

European Association of Development Agencies
Association Européenne des Agences de Développement

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**QUARTERLY BAROMETER OF THE DEVELOPMENTS
IN THE COMMUNITY LEGISLATIONS AND PROGRAMMES
BETWEEN NOW AND 1ST JANUARY 2007**

Community Policies and Regional Development

NEW SINCE LAST VERSION:

▶ **COMMUNITY SUPPORT FOR RURAL DEVELOPMENT**
[SEE PAGE 7](#)

▶ **BUDGET ALLOCATION**
[SEE PAGE 12](#)

OCTOBER 2006

On 1st July 2006, we were at

D 92 as of 1st January 2007¹

D 1543 as of 1st January 2011²

Do not hesitate to circulate this document as an introduction to the Community policies among your colleagues or local partners. Do not hesitate neither to translate it if necessary.

¹ Date of the entering into force of the new Structural Funds regulations

² Day when the EU will become, in application of the Lisbon Strategy, the most competitive economy of the world

1. INTRODUCTION

On 1st January 2007, a large number of Community programmes will have a different look. At that date, the new terms of the following policies will indeed enter into force:

- Structural policies: Structural Funds, Cohesion Fund, rural development and conversion fund for areas depending on fisheries;
- Regional State Aid;
- 7th RTD Framework programme;
- Education and vocational training programmes: Leonardo and Socrates.

In the meantime, other policies will have been implemented:

- ✓ Competitiveness, Innovation Programme;
- ✓ Innovation action plan;
- ✓ Services of general interest;
- ✓ Public procurement;
- ✓ Competitiveness of business support services.

In parallel, the Commission will coordinate the necessary effort to reach the objectives fixed within the framework of the Lisbon Strategy.

Controlling the foreseeable developments in those policies and controlling the announced changes will be for all Eurada members the evidence of the maximization of the positive repercussions and of the control of the unwanted effects. This is why we shall update this publication every quarter in order to help them as far as we are able, to prepare and adapt themselves to the changes of orientation in the Community policies which are affecting the core of any regional development strategy.

**2. INVENTORY OF THE COMMUNITY POLICIES HAVING AN IMPACT ON REGIONAL DEVELOPMENT :
FROM THE CURRENT SITUATION TO 1st JANUARY 2007**

Themes of the Community Policies	Current Situation		2007 Perspectives	
	Period	References	Period	References
<p><u>Structural policy</u> ✓ ERDF, ESF, EAGGF-Guidance, FIFG, Cohesion Fund</p> <p>✓ Outermost regions</p> <p>✓ Community strategic guidelines: - Cohesion - Rural development</p> <p>✓ JASPER, JEREMIE, JESSICA</p>	2000-2006	L 337, 30.12.99	2007-2013 2007-2013 2007-2013	<ul style="list-style-type: none"> • S.F. O.J. L210 31.7.06 • EAGGF O.J. L 277 21.10.05 • EFF O.J. L223 15.8.06 • Proposal of 26.4.04 • Eurada-News Nr 241 • Draft 13.7.06 • O.J. L55 25.2.06 • Draft
<p><u>Policy in favour of SMEs</u> ✓ CIP</p> <p>✓ Entrepreneurship action plan</p> <p>✓ Action plan for innovation</p> <p>✓ Competitiveness of business support services</p>	2001-2005 - - -	L 333, 29.12.00 COM(2003) 112 11.3.03 	2007-2013 2004 - -	<ul style="list-style-type: none"> • Communication April 2005 • Eurada-News Nr 253 • Proposal of 11.2.04 • Eurada-News Nr 233 & 242 • Consultation of 2.4.04 • Eurada-News Nr 237 • Document of 4.12.03 • Eurada-News Nr 230

<u>European Globalisation adjustment Fund</u>	-	-	Starting 1.1.07	Proposal March 2006
<u>RTD Policy</u>				
✓ Framework programme	2002-2006	Cordis web site	2007-2013	<ul style="list-style-type: none"> • Communication April 2005 • Eurada-News Nr 253
✓ Specific Programme: <ul style="list-style-type: none"> - capacities - ideas - people - cooperation 			2007-2013	<ul style="list-style-type: none"> • Proposal September 2005 COM(2005) 443 COM(2005) 441 COM(2005) 442 COM(2005) 440
<u>Regional State Aid</u>				
✓ Articles 87 and 88 of the Treaty		Treaty	2007 – 2013	4 th March 2006 – O.J. C 54
✓ Zoning Article 87.3.a and 87.3.c	Until 2006	Treaty	2007 - 2013	
✓ Guidelines regional State aid	2000-2006	C 74, 10.3.98	Post 2006	<ul style="list-style-type: none"> • Eurada-News Nr 240 O.J. C194 18.8.06
✓ Horizontal instruments				
– SMEs	2001-2006	L 10, 13.1.01		
– de minimis	2001-2006	L 10, 13.1.01		
– State aid for employment	2003-2006	L 337, 13.12.02		
– Training aid	2001-2006	L 10, 13.1.01		
– Risk capital	2001-2006	C 235, 21.8.01		
– Urgency or restructuring aid	2004-2009	C 288, 9.10.99		
– Lesser amounts of State aid	2004-2006	Site web		
– State aid with limited effects on intra-	2004-2006	Site web		
– Community trade				
– State aid for research and development	1996-2006	C 45, 17.2.96		
– Environmental protection	2001-2007	C 37, 3.2.01		
✓ Action Plan	-		2007-2009	<ul style="list-style-type: none"> • June 2005: consultation till 15.9.05 • September 2005: consultation till 21.11.05
✓ State aids for innovation				

