



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

In the editorial of Eurada-News Nr 277 dated 27 April 2007, we had advocated the adoption of Research and Innovation Free Zones.

It is worth noting that the "Science Business" Think Tank (www.sciencebusiness.net) has published in the last issue of its magazine an interview of Jean-Philippe Courtois, Chairman of Microsoft International, who deals with this concept as follows :

We know there are great islands of innovation in Europe, but we lack the critical mass. We can pick places in Europe where we can loosen the rigidities of the system, apply new ways of thinking, enabling financing, and applying IP.

One way to speed cluster growth in Europe would be to cut some slack – reduce regulation, assist financing, encourage mobility.

Some call this "free innovation zones". These would be a limited number of regional clusters – perhaps five or seven – with special legal, administrative and incentive policies to encourage innovation. They would be places where big and small businesses, university researchers and individual entrepreneurs, could work together more easily. Companies would find it easier to license intellectual property created in the zone; start-ups would have easier access to finance. European programmes – like the planned European Institute of Innovation and Technology – would help them develop. The result would be a unique ecosystem in which innovations can be developed more easily, and small companies could grow faster.

Other noticeable fact: while the European Commission is adopting its proposal for a Small Business Act (SBA) "in a European way", in which it calls for a quick and urgent reduction of the payment delays, the European Ombudsman is publishing a report entitled "Ombudsman: Late Payment by Commission Still a Serious Problem".

And if the SBA was unfortunately once again only the reflection of the saying "Do what I say, not what I do".

Enjoy your Holidays !

IMPORTANT DATES

18/19.9.08	CNER Annual Congress – Dunkerque (F)
25.9.08	Executive Committee
26.9.08	Board of Directors
2/3.10.08	8 th CEEC Congress – Rzeszow (PL)
19/22.10.08	IEDC Annual Conference in Atlanta (USA)
20/21.11.08	Agorada 2008+

LIFE OF THE NETWORK

REMINDER OF THE MAJOR ACTIVITIES CARRIED OUT BETWEEN 1 JANUARY AND 15 JULY 2008

The first six months of this year were marked by a strong activity of dialogue or by action to represent the interests of RDAs with the European Commission services. It should be reminded that the Secretariat was invited to nominate EURADA representatives in the following events :

- ✓ "European University / Business Forum" organised by DG Education and Culture
- ✓ Conference on "The Future of Cohesion Policy" organised in Maribor by the Slovenian Presidency
- ✓ European conference on rural development to be organised in Cyprus by DG Agriculture and Rural Development
- ✓ "Workshop on Good Practices in the field of Lifelong Learning and Universities at Regional Level" organised by DG Education and Culture
- ✓ Hearing of representative organisations on the Green Paper on Territorial Cohesion organised by DG Regio

The Secretariat had the opportunity to follow the work of expert groups in the field of :

- ✓ Access to finance for SMEs
- ✓ Knowledge Regions
- ✓ Implementation of the SME policy.

We could also dialogue with DG Research with regard to the EU-Japan Cluster Forum (cf. Eurada-News Nr 290, 25.6.08).

In parallel, we noted the participation of several representatives of various Directorates General in **Agorada 2008**, in the meeting of the Round Table of Practitioners in Economic Development, in the seminar on financial engineering and in the Working Group on "Impact of Structural Funds on the regional budgets".

For the second half of 2008, save the dates for the two traditional events, i.e. the 8th CEEC Congress (2/3 October 2008 in Rzeszów) and **Agorada 2008+** (20/21 November 2008 in Brussels).

Furthermore, Eurada will soon launch a new more dynamic version of its web site and will implement the Eurada 2008 Project which aims on the one hand to extend the basis of the contacts with the members and on the other hand to recruit new members.

SNAPSHOT OF THE MEETING WITH DG REGIO ON 11.7.08 – COMPETITIVE REGIONS

- EURADA Participants : 9 experts
- Participants from DG Regio : 8 representatives of Directions C and D, of which Mr Dirk Ahner, the Director General.

