu/invest-in-research/pdf/ip_recommendation_fr.pdf)

## **EDUCATION & ENTERPRISES**

### ENTREPRENEURSHIP AND UNIVERSITIES

The Commission has just published the report of an expert group entitled "Entrepreneurship in Higher Education, especially within non-business studies".

This report is available on line at

[http://ec.europa.eu/enterprise/entrepreneurship/support\\_measures/training\\_education/entr\\_highed.pdf](http://ec.europa.eu/enterprise/entrepreneurship/support_measures/training_education/entr_highed.pdf)

or on request from the Secretariat. Hard copies can also be received from Mr. Simone Baldassarri at DG Enterprise and Industry [Simone.Baldassarri@ec.europa.eu](mailto:Simone.Baldassarri@ec.europa.eu)

### COOPERATION BETWEEN UNIVERSITIES AND ENTERPRISES

Further to the conference organised in last February on cooperation between universities and enterprises, DG Education has just created a website especially dedicated to that subject [http://ec.europa.eu/education/policies/educ/business/index\\_en.html](http://ec.europa.eu/education/policies/educ/business/index_en.html).

DG Education would like to include examples of collaborations or documents dealing with this question.

Interested organisations can forward their experiences at the following address :

[EAC-UNIVERSITY-BUSINESS-COOPERATION@ec.europa.eu](mailto:EAC-UNIVERSITY-BUSINESS-COOPERATION@ec.europa.eu)



## STATE AID

### GUIDELINES ON STATE AID FOR ENVIRONMENTAL PROTECTION

O.J. C82, 1.4.08. This text lays down the conditions for authorising the granting of State aid to address those market failures which lead to a sub-optimal level of environmental protection.

The guidelines contain the list of a series of measures for which State aid may, under specific conditions, be compatible with Article 87 (3) (c) of the EC Treaty.

- Aids for undertakings which go beyond Community standards or which increase the level of environmental protection in the absence of Community standards
- Aid for the acquisition of new transport vehicles which go beyond Community standards or which increase the level of environmental protection in the absence of Community standards
- Aid for early adaptation to future Community standards
- Aid for environmental studies
- Aid for energy saving
- Aid for renewable energy sources
- Aid for cogeneration and aid for district heating
- Aid for waste management
- Aid for the remediation of contaminated sites
- Aid for the relocation of undertakings
- Aid involved in tradable permit schemes
- Aid in the form of reductions of or exemptions from environmental taxes

The guidelines also specify the measures subject to a detailed assessment and the criteria for the economic assessment of individual cases.

The table illustrating the aid intensities for investment aid as part of eligible costs is as follows :

TABLE ILLUSTRATING THE AID INTENSITIES FOR INVESTMENT AID AS A PART OF ELIGIBLE COSTS

	Small enterprise	Medium-sized enterprise	Large enterprise
Aid for undertakings going beyond Community standards or increasing the level of environmental protection in the absence of Community standards	70 % 80 % if eco-innovation 100 % if bidding process	60 % 70 % if eco-innovation 100 % if bidding process	50 % 60 % if eco-innovation 100 % if bidding process
Aid for environmental studies	70 %	60 %	50 %
Aid for early adaptation to future Community standards			
— more than 3 years	25 %	20 %	15 %
— between 1 and 3 years	20 %	15 %	10 %
before the entry into force			
Aid for waste management	70 %	60 %	50 %
Aid for renewable energies	80 % 100 % if bidding process	70 % 100 % if bidding process	60 % 100 % if bidding process
Aid for energy saving	80 %	70 %	60 %
Aid for cogeneration installations	100 % if bidding process	100 % if bidding process	100 % if bidding process
Aid for district heating using conventional energy	70 % 100 % if bidding process	60 % 100 % if bidding process	50 % 100 % if bidding process
Aid the remediation of contaminated sites	100 %	100 %	100 %
Aid for relocation of undertakings	70 %	60 %	50 %

### [GUIDELINES FOR THE EXAMINATION OF STATE AID TO FISHERIES AND AQUACULTURE](#)

O.J. C 84, 3.4.08. This text aims at establishing consistency with the Competition Policy and the Common Fisheries Policy.

### [GERMANY – OPENING A PROCÉDURE UNDER ARTICLE 88 \(2\) OF THE TREATY](#)

Through O.J. C88, 9.4.08, the European Commission has opened a procedure against the guarantee scheme of the Land of Saxony for working capital loans.

The Commission has the following questions :

The Commission has doubts as to the compatibility of the measure since it does not seem to be in conformity with the rules applicable to operating aid under its Guidelines on National Regional Aid for 2007-2013 (RAG).

According to point 76 and 77 of the RAG, operating aid is exceptional and can be granted in assisted regions in the sense of Article 87(3)(a) of the EC Treaty only under strict conditions, especially it has to be well targeted and proportional to the handicaps it seeks to alleviate.

*First*, the Commission has doubts whether the German authorities have provided sufficient proof regarding the existence of specific handicaps pursuant point 76 of RAG other than those justifying the qualification of a region under Article 87(3)(a) of the EC Treaty. At this stage, it appears that the measure is not well targeted to specific handicaps of the Land Saxony as the German authorities described several economic

handicaps that all new Länder are facing, such as high rate of unemployment, low GDP *per capita*, lower profitability of the firms, higher percentage of bankruptcy, lower value of assets held by the firms which can be used as collateral. In Commission view, these handicaps are rather general and used for qualifying a region as an Article 87(3)(a) region pursuant point 15-17 of RAG.