<u>Services of general interest</u>	–			<ul style="list-style-type: none"> ● White Paper of 15.2.04 ● Eurada-News Nr 240
<u>PPP and public procurement</u>	–			<ul style="list-style-type: none"> ● Green Paper of 30.4.04 ● Eurada-News Nr 239
<u>The European Neighbourhood Policy</u>	2000-2003 2004-2006		2007-2013	Communication of 12.5.04 Doc. COM(2004) 373
<u>Environment</u>				
✓ 6 th action programme	2002-2012	Web site		–
✓ LIFE	2000-2004	Web site	Extension until 2006	Web site
<u>Education and vocational training policy</u> Leonardo, Socrates	2000-2006		2007-2013	<ul style="list-style-type: none"> ● Proposal of 14.7.04 ● Eurada-News Nr 243
<u>Cultural policy</u> Culture 2000	2000-2006	Web site	2007-2013	<ul style="list-style-type: none"> ● Culture 2007 in preparation (March 2004) ● Eurada-News Nr 243
<u>Trans-European networks</u>				
✓ TEN Energy, Transport and Galileo	–	L 228, 9.9.96	2007-2013	<ul style="list-style-type: none"> ● Proposal of 14.7.04 ● Eurada-News Nr 243
✓ Marco Polo	2003-2010		2007-2010	Proposition in consultation 15.7.04
✓ TEN-T motorways of the sea	–			Eurada-News Nr 242
<u>Taxation: SME home state taxation</u>	–			<ul style="list-style-type: none"> ● Proposal of 24.6.04 ● Eurada-News Nr 242
<u>Lisbon Strategy</u>	2000-2010	March 2000		<ul style="list-style-type: none"> ● Wim Kok Report ● Proposal of 2.2.05 ● Guidelines of 12.4.05

3. 2007-2013 EU BUDGET PERSPECTIVES

The budget allocation for the 2007-2013 period is as follows:

<ul style="list-style-type: none"> ◆ Structural funds ➤ Cohesion fund ➤ Convergence ➤ Competitiveness & Employment ➤ Interreg ◆ 7th Framework Programme for RDT ➤ Capacities: <ul style="list-style-type: none"> ▪ SMEs ▪ Regions of knowledge ◆ CIP: Competitiveness and Innovation Programme ➤ Start up and growth of SMEs: <ul style="list-style-type: none"> ▪ Eco-innovation ▪ EIC & IRC ➤ ICT ➤ Intelligent Energy-Europe ◆ Rural Development ◆ Life-long learning ◆ Life+ ◆ Fisheries fund ◆ Pre-accession fund ◆ Culture 2007 ◆ Neighbourhood policy 	<ul style="list-style-type: none"> € 308.041 million € 61.558 million € 189.604 million € 49.127 million € 7.750 million € 54.582 million € 4.291 million € 1.266 million € 126 million € 3.621 million € 2.170 million € 430 million € 350 million € 730 million € 730 million € 88.489 million € 6.790 million € 2.098 million € 4.340 million € 11.565 million € 400 million € 11.967 million
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In the framework of structural funds, special provisions (increased amounts) will be provided to the following regions:

- ◆ Lubelskie, Podkarpackie, Warminsko, Mazurskie, Podlaskie and Swietokrzyskie (PL);
- ◆ Közép- Magyarország (H);
- ◆ Prague (CZ);
- ◆ Cyprus;
- ◆ Itä-Suomi (FIN) and Madeira (P);
- ◆ Canarias;
- ◆ Outermost regions;
- ◆ Northern Ireland (PEACE Programme);
- ◆ Swedish regions falling under the Regional Competitiveness and Employment objective;
- ◆ Estonia and Latvia;
- ◆ Austrian regions falling under the Regional Competitiveness and Employment objective situated on the former external borders of the EU;

- Bavaria;
- Spain (2 billions) to enhance research and development;
- Ceuta and Melilla (E);
- Italy;
- Corsica and French Hainaut;
- Eastern Länder of Germany.