The subjects of the exchange of views were :

- Context of the working out of the cohesion policy post 2013
- Added value of the Community intervention in favour of the "Competitiveness and Employment" Objective
- Relations between RDAs and management authorities
- Constraint of the financial audits
- Success and failures of the past
- Supports to favour the internationalisation of SMEs
- The concepts of economic intelligence and intangible investment
- RDA assistance to SMEs within the framework of the so-called "open source" innovation
- Innovation in the services sector
- The constraints of the n+2 rule
- The fixation or not of a limited number of priorities eligible for Community finance by the European Commission itself
- The links between regional policy and climate change
- Human resources at regional level
- Advantages of the global grant for supporting SMEs
- Financing SMEs in their start-up phase
- Importance of infrastructure in supporting SMEs.

A new meeting in December 2008 was mentioned.

An amended version of the working document reproduced in Eurada-News Nr. 290, 25.6.08, held the attention of the DG Regio representatives.

DOCUMENTS OF THE MEMBERS

[ARTICLE OF DAVID WALBURN PUBLISHED IN THE FINANCIAL TIMES DATED 21.5.08](#)

We must not retreat from regional development

Sir, John Healey's defence of regional development agencies comes dangerously close to suggesting that the scope of economic development policy is limited to boosting the performance of only the poorer regions of England. There are already suggestions that regional policy under a future Conservative government might adopt this restricted approach.

The challenges in economic development are much wider than this. The numbers of people whose lives are blighted by unemployment and exclusion are higher in prosperous regions such as London than they are in struggling regions like the north-

east. Effective policies are needed to support such groups everywhere.

Economic development policy also involves addressing problems that affect the economy as a whole. For example, the importance of small businesses as drivers of growth, innovation and job creation is widely acknowledged in all western economies, as is the need for a public policy framework to assist and encourage their development. In recent years the government, with a strong personal commitment from Gordon Brown, has placed a high priority on policies and programmes to bolster the performance of high-growth small businesses. Regional

development agencies have been key players in both devising and implementing such programmes.

There is certainly a need to review the effectiveness of the regional development agency model and whether the present high levels of staffing offer good value for money. But we must hope that the opposition's pledge to "unpick the government's regional agenda piece by piece" will not lead to a retreat from economic development work which is vital to the whole country.

David Walburn
Director, Local Economy Policy Unit
London South Bank University

[OXFORD INTELLIGENCE](#)

Oxford Intelligence has just published the two following studies :

- ✓ The Medtech Report 2008: International Investment Strategies and Location Benchmarking Study
- ✓ Renewable Energies 2008: International Investment Strategies & Key Investors Study

Contact: Françoise Lemagnen
francoise.lemagnen@oxint.com

REGIONAL DEVELOPMENT

ERDF AND INVESTMENT FOR SMEs

According to a press release from Commissioner D. Hübner, the Member States and the regions will devote of the order of 28 billion Euro (i.e. 8% of the total budget of cohesion) for supporting SMEs in the period 2007-2013.

From this amount,

65%, i.e. 17.7 billion Euro will be devoted to technology and innovation,

14%, i.e. 3.7 billion Euro will be devoted to ICT in SMEs,

12%, i.e. 3.2 billion Euro will be devoted to start-ups,

9%, i.e. 2.5 billion Euro will be devoted to "eco-friendly" SMEs.

Breakdown by Member State below.

