



European Association of Development Agencies
Association Européenne des Agences de Développement

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EURADA NEWS

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EDITORIAL

We wish all the readers of Eurada-News an excellent year 2008 both at personal and professional level. Thanks for your contributions which made 2007 a year rich in discussions and cooperation.

In order to keep up the exchange of ideas on the importance of innovation in the global economy, I would like to draw the attention to an article from the 'Business Week' entitled "Innovation Predictions 2008" and sub-titled "As companies, governments – indeed entire countries – confront an array of dilemmas, the only constant will be change". What applies to the States also applies to the territories and thus to development agencies. I shall also mention two further highlights of this article :

- *The Innovation movement is still in its infancy, but it is growing fast.*
- *Companies are demanding that their managers be more creative and less obsessed with cost and efficiency.*

The challenge we will have to face in 2008 will be to contribute all together, even modestly, to the change in the business culture implied by the global knowledge economy. The topics of the conferences scheduled in the first half of 2008, i.e. :

- Regional marketing
- Towards better RDA-University partnerships for regional economic development
- PPP and regional research strategy
- Cohesion policy post 2013
- Brainpower in Europe: the Driver for Growth (WIC La Baule)

are more or less linked to the search of regional development tools and methods aiming at making the key actors of all European regions proactive in an increasingly intense and quickly developing competitive context.

In order to illustrate these words, mention should be made that in the USA, between 1992 and 2006, General Motors, Ford and Chrysler reduced their staff from 586,000 to 296,000 workers, while the foreign manufacturers (Toyota, Honda, Hyundai, Mercedes and BMW) increased the employment from 58,100 to 108,600 jobs. In other words, for each job created by the new comers, the "three bigs" of the local industry were losing 6.1 job places !

Among the possible answers to this challenge, certain sectors – for instance the French sector of textile-clothing federated in the R2TH cluster – are concentrating their endeavours on the following factors :

- Brand
- Management
- Margin (optimisation of the value chain)
- Modernity (investment in technologies)
- Globalisation (export and valorisation of know-how).

Can this type of approach be transferred to all the SMEs of a territory ?

IMPORTANT DATES

21/22.2.08	Round Table of Practitioners in Economic Development: Cohesion Policy post 2013
6/7.3.08	Agorada 2008 – The role of universities in regional development
4/5/6.6.08	WIC La Baule 2008
18/19.9.08	CNER Annual Congress – Dunkerque (F)
1/2.10.08	8 th CEEC Congress – Rzeszow (PL)
19/22.10.08	IEDC Annual Meeting in Atlanta (USA)
20/21.11.08	Agorada 2008+

LIFE OF THE NETWORK

[SNAPSHOT OF THE INTERCLUSTER 2007 CONFERENCE OF 6/7 DECEMBER 2007](#)

You will find below the messages sent by Commissioner Danuta Hübner and by Commissioner Günther Verheugen in view of this event.

Dear Mr Level,

Thank you for your invitation to the "InterCluster 2007", the conference on cluster cooperation that takes place on 6 and 7 December. I would be very happy to participate in your conference but unfortunately I already have engagements on those dates which cannot be changed.

Clusters have become one of the most efficient tools for European regional policy. This is particularly important in a world of today, in which globalisation increasingly sets the context for regional development. Therefore there is a new role for the regional policy – while caring for internal convergence it should at the same time help regional economies find their place in world markets, in critical global networks and clusters.

For this to materialize we have to co-operate, within and outside Europe. We can see already today a growing web of clusters, exchanges and networks linking our cities and regions. This means more experience, more knowledge, more new ideas which can be quickly pooled and shared. Europa InterCluster's focus on the development of inter-cluster cooperation in Europe is therefore without doubt one of the keys to developing and competitive European regions.

I wish you all possible success for Europa InterCluster and thank you in advance for keeping me informed about your next steps.

Yours sincerely,

Danuta Hübner

Ladies and Gentlemen,

In today's knowledge-based global economy, it is clearer than ever before that strategic partnerships with competent partners are catalysts for the business success and growth of our enterprises.

Close cooperation between companies and other partners such as research institutions in a given geographical area is proven to be a successful model. Companies that are part of robust clusters are in a stronger position to compete globally and thus to contribute to regional and national prosperity.

But this is not enough. Excellence might not always be found within the boundaries of a cluster in all required technological fields. In addition, a cluster alone very often does not have the necessary capacity in terms of size and qualified staff to become a world leader. This is exactly what happens today in Europe. According to the first results of the statistical analysis performed by the European Cluster Observatory, there are many clusters in Europe, but they are not big and ambitious enough compared to some other places in the world, notably in the US.