The structural funds allocation by Member State and by objective is illustrated in the table below (in millions €):

	CONVERGENCE OBJECTIVE			REGIONAL COMPETITIVENESS AND EMPLOYMENT OBJECTIVE		EUROPEAN TERRITORIAL COOPERATION OBJECTIVE	TOTAL
	Cohesion Fund	Convergence	Statistical Phasing out	Phasing in	Regional competitiveness and employment		
B			579		1 268	173	2 019
CZ	7 830	15 149			373	346	23 697
DK					453	92	545
D		10 553	3 770		8 370	756	23 450
EE	1 019	1 992				47	3 058
GR	3 289	8 379	5 779	584		186	18 217
E	3 250	18 727	1 434	4 495	3 133	497	31 536
F		2 838			9 123	775	12 736
IRL				420	261	134	815
I		18 867	388	879	4 761	752	25 647
CY	193			363		24	581
LV	1 363	2 647				80	4090
LT	2 034	3 965				97	6 097
L					45	13	58
H	7 589	12 654		1 865		343	22 451
MT	252	495				14	761
NL					1 477	220	1 696
A			159	0	914	228	1 301
PL	19 562	39 486				650	59 698
P	2 722	15 240	254	407	436	88	19 147
SLO	1 239	2 407				93	3 739
SK	3 433	6 230			399	202	10 264
FIN				491	935	107	1 532
S					1 446	236	1 682
UK		2 436	158	883	5 349	642	9 468
BG	2 015	3 873				159	6 047
RO	5 769	11 143				404	17 317
Not allocated						392	392
TOTAL	61 558	177 083	12 521	10 385	38 742	7 750	308 041
		189 604		49 127			

Breakdown by Member State of Community support for rural development 2007 to 2013:

(current prices in millions €)

	2007-2013 total	of which minimum for regions under the Convergence objective Total
Belgium	419	41
Czech Republic	2.816	1.635
Denmark	445	-
Germany	8.113	3.174
Estonia	715	387
Greece	3.707	1.906
Spain	7.214	3.178
France	6.442	568
Ireland	2.340	-
Italy	8.292	3.341
Cyprus	163	-
Latvia	1.041	328
Lithuania	1.743	679
Luxembourg	90	-
Hungary	3.806	2.496
Malta	77	18
Netherlands	487	-
Austria	3.911	32
Poland	13.230	6.998
Portugal	3.929	2.181
Slovenia	900	288
Slovakia	1.969	1.106
Finland	2.080	-
Sweden	1.826	-
United Kingdom	1.910	188
Total	77.663	28.544

4. THE KEYS OF KNOWLEDGE

Structural Funds

Approved regulation:
Rural development -
O.J. L277 dated 21.10.05

The European Commission's proposals are as follows:

- a) On 1st January 2007, 7 regulations will govern the economic and social cohesion policy. The regulations will deal with:
 - * General provisions
 - * ERDF
 - * ESF
 - * Cohesion Fund
 - * European Grouping of Cross-Border Cooperation (EGCC);
 - * Rural development
 - * European Fisheries Fund (EFF)

- b) All European regions will be eligible to the ERDF, either under the "convergence" objective similar to the current Objective 1, or under regions of the "Regional competitiveness and employment" objective as well as to the "European territorial cooperation" objective. This means the end of the current zoning governing Objective 2.

- c) Within the framework of the ERDF, the regions will have to choose their regional development priorities in a menu comprising the main lines contained in the table below.

ERDF		
Convergence	Regional competitiveness and employment	European territorial cooperation
<ul style="list-style-type: none"> • RTD, innovation & entrepreneurship • Information society • Environment • Prevention of risks • Tourism • Transport : TEN and clean urban transport • Energy, including TEN • Education • Health • Direct aid to investment in SMEs <p><u>NB</u> : Regions with a GDP under 75% of the Community average are eligible to that objective</p>	<ul style="list-style-type: none"> • Innovation and the knowledge economy <ul style="list-style-type: none"> - regional RTD and innovation capacities - innovation in SMEs - entrepreneurship - financial instruments and incubation facilities • Environment and prevention of risks • Access outside major urban centres, to transport and telecommunication services of general economic interest <p><u>NB</u> : All the EU regions not concerned by the objective of convergence are eligible to that objective</p>	<ul style="list-style-type: none"> • Cross-border economic and social activities • Transnational cooperation • Networking and exchange of experience among regional and local authorities

ERDF			
Rural areas and areas depending on fisheries	Areas with natural handicaps	Outermost regions	Urban dimension
<ul style="list-style-type: none"> • Infrastructure • Telecommunication networks and services • Development of new activities outside the agricultural and fishery sectors • Reinforcement of links between urban and rural areas • Development of tourism and rural amenities 	<ul style="list-style-type: none"> • Accessibility • Economic activities related to the cultural heritage • Sustainable use of natural resources • Tourism 	<ul style="list-style-type: none"> • Transport • Support linked to storage constraints, the excessive size and the maintenance of production tools, and the lack of human capital on the local labour 	<ul style="list-style-type: none"> • Rehabilitation of the physical environment • Brownfield redevelopment • Development of the historical and cultural heritage with measures to promote entrepreneurship and local