Country	Total Community investment	For SMEs	in %
Balgarija	6.673.628.244	322.484.279	4,8%
Belgique-België	2.063.500.766	177.037.996	8,6%
Ceska Republika	26.302.604.484	1.483.747.221	5,6%
Danmark	509.577.239	120.465.958	23,6%
Deutschland	27.420.408.543	3.937.945.268	14,4%
Eesti	3.403.459.881	194.536.258	5,7%
Ellada	20.210.261.445	1.295.462.860	6,4%
España	34.657.733.981	3.355.053.196	9,7%
EU cross-border cooperation	7.857.855.286	993.042.782	12,6%
France	13.449.221.051	1.364.936.142	10,1%
Ireland	750.724.742	16.000.000	2,1%
Italia	27.844.959.814	2.782.699.739	10,0%
Kypros	603.534.992	33.950.000	5,6%
Latvija	4.530.447.634	281.475.931	6,2%
Lietuva	6.775.492.823	515.910.646	7,6%
Luxembourg (Grand-Duche)	50.487.332	3.281.677	6,5%
Magyarország	24.921.148.600	829.082.874	3,3%
Malta	840.123.051	23.504.800	2,8%
Nederland	1.660.002.737	213.985.000	12,9%
Österreich	1.204.478.581	191.604.928	15,9%
Polska	65.221.852.992	3.562.375.586	5,5%
Portugal	21.411.560.512	1.531.330.577	7,2%
România	19.213.036.712	569.505.197	3,0%
Slovenija	4.101.048.636	721.599.195	17,6%
Slovenska Republica	11.360.619.950	438.255.346	3,9%
Suomi/Finland	1.595.966.044	343.158.555	21,5%
Sverige	1.626.091.888	312.065.531	19,2%
United Kingdom	9.890.937.463	1.792.392.279	18,1%
TOTAL	346.150.765.423	27.406.889.821	7,9%
EU 12	173.946.997.999	8.976.427.333	5,2%
EU 15	164.345.912.138	17.437.419.706	10,6%
EU 27	338.292.910.137	26.413.847.039	7,8%

S M E

SMALL BUSINESS ACT

The European Commission proposal concerning the Small Business Act is based on the ten following principles :

- I. Create an environment in which entrepreneurs and family businesses can thrive and entrepreneurship is rewarded
- II Ensure that honest entrepreneurs who have faced bankruptcy quickly get a second chance
- III Design rules according to the "Think Small First" principle
- IV Make public administrations responsive to SMEs' needs
- V Adapt public policy tools to SME needs: facilitate SMEs' participation in public procurement and better use State Aid possibilities for SMEs
- VI Facilitate SMEs' access to finance and develop a legal and business environment supportive to timely payments in commercial transactions
- VII Help SMEs to benefit more from the opportunities offered by the Single Market
- VIII Promote the upgrading of skills in SMEs and all forms of innovation
- IX Enable SMEs to turn environmental challenges into opportunities
- X Encourage and support SMEs to benefit from the growth of markets

For each of these principle, the document contains action to be carried out by the European Commission and the Member States.

RDAs can of course be involved in certain aspects of the implementation of the Small Business Act, for example :

- put in place schemes for matching transferable businesses with potential new owners
- provide mentoring and support for business transfers
- provide mentoring and support for female entrepreneurs
- provide mentoring and support for immigrants who wish to become entrepreneurs
- set up electronic portals to widen access to information on public procurement opportunities below the EU thresholds
- refocus State Aid policy to better address SMEs' needs, including the design of better targeted measures
- develop financing programmes that address the funding gap between €100 000 and €1 million, in particular with instruments combining features of debt and equity, while respecting State Aid rules
- make full use of funding available in cohesion policy programmes and the European Agricultural Fund for Rural Development, in support of SMEs
- provide SMEs with advisory services including support to defend themselves against unfair commercial practices
- encourage the efforts of SMEs to internationalise and become high growth enterprises including through participation in innovative clusters

- promote the development of SMEs' competences in the research and innovation field by means of, e.g. simplified access to public research infrastructure, use of R&D services, recruitment of skilled employees and training, as allowed for in the new Community Framework for State Aid for research, development and innovation
- ensure in their implementation of the Cohesion Policy programme an easy access of SMEs to funding related to entrepreneurship, innovation and knowledge
- encourage business, in particular SMEs and other stakeholders, including procurement authorities, to participate in actions contributing to the speedy implementation of the Lead Market Initiative
- encourage coaching of SMEs by large companies in order to bring them to international markets.

The full text of the Small Business Act is on the web site of DG Enterprise and Industry. It is also available on demand from the EURADA Secretariat.

EIB – CONSULTATION ON FINANCING SMEs

The European Investment Bank has just published the results of the consultation it has lead with banks with regard to their (re)finance needs. The document (in English) is available on the EIB web site or from the EURADA Secretariat.

It should be noted that the consultation highlighted the needs in the field of equity finance, mezzanine finance and senior loan finance.