I would therefore like to recommend that clusters should not consider themselves as autonomous and isolated islands in innovation. Instead they should be open and create relationships with others to share research infrastructure and mutually reduce production costs.

In doing so you can count on our support. The Commission is already promoting such types of cooperation between clusters in different sectors and will continue to do so under the Competitiveness and Innovation Programme. A newly created European Cluster Alliance offers an open platform for public authorities willing to exchange experiences on designing cluster policies and jointly develop practical tools such as guides and specific methodologies.

But we can do even much better. We need a strategy at European level to show the way forward. A first step was the preparation of the European Cluster Memorandum that is being sent to all regional governments and innovation agencies for signature. I am also looking forward to the Conference on innovation and clusters which will be organised in Stockholm on 22-23 January 2008.

Events as yours pave the way for a more comprehensive strategy which will contribute to achieving faster our reform target for growth and jobs that we set few years ago.

I wish you a fruitful event.

Günther Verheugen

The highlights of the conference were :

- ✓ The real or supposed lack of a world-class European cluster, even though some European clusters are very competitive in certain market niches.
- ✓ A large consensus on the necessity of internationalising clusters, all the more so since not many clusters seem to have a strategy in this area.
- ✓ According to a German study with approx. 100 European clusters, it appears that the majority of barriers to internationalisation are linked to human factors (lack of confidence).
- ✓ A successful cooperation between clusters does not seem to be linked to the nature of the sectorial relations. Fruitful examples were indeed cited both for single-sector co-operations and for co-operations between different complementary sectors.
- ✓ Co-operation between clusters can be of interest in order to :
 - reduce the research and innovation costs
 - penetrate new markets
 - create new markets
 - increase the quality of the economic intelligence exercises
 - apprehend the needs for skills and talent.

- ✓ The following subjects were mentioned as reflection topics for the future :
 - Cartography of the clusters having an active secretariat
 - Better visibility of the Community mechanisms promoting the relations between clusters
 - Feasibility study for a European cluster exhibition and even for a world cluster Interreg
 - Analysing the regional financial mechanisms favouring clusters' internationalisation.

An InterCluster 2008 event is scheduled in the second half of 2008. In the meantime, a joint event between French and German clusters will be organised in the first six-month period of 2008.

MEMBERS' BUDGET

In the editorial of Eurada-News Nr. 283, 7.12.07, there was data presenting the volume of the aid granted by the French local and regional authorities. You will find below, drawn from the October 2007 report of Lord Sainsbury (UK) entitled "The Race to the Top – A Review of Government S&I Policy", information on the budgets of the British RDAs as far as their activities in entrepreneurship, innovation and regeneration are concerned.

mio £

	Enterprises	Innovation	Regeneration
West Midlands	83	24	105
East England	25	39	52
East Midlands	49	31	75
London	76	30	236
North West	92	59	211
North East	73	57	103
South East	43	23	99
South West	57	19	61
Yorkshire	72	41	155
TOTAL	530	323	1097

SME

CIP – INNOVATIVE SME FACILITY (GIF)

On 14 December 2007, the European Commission has published a notice of implementation of the High Growth and Innovative SME Facility. Interested bodies must directly contact the European Investment Fund.

As a reminder, the GIF will intervene in seed capital, incl. for co-investment funds complementing business angels' interventions.

The full text of the notice as well as the guidelines for the implementation of this instrument are reproduced in Annexes 1 and 2.

LEAD MARKET INITIATIVE FOR EUROPE

The European Commission has just published a communication on a lead market initiative for Europe.

As a reminder, the initiative firstly identifies promising emerging markets to be supported by a concerted action based on in-depth analysis. It also designs a process to better streamline legal and regulatory environments and accelerate the growth of demand.

Based on the analyses, the following six markets were identified for the initial stage of the initiative:

- ✓ eHealth
- ✓ protective textiles
- ✓ sustainable construction
- ✓ recycling
- ✓ bio-based products
- ✓ renewable energies.

The Commission has identified for each sector measures to be taken with regard to legislation, public procurement, standardisation, labelling and certification, business support services, innovation, training and communication. The European Union's financial instruments will of course be used.

The documents are available from the Secretariat and on the ad-hoc e-platform <http://ec.europa.eu/enterprise/leadmarket.htm>

EUROPEAN ENTERPRISE AWARDS 2007

The European Enterprise Awards 2007 Grand Jury prize was given to a Spanish municipal development company of Bilbao (E) for its initiative in the field of enterprise real estate development. The renovation of properties was made by unemployed persons. Then the

spaces were rent to viable enterprises in leisure, arts, fashion and technology. To now, 129 enterprises were set up creating 270 jobs.