ESF	Cohesion Fund	Rural development	EFF (Fisheries)
<ul style="list-style-type: none"> • Adaptability of workers • Access to employment of job seekers and preventing unemployment <p>Furthermore, in the areas concerned by the convergence objective – cf. ERDF –, the ESF also intervenes with a view to :</p> <ul style="list-style-type: none"> • Expanding investment in human capital • Strengthening institutional capacity of public administrations in the following fields : <ul style="list-style-type: none"> - economy - employment - social - environment - legal <p>A priority axis relating to transnational cooperation should be included in an operational programme.</p>	<ul style="list-style-type: none"> • Trans-European transport networks • Environmental protection • Sustainable development <ul style="list-style-type: none"> - Energy efficiency - Renewable energy - Transport <p>NB : Member States with a GNP under 90% of the Community average will be concerned</p>	<ul style="list-style-type: none"> • Improving the competitiveness of agriculture and forestry • Land management : <ul style="list-style-type: none"> - Sustainable use of agricultural land - Sustainable use of forestry land • Diversification of the rural economy and quality of life in rural areas • The Leader approach 	<ul style="list-style-type: none"> • Adaptation of the Community fishing fleet • Aquaculture, processing and marketing of fishery and aquaculture products • Measures of collective interest, including investment in ports and promotion and research of new markets • Sustainable development of coastal fishing areas

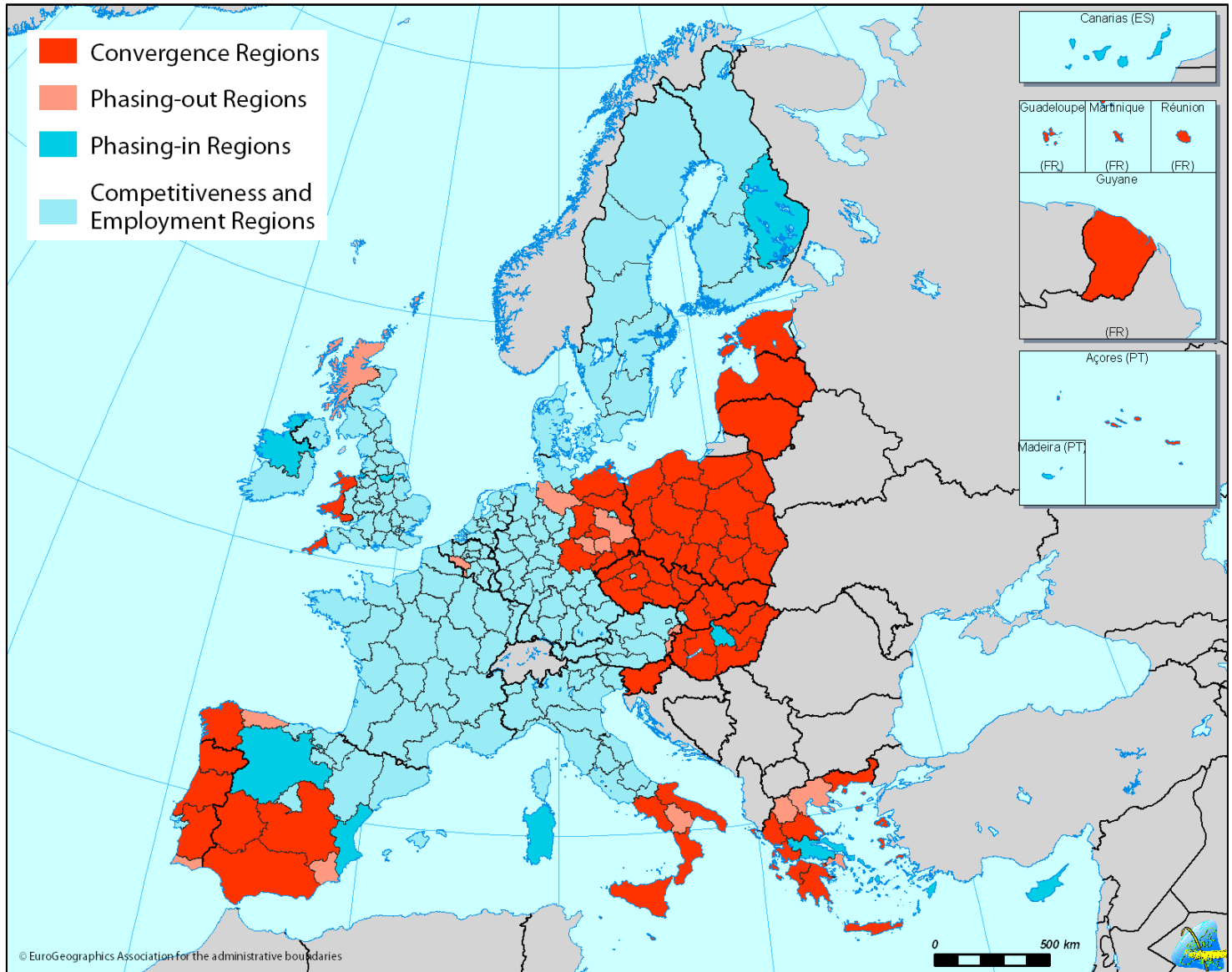
Strategic guidelines programming and follow-up



Objectives

Programmes and instruments	Eligibility	Priorities
Convergence objective <i>Including a special programme for outermost regions</i>		
Regional and national programmes ERDF ESF	Regions with a GDP/head <75% of average EU25	<ul style="list-style-type: none"> • innovation and knowledge society; • environment/risk prevention; • infrastructure; • human resources; • administrative capacity.
	Statistical effect: Regions with a GDP/head <75% of EU15 and >75% in EU25	
Cohesion Fund	Member States GNI/head <90% EU25 average	<ul style="list-style-type: none"> • transport (TENs); • sustainable transport; • environment; • renewable energy.
Regional competitiveness and employment objective		
Regional programmes (ERDF) and national programmes (ESF)	Member States suggest a list of regions (NUTS I or II)	<ul style="list-style-type: none"> • innovation; • environment/risk prevention; • accessibility; • European employment strategy.
	"Phasing-in" Regions covered by objective 1 between 2000-06 and not covered by the convergence objective	
European territorial co-operation objective		
Cross-border and transnational programmes and networking (ERDF)	Border regions and greater regions of transnational co-operation	<ul style="list-style-type: none"> • innovation; • environment/risk prevention; • accessibility; • culture, education

STRUCTURAL FUNDS: ELIGIBLE AREAS IN EU25 FOR OBJECTIVE 1 AND 2 BETWEEN 2007 AND 2013



BUDGET ALLOCATION

The assistance co-financed by the Funds shall target the European Union priorities of promoting competitiveness and creating jobs, including meeting the objectives of the Integrated Guidelines for Growth and Jobs. To this end, in accordance with their respective responsibilities, the Commission and the Member States shall ensure that 60% of expenditure for the Convergence objective and 75% of expenditure for the Regional competitiveness and employment objective for all the Member States of the European Union is set for the following priorities:

Categories of the expenditure

	Objectives: Convergence and Regional competitiveness and employment
	Objective: Convergence and regions referred to in Article 8(2) without prejudice to the decision taken in accordance with last subparagraph of Article 5(3) of Regulation (EC) No 1080/2006.
Code	Priority themes
	Research and technological development (R&TD), innovation and entrepreneurship
01	R&TD activities in research centres
02	R&TD infrastructure (including physical plant, instrumentation and high-speed computer networks linking research centres) and centres of competence in a specific technology
03	Technology transfer and improvement of cooperation networks between small and medium-sized businesses (SMEs), between these and other businesses and universities, post-secondary education establishments of all kinds, regional authorities, research centres and scientific and technological poles (scientific and technological parks, technopoles, etc.)
04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)
05	Advanced support services for firms and groups of firms
06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (introduction of effective environment managing system, adoption and use of pollution prevention technologies, integration of clean technologies into firm production)
07	Investment in firms directly linked to research and innovation (innovative technologies, establishment of new firms by universities, existing R&TD centres and firms, etc.)
08	Other investment in firms
09	Other measures to stimulate research and innovation and entrepreneurship in SMEs
	Information society
10	Telephone infrastructures (including broadband networks)
11	Information and communication technologies (access, security, interoperability, risk-prevention, research, innovation, e-content, etc.)
12	Information and communication technologies (TEN-ICT)

13	Services and applications for the citizen (e-health, e-government, e-learning, e-inclusion, etc.)
14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)
15	Other measures for improving access to and efficient use of ICT by SMEs
	Transport
16	Railways
17	Railways (TEN-T)
20	Motorways
21	Motorways (TEN-T)
26	Multimodal transport
27	Multimodal transport (TEN-T)
28	Intelligent transport systems
29	Airports
30	Ports
32	Inland waterways (TEN-T)
	Energy
34	Electricity (TEN-E)
36	Natural gas (TEN-E)
38	Petroleum products (TEN-E)
39	Renewable energy: wind
40	Renewable energy: solar
41	Renewable energy: biomass
42	Renewable energy: hydroelectric, geothermal and other
43	Energy efficiency, co-generation, energy management
	Environmental protection and risk prevention
52	Promotion of clean urban transport
	Increasing the adaptability of workers and firms, enterprises and entrepreneurs
62	Development of life-long learning systems and strategies in firms; training and services for employees to step up their adaptability to change; promoting entrepreneurship and innovation
63	Design and dissemination of innovative and more productive ways of organising work

64	Development of specific services for employment, training and support in connection with restructuring of sectors and firms, and development of systems for anticipating economic changes and future requirements in terms of jobs and skills
	Improving access to employment and sustainability
65	Modernisation and strengthening of labour market institutions
66	Implementing active and preventive measures on the labour market
67	Measures encouraging active ageing and prolonging working lives
68	Support for self-employment and business start-up
69	Measures to improve access to employment and increase sustainable participation and progress of women in employment to reduce gender-based segregation in the labour market and to reconcile work and private life, such as facilitating access to childcare and care for dependent persons
70	Specific action integration
	Improving the social inclusion of less-favoured persons
71	Pathways to integration and re-entry into employment for disadvantaged people; combating discrimination in accessing and progressing in the labour market and promoting acceptance of diversity at the workplace
	Improving human capital
72	Design, introduction and implementation of reforms in education and training systems in order to develop employability, improving the labour market relevance of initial and vocational education and training, updating skills of training personnel with a view to innovation and a knowledge based economy.
73	Measures to increase participation in education and training throughout the life-cycle, including through action to achieve a reduction in early school leaving, gender-based segregation of subjects and increased access to and quality of initial vocational and tertiary education and training
74	Developing human potential in the field of research and innovation, in particular through post-graduate studies and training of researchers, and networking activities between universities, research centres and businesses

FINANCING: DIFFERENTIATION OF CO-FINANCING RATES

Criteria	Member States, regions	ERDF, ESF	Cohesion Fund
(1) Member States whose average per capita/ GDP below 85% between 2001-03	CZ, EE, GR, CY, LV, LT, HU, MT, PL, PT, SI, SK, BG, RO	85%	85%
(2) Member States other than those under (1) eligible to the Cohesion Fund	ES	80%/ 50%*	85%
(3) Member States other than those under (1) and (2)	AT, BE, DK, DE, FR, IR, IT, LU, NL, SE, SF, UK	75%/ 50%*	-
(4) Outermost regions referred to in Article 299 (2) of the Treaty	regions in ES, FR, PT	85%	85%**

* The first rate concerns regions eligible under the "Convergence"; the second one those under the "Regional Competitiveness and Employment" objective.

** If applicable

STRATEGIC GUIDELINES 2007-2013

► ERDF and Social Funds

⇒ Making Europe and its regions more attractive places to invest and work:

- ◆ Expand and improve transport infrastructures
- ◆ To strengthen the synergies between environmental protection and growth
- ◆ Address Europe's intensive use of traditional energy sources

⇒ Improving knowledge and innovation for growth

- ◆ Increase and improve investments in RTD
- ◆ Facilitate innovation and promote entrepreneurship
- ◆ Promote the information society for all
- ◆ Improve access to finance

⇒ More and better jobs

- ◆ Attract and retain more people in employment and modernise social protection systems
- ◆ Improve adaptability of workers and enterprises and the flexibility of the labour market
- ◆ Increase investment in human capital through better education and skills
- ◆ Administrative Capacity
- ◆ Help maintain a healthy labour force

► Rural development

⇒ Improving the competitiveness of the agricultural and forestry sectors

- ◆ facilitating innovation and access to R&D
- ◆ improving integration in the agrifood chain
- ◆ encouraging the take-up and diffusion of ICT
- ◆ fostering dynamic entrepreneurship
- ◆ development of new outlets for agricultural and forestry products
- ◆ improving the environmental performance of farms and forestry
- ◆ restructuring of the agriculture sector

⇒ Improving the environment and countryside

- ◆ promoting environmental services and animal friendly farming practices
- ◆ preserving the farmed landscape
- ◆ combating climate change
- ◆ consolidating the contribution of organic farming
- ◆ encouraging environmental/economic win-win initiatives
- ◆ promoting territorial balance

⇒ Improving the quality of life in rural areas and encouraging diversification

- ◆ raising economic activity and employment rates in the wider rural economy

- ◆ encouraging the entry of women into the labour market
- ◆ developing micro-business
- ◆ training young people in traditional rural skills
- ◆ encouraging the take-up and diffusion of ICT
- ◆ developing the provision and innovative use of renewable energy sources
- ◆ encouraging the development of Tourism
- ◆ upgrading of local infrastructure, particularly in the New Member States

⇒ Building Local Capacity for Employment and Diversification

- ◆ building local partnership capacity
- ◆ promoting private-public partnership
- ◆ promoting cooperation and innovation
- ◆ improving local governance

* *
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▶ EIB-EIF and ERDF

In support to the need to improve access to finance for the development of SMEs, the European Commission and the EIB are working on following initiatives:

- ◆ JEREMIE: (Joint European Resources for Micro to Medium Enterprises) is an initiative of the European Commission, together with the EIB and the European Investment Fund, in order to increase access to finance for the development of micro, small and medium-sized enterprises in the regions of the EU.
- ◆ JASPERS: (Joint Assistance in Supporting Projects in European Regions) seeks to develop cooperation between the European Commission, the EIB and the European Bank for Reconstruction and Development in order to pool expertise and to assist Member States and regions in the preparation of major projects.
- ◆ JESSICA: (Joint European Support for Sustainable Investment in City Areas) is an initiative of the European Commission in cooperation with the EIB and the Council of Europe Development Bank to promote sustainable investment in urban areas.

These three initiatives provide technical assistance to Member States.

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RTD

7th RTD framework programme.

Budget: € 54,6 billions, of which:

Cooperation: €32,3 bil

Ideas: €7,5 bil

People: €4,7 bil

Capacities: €4,3 bil.

DOCUMENTS:

COM(2005) 443

COM(2005) 441

COM(2005) 442

COM(2005) 440

The new FP7 will have a structure based on four specific programmes:

- Cooperation = collaborative research in 9 thematic areas:
 - health;
 - food, agriculture and biotechnology;
 - information and communication technologies (ICT);
 - nanosciences, nanotechnologies, materials and new production technologies;
 - energy;
 - environment;
 - transport;
 - socio-economic sciences and the humanities;
 - security and space research.
- Ideas = basic research implemented through a European Research Council. The Commission foresees the funding of projects suggested by researchers on subjects of their choice.
- People = mobility, initial training of researchers, life-long training and career development, industry-academia partnership.
- Capacity = support to research infrastructure, clusters, regions of knowledge and SMEs.

The "**capacity**" **strand** comprises four topics which are key to RDAs

- **research infrastructures** = optimising the use and development of the best research infrastructures existing in Europe, and helping to create in all fields of science and technology new research infrastructures of pan-European interest needed by the European scientific community to remain at the forefront of the advancement of research, and able to help industry to strengthen its base of knowledge and its technological know how;
- **research for the benefit of SMEs** = strengthening the innovation capacity of European SMEs and their contribution to the development of new technology based products and markets by helping them outsource research, increase their research efforts, extend their networks, better exploit research results and acquire technological know how;
- **regions of knowledge** = strengthening the research potential of European regions, in particular by encouraging and supporting the development, across Europe, of regional "research-driven clusters" associating university, research centres, enterprises and regional authorities;
- **research potential** = stimulating the realisation of the full research potential of the enlarged Union by unlocking and developing the research potential in the EU's convergence regions and outermost regions, and helping to strengthen the capacities of their researchers to successfully participate in research activities at EU level;

Capacities

DOCUMENT:
COM(2005) 443

Objective: enhance research and innovation capacities throughout Europe through:

- Optimising the use and the development of research infrastructures
- Strengthening innovative capacities of SMEs and their ability to benefit from research
- Supporting the development of regional research-driven clusters
- Unlocking the research potential in the EU convergence and outermost regions

Activities foreseen:

- Research infrastructures:
 - Existing research infrastructures
 - Transnational access
 - Integrating activities
 - “bottom-up calls” to catalyse the mutual coordination and the pooling of resources
 - “targeted calls” to support potentially important research infrastructures and speeding up their emergence at EU level
 - ICT based e-infrastructures
 - New research infrastructures
 - Design studies for new research infrastructures
 - Support to construction of new infrastructures
 - Supporting the preparatory phase
 - Supporting the construction phase also through EIB loans and the Risk Sharing Finance Facility
- Research for the benefit of SMEs
 - Research for SMEs
 - Research for SMEs associations

Among the other features, the schemes will include activities to promote the take up and effective exploitation of the research results such as testing, demonstration, training, technology transfer, IPR protection and knowledge management.

- Regions of knowledge
 - Analysis, development and implementation of research agendas of regional clusters and cooperation between them.

These will include analysis as well as an implementation plan focusing on R&D capacity and priorities. Projects shall use foresight, benchmarking or other methods, demonstrating expected benefits, such as strengthened links between clusters involved, optimised involvement in European research projects and higher impacts on regional development.

- "Mentoring" of regions with a less developed research profile by highly developed ones based on R&D focused cluster building. Transnational regional consortia will mobilise and associate research actors in academia, industry and government to deliver "guidance" solutions with and for technologically less developed regions.
- Initiatives to improve integration of research actors and institutions in regional economies, through their interactions at cluster level. These will include transnational activities to improve links between research stakeholders and the local business communities as well as relevant activities between clusters.

Support will also be provided to activities to promote systematic mutual information exchange as well as interactions between similar projects and where appropriate, with actions of other relevant Community programmes (e.g. analysis and synthesis workshops, roundtables, publications).

- Research potential

- Exchange know-how and experience through trans-national two-way secondments of research staff between the selected centres in the qualifying regions and one or more partner organisations in another EU State, with in-built obligatory return mechanisms for seconded staff originating from the selected centres in the qualifying regions;
- The recruitment by the selected centres of incoming experienced researchers for involvement in transfer of knowledge and/or in the training of researchers, including as a means to particularly encourage the return of nationals having left the country;
- The acquisition and development of certain research equipment for the selected centres;
- The organisation of workshops and conferences to facilitate knowledge transfer at national and international level involving both the selected centres' own research staff and invited researchers, from other countries in the frame of the development of the selected centres' international training capacity and reputation; participation of the research staff of the centres selected under the scheme at international conferences or short term training events, for knowledge sharing, network building and to expose them to a more international environment;

- Dissemination and promotional activities to ensure increased visibility of the selected centres and their activities.