STATE AID

GENERAL BLOCK EXEMPTION REGULATION

This regulation, which aims at exempting from the obligation of notification of the individual aid granted in the following fields:

- (a) regional aid;
- (b) SME investment and employment aid;
- (c) aid for the creation of enterprises by female entrepreneurs;
- (d) aid for environmental protection;
- (e) aid for consultancy in favour of SMEs and SME participation in fairs;
- (f) aid in the form of risk capital;
- (g) aid for research, development and innovation;
- (h) training aid;
- (i) aid for disadvantaged or disabled workers

has finally been adopted by the European Commission.

The exemption is granted provided that the aid is transparent and does not exceed the following grant equivalent thresholds :

Article 6

Individual notification thresholds

1. This Regulation shall not apply to any individual aid, whether granted ad hoc or on the basis of a scheme, the grant equivalent of which exceeds the following thresholds:
 - (a) SME investment and employment aid: EUR 7,5 million per undertaking per investment project;
 - (b) investment aid for environmental protection: EUR 7,5 million per undertaking per investment project;
 - (c) aid for consultancy in favour of SMEs: EUR 2 million per undertaking per project;
 - (d) aid for SME participation in fairs: EUR 2 million per undertaking per project;
 - (e) research and development project aid and feasibility studies:
 - (i) if the project is predominantly fundamental research, EUR 20 million per undertaking, per project/feasibility study;
 - (ii) if the project is predominantly industrial research, EUR 10 million per undertaking, per project/feasibility study;
 - (iii) for all other projects, EUR 7,5 million per undertaking, per project/feasibility study;
 - (iv) if the project is a EUREKA project, twice the amounts laid down in points (i), (ii) and (iii) respectively.
 - (f) aid for industrial property rights costs for SMEs: EUR 5 million per undertaking per project;
 - (g) training aid: EUR 2 million per training project;
 - (h) aid for the recruitment of disadvantaged workers: EUR 5 million per undertaking per year;
 - (i) aid for the employment of disabled workers in the form of wage costs: EUR 10 million per undertaking per year;

- (j) aid compensating for additional expenses of employing disabled workers: EUR 10 million per undertaking per year.

For the purposes of determining the appropriate threshold applicable to research and development project aid and feasibility studies pursuant to point (e), a project shall be considered to consist "predominantly" of fundamental research or "predominantly" of industrial research, if more than 50% of the eligible project costs are incurred through activities which fall within the category of fundamental research, respectively industrial research. In cases where the predominant character of the project cannot be established, the lower threshold shall apply.

2. Regional investment aid awarded in favour of large investment projects shall be notified to the Commission if the total amount of aid from all sources exceeds 75% of the maximum amount of aid an investment with eligible costs of EUR 100 million could receive, applying the standard aid threshold in force for large enterprises in the approved regional aid map on the date the aid is to be granted.

CALLS FOR PROPOSALS

ESPON 2013

O.J. C 165, 28.6.08

Three calls for proposals to be launched on 20 August 2008.

1. Applied research on :
 - Climate change and territorial effects on regions and local economies (relaunch)
2. Targeted analysis based on user demand :
 - The case for agglomeration economies in Europe
 - The development of the islands – European islands and Cohesion Policy
 - Cross-border polycentric metropolitan regions
 - Success for convergence regions' economies
 - Potential of rural regions
 - Spatial scenarios: New tools for local-regional territories
 - Transnational support method for European cooperation
 - Territorial diversity
3. Scientific platform and tools :
 - Territorial indicators and indices (Phase I)