*Secondly*, the Commission has doubts whether the scheme is proportional to the handicaps it seeks to alleviate. It seems that Germany's major concern giving enterprises in Article 87(3)(a) regions in their start-up and expansion phase easy access to financing to cover the working capital needed for their expansion, is not covered by the design and targeting of the notified measure, and could be sufficiently addressed by using other existing State aid instruments (such as: guarantees for working capital loans under *de minimis* Regulation and the approved calculation methodology for Germany N 541/07; regional start-up aid under point 86 of RAG; aid for young innovative enterprises under the R&D&I framework; risk capital aid under the risk capital guidelines), or could be solved by State aid-free measures (such as self-financing insurance-based scheme under the Guarantee notice).

*Thirdly*, several other conditions applicable under points 76-83 of the RAG do not seem to be clearly met: in particular, there are doubts whether the measure is sufficiently digressive in time and effectively limited in time. In addition, it is not clear how the eligible expenditure or costs are predefined and the aid is limited to a certain proportion of those costs pursuant point 77 of the RAG.

## CALLS FOR PROPOSALS

### INTELLIGENT ENERGY - EUROPE

O.J. C 68, 13.3.08

Deadline : 26.6.08

Info : [http://ec.europa.eu/energy/intelligent/contact/index\\_en.htm](http://ec.europa.eu/energy/intelligent/contact/index_en.htm)

### SCIENTIFI AND TECHNICAL RESEARCH

O.J. C 96, 17.4.08

Deadline : 25.9.08 Preliminary proposals

Info : [www.cost.esf.org](http://www.cost.esf.org)

Topics:

- Biomedicine and molecular biosciences
- Chemistry and molecular sciences and technologies
- Earth system science and environmental management
- Food and agriculture
- Forests, their products and services
- Individuals, society, culture and health
- Information and communication technologies
- Materials, physical and nanosciences
- Transport and urban development

## **TRAINING MISSION IN JAPAN – WORLD CLASS MANUFACTURING**

Deadline : 11.6.08

Training dates : 20-24 October 2008

Info on mission <http://www.eu-japan.eu/europe/wcm.html>

on application procedure [http://www.eu-japan.eu/europe/application\\_form\\_wcm\\_oct.doc](http://www.eu-japan.eu/europe/application_form_wcm_oct.doc)

Queries [michelson@eu-japan.eu](mailto:michelson@eu-japan.eu)

## **CIP – ECO-INNOVATION**

O.J. C 100, 22.4.08

Deadline : 11.9.08

Info : [http://ec.europa.eu/environment/etap/ecoinnovation/library\\_en.htm](http://ec.europa.eu/environment/etap/ecoinnovation/library_en.htm)

### Scope

CIP Eco-Innovation will support projects concerned with the first application or market replication of eco-innovative techniques, products, processes or practices, which have already been demonstrated, but due to remaining risks need incentives to penetrate the market.

CIP Eco-Innovation will also support market oriented activities related to the uptake of environmental technologies and eco-innovative activities by enterprises and the implementation of new or integrated approaches to eco-innovation, such as environmental management, design and environmentally friendly products, processes and services.

### Types of actions to be supported

- Cleaner production processes with preference for those sectors having an important environmental impact, such as construction, food and drink industry and waste recycling.
- Innovative environmentally friendly products and services, including innovative approaches to the eco-design of products or eco-labelling.
- Support to enterprises (especially SMEs) in greening their business, products and management methods – especially innovative approaches to environmental management systems or increased eco-efficiency.

## **CIP – INFORMATION AND COMMUNICATION TECHNOLOGIES**

O.J. C 108, 29.4.08

Deadline : 9.9.08

Info : [http://ec.europa.eu/ict\\_psp](http://ec.europa.eu/ict_psp)

### Topics

- ICT for user friendly administrations, public services and inclusion
- ICT for energy efficiency and sustainability in urban areas
- Consensus building, experience sharing on Internet evolution and security

## TRANSPORTS

O.J. C 112, 7.5.08

Deadline : 20.6.08

Info : [http://ec.europa.eu/dgs/energy\\_transport/grants/proposal\\_fr.htm](http://ec.europa.eu/dgs/energy_transport/grants/proposal_fr.htm)

Topics: Road transport and co-modality  
Sustainable mobility in the urban and suburban field

## EVENTS

### **INNOVATION AND NEW MOTORWAY INFRASTRUCTURES : INTERNATIONAL BEST PRACTICE COMPARED**

Milan. Series of seminars between 15 May and 12 June 2008.

Detailed programme : [www.milanomet.it](http://www.milanomet.it)

## REGIONAL INTELLIGENCE

### **FDI 2007**

The Top 5 ranking of the most attractive regions for FDI is as follows :

a) Number of projects attracted

- Greater London 305
- Ile-de-France 209
- Madrid 95
- Cataluña 90
- Hesse 74

b) Number of jobs created

- Ile-de-France 5 648
- Greater London 5 459
- Moscow 2 694

- Budapest 2 600
- Madrid 2 098

Source: Ernst & Young European Investment quoted by "La Tribune", 16.4.08

### **TECH CITIES EN EUROPE**

The Dutch consultancy cabinet Buck Consultants International has presented during MIPIM 2008 the results of a study on the attractiveness of 30 European cities: "Europe's first tech cities ranking".

1. Paris
2. London
3. Oxford
4. Cambridge
5. Berlin
6. Madrid
7. München
8. Copenhagen
9. Manchester
10. Amsterdam & Zürich

Source: ARD Paris Ile-de-France