In addition, and independently of this support measures, the action will provide evaluation facilities through which any research centre in the qualifying regions, whether or not applying for funding, can obtain an international independent expert evaluation of the level of their overall research quality and infrastructures. This evaluation would be carried out by high level, independent international experts nominated by the Commission.

- Science in society

A strand of this priority will focus on “the evolving role of universities”. The objective is stated as follows:

Work will aim at supporting the appropriate reforms enabling universities to fully play their role in the creation, dissemination and sharing of knowledge, together with industry and society at large (in line with Community initiatives on university-based research). The emphasis will be on:

- Defining better framework conditions for more efficient university research
- Promoting the establishment of structured partnerships with the business sector, having regard to universities’ research management capacities
- Reinforcing the knowledge sharing between universities and society at large.

N.B.: Risk-Sharing Finance Facility

The Community will provide a grant (Coordination and support action) to the European Investment Bank (EIB). This grant will contribute to the Community’s objective to foster private sector investment in research by increasing the capacity of the Bank to manage risk, thus allowing for (i) a larger volume of EIB lending for a certain level of risk, and (ii) the financing of riskier European RTD actions than would be possible without such Community support.

CIP 2007-2013

Framework Programme for Innovation and Competitiveness

Budget: 3,6 billions of € split as follow:

- €2170 millions for entrepreneurship and innovation including €430 millions for eco-innovation;
- €730 millions for ICT
- €730 millions for Intelligent-Energy Europe.

DG Enterprise and Industry published on 6.4.05 its proposals regarding the new competitiveness and Innovation Framework Programme.

The Framework Programme will be composed of 3 strands:

- entrepreneurship and innovation programme (regulatory environment for enterprise and innovation, access to finance, SMEs and single market);
- ICT Policy Support Programme (e-Ten, Modinis, e-Content et i2010);
- Intelligent Energy-Europe Programme (demand for energy efficiency, renewable energy sources, diversification of fuels and energy efficiency in transport).

The role of the European Investment Fund will be reinforced.

Amongst the new topics introduced in the CIP:

- GIF: High Growth and Innovative Company Facility will invest in intermediary seed and early stage venture capital funds in funds set up by business angels and eco-innovation as well as in expansion rounds;
- BISS – a scheme to support the cooperation between national and regional programmes for business innovation.

Action Plan for Innovation

Publication in April 2004 of a consultation document focusing on the following six objectives :

- innovate everywhere
- get innovation on the market
- knowledge everywhere
- invest in innovation
- skills for innovation
- efficient innovation governance

Entrepreneurship Action Plan

Presentation by DG Enterprise of the 5 objectives grouped in 9 key actions. Cf. website

http://europa.eu.int/comm/enterprise/entrepreneurship/action_plan.htm

The objectives are as follows :

- Fuelling entrepreneurial mindsets
- Encouraging more people to become entrepreneurs
- Gearing entrepreneurs for growth and competitiveness
- Improving the flow of finance
- Creating a more SME-friendly regulatory and administrative framework

The topics of the 9 key actions are :

1. Entrepreneurship and young people
2. Reducing the stigma of business failure
3. Facilitating the transfer of businesses
4. Improving social security of new small business owners
5. Tailor made support for women and ethnic minorities
- 6A. Facilitating SMEs business cooperation in the internal market
- 6B. Supporting innovative clusters
7. More equity and stronger balance sheets
8. Listening to SMEs
9. Reducing the complexity of complying with tax laws

Education & training

The new programme will break down in four axes:

- Comenius: Participation of the EU pupils in common activities
- Erasmus: Possibility of receiving higher education abroad
- Leonardo da Vinci: Traineeships in enterprises and training centres in another European country
- Grundtvig: mobility actions

EGF: European Globalisation adjustment Fund

A financial contribution shall be made for actions, as part of a coordinated package of personalised services designed to re-integrate redundant workers into the labour market, including:

- active labour market measures, such as job-search assistance, occupational guidance, tailor-made training and re-training including ICT skills, outplacement assistance and entrepreneurship promotion or aid for self-employment;
- special in-work time-limited income supplements, such as job search allowances, mobility allowances, income support allowances to individuals participating in training activities; and temporary wage supplements for workers of at least 50 years of age who accept to re-enter the labour market at a lower wage.

Culture 2007

The programme intends to reinforce:

- the mobility of workers
- the transnational circulation of works and cultural and artistic products
- the intercultural dialogue

Environment:

LIFE+

LIFE+ will focus on three components:

1. LIFE+ Nature and Biodiversity

This strand of LIFE+ will contribute to the implementation of Community policy and legislation on nature and biodiversity, with particular reference to the Birds and Habitats Directives, and will support further development of the Natura 2000 network. This strand will also work to build up a knowledge base for evaluating Community nature and biodiversity policy, and will support development of monitoring