ERASMUS FOR YOUNG ENTREPRENEURS

O.J. C 146, 12.6.08

Deadline : 20.8.08

Info : <http://ec.europa.eu/enterprise/funding/index.htm>

EPARTICIPATION 2008/1

O.J. C 146, 12.6.08

Deadline : 29.8.08

Date of training : 20 to 24 October 2008

Info <http://ec.europa.eu/eparticipation>

ECONOMIC INTELLIGENCE

DEVELOPMENTS IN THE MEMBER STATES' ATTRACTIVENESS FOR FDI

ATTRACTIVENESS OF EUROPEAN COUNTRIES FOR FOREIGN INVESTMENT								
Evolution of the number of FDI transactions in Europe								
		2007	2006	2005	2004	2003	2002	2001
1.	UK	713	686	559	563	453	369	388
2.	F	541	565	538	490	313	253	267
3.	D	305	286	181	164	111	154	172
4.	E	256	212	147	121	119	122	143
5.	B	175	185	180	107	77	73	91
6.	RO	150	140	85	91	nd	33	40
7.	PL	146	152	180	148	46	60	49
8.	RU	139	87	111	116	109	86	76
9.	H	135	108	115	139	84	100	85
10.	CH	124	136	93	44	nd	nd	nd
11.	NL	123	95	82	56	58	60	66
12.	CZ	83	113	116	112	90	98	89
13.	S	81	113	96	97	76	70	90
14.	IRL	80	74	67	76	46	51	61
15.	I	69	74	49	33	nd	29	52
16.	Serbia	64	nd	nd	nd	nd	nd	nd
17.	BG	63	68	nd	64	nd	29	19
18.	DK	59	nd	55	70	44	nd	nd
19.	SK	58	46	70	83	nd	nd	nd
21.	P	37	38	nd	37	37	32	26
	TOTAL EUROPE	3 712	3 531	3 066	2 885	1 933	1 895	1 974

Source : Ernst & Young – Compilation Secrétariat d'EURADA

It should be noted that in terms of job created :

- The total number of jobs created in 2007 was 176 550, as against 214 990 in 2001, i.e. an average total of 87 jobs/project, as against 101 jobs/project in 2006 and 93 jobs/project in 2005.
- Employment in Western Europe in the services sector represents 60% of total jobs created by the FDI projects, as against 43% in 2006. This is the first time that employment in the services sector is higher than employment in the manufacturing sector.
- The number of jobs created per project is 49 jobs in 2007, as against 65 in 2006 in Western Europe. In Central Europe, the figures are respectively 198 and 217 jobs.

BIBLIOGRAPHY

EBAN – STATISTICS COMPENDIUM

According to this report, the Business Angel networks member of EBAN have concluded some 1,130 deals in 2007, as against 843 in 2006. They have invested € 184 million, as against € 150 million one year earlier. The average amount invested by the angels is € 160,000 by project.

Document available from the EBAN Secretariat. Fax. +32 2 734 79 10 info@eban.org

EVENTS

HEALTHCLUSTERNET ANNUAL CONFERENCE

Bilbao (E), 9 October 2008

Theme : Delivering Added Value Health Sector Investment in European Regions

Registration : free

Info : https://www.tisasa.es/congresos/ca_congresosabiertos.asp

Contact: Prof. Jonathan Watson

University of Nottingham jonathan@healthclusternet.eu

READY FOR EQUITY

Brussels, 22.9.08

Residence Palace – 155 rue de la Loi – 1040 Bruxelles

Final conference of a project aiming at professionalising the matching services between entrepreneurs and business angels.

Info and registration : www.readyforequity.eu

EUROPEAN SUSTAINABLE ENERGY WEEK 2009

The European Commission has announced that the Sustainable Energy Week would take place between 9 and 13 February 2009.

For any additional information or ideas of events to be organised during the week, contact Mr Pedro Ballesteros pedro.ballesteros@ec.europa.eu or the secretariat of the renewable energy promotion campaign EUSEW eusew@sustenergy.org

CLUSTER POLICY AND MANAGEMENT European and Regional Initiatives for Innovation

Berlin, 22/23 September 2008

Info: Andres.rodriquez@euroacad.eu

http://europaeische-akademie.net/fileadmin/user_upload/dateien/seminare/Brochure_Cluster-Policy_KB.pdf

UNIVERSITY= INDUSTRY : A KEY LINK TOWARDS REGIONAL GROWTH

Brussels, 7 & 8 October 2008

Two workshops organised within the framework of the Open Days 2008.

Themes: • Effective regional strategies and policies for "open innovation"
• University and industry at work

These workshops are organised, inter alia, by the following Eurada members: SODERCAN Cantabria, INFO Murcia, NASC-WEST Ireland European Liaison.

Info : Mar Martin – Grupo Sodercan

Email: mar.martin@cantabria.be