Other projects were rewarded :

- Ethnic coach for ethnic entrepreneurs (Velje, DK)
- 1, 2, 3, GO, the Greater Region network of experts and its business start-up bonuses (Luxembourg)
- Cap,Ten, be captain of your project (Wallonia, B)
- Fabrica Ethica (Tuscany, I)
- CAP Création Sarthe (F)
- Thuishuis Foundation (NL)
- Company Registration Portal (EE)
- Széchenyi Card Scheme (H)

EIB FINANCINGS

Study of SME finance markets

In the first half of 2008, the European Investment Bank will probably issue a report which should confirm that there is no European SME finance market, but rather a juxtaposition of national and even regional markets. The report will probably contain a series of work topics for the EIB strategy in this matter.



STATISTICS

REGIONAL UNEMPLOYMENT RATES

According to Eurostat, the regional unemployment rates varies from 2.6% in North Eastern Scotland (UK) and Bolzano (I) to 28.5% in Guyane (F).

Between 2005 and 2006, the unemployment rate has reduced in approximately three quarters of the 266 NUTS 2 regions.

Data available from the Secretariat or on the Eurostat web site.

STATE AID

Eurostat has just published a report on total State aid in EU25. For the year 2005, total aid is estimated at €64 billion, in constant reduction since the peak of €75 billion in 2002.

The breakdown of State aid according to horizontal objectives is as follows :

- Environment 25 %
- Regional aid 19 %
- RTDI 13 %
- SME 10 %
- Employment 8 %
- Culture 3 %
- Energy 3 %
- Training 2 %
- Commerce, export 1.2 %
- Risk capital 0.4 %
- Non-horizontal objectives 16 %

The breakdown by instrument is as follows :

- Grants 51 %
- Tax exemptions 40 %
- Soft loans 3 %
- Guarantees 3 %
- Tax deferrals 2 %
- Equity participation 1%

In all cases, there are important variations between the Member States.

Copy of the file is available from the Secretariat.

CALLS FOR PROPOSALS

COOPERATION SPECIFIC PROGRAMME

PC7-TIC-2007-3

O.J. C 290, 4.12.07

Deadline : 8.4.08

Subject : Information and communication technologies, of which :

- Cognitive systems, interaction, robotics
- Digital libraries and content
- Future and emerging technologies
- Horizontal support actions

EVENTS

EMPLOYMENT WEEK 2008

Brussels, 11/12 June 2008

Info : www.employmentweek.com

REGIONS FOR ECONOMIC CHANGE – SHARING EXCELLENCE

Brussels, 25/26 February 2008

Info and registration :

http://ec.europa.eu/regional_policy/conferences/excellence/programme_en.cfm?nmenu=4

BIBLIOGRAPHY

EUROPEAN CITIES ENTREPRENEURSHIP RANKING

This study aims at establishing a ranking of the European cities according to their good entrepreneurial climate, based on the satisfaction index of the entrepreneurs. This index takes the following parameters into account :

- accessibility and promotion of entrepreneurship
- accompanying before creation
- accompanying after creation
- financing
- environment (tax, real estate, quality of life, ...).

The overall ranking is as follows :

1. Göteborg
2. Stockholm
3. Birmingham
4. Amsterdam
5. London

Top 5 of the thematic rankings :

A. Promotion

1. Göteborg
2. Birmingham
3. Stockholm
4. Amsterdam
5. Varsovie

B. Ante creation

1. Stockholm
2. Göteborg
3. Bruxelles
4. Amsterdam
5. London

C. Post creation

1. Göteborg
2. Stockholm
3. Amsterdam
4. Birmingham
5. Genève

D. Financing

1. Varsovie
2. Göteborg
3. Birmingham
4. London
5. Bruxelles

E. Environment

1. Birmingham
2. Göteborg
3. Amsterdam
4. Genève
5. Stockholm

Document available only in French on demand from the Secretariat.

OLYMPICS, EXPOS, WORLD CUP, SUMMITS AND FESTIVALS: HOW TO MAKE THEM WORK LOCALLY

Local Development benefits from Staging Global Events authored by Greg Clark, Chair of the OECD LEED Forum on Development Agencies and Investment Strategies.

OECD Code 842008011P1

ISBN-13 9789264042063

In English only currently

These local benefits include improved environment, infrastructure and amenity, global exposure, increased visitor economy and tourism, trade and investment promotion, employment and social/business development. They can also include increased self confidence, national pride, civic engagement, and an enlarged ambition to embrace globalisation, and make the necessary adjustments and interventions to succeed. Capturing local benefits from global events does not happen automatically or by accident.

Public price: 24 EUR ; USD 33 ; GBP 17 ; JPY 3 300 ; MXN 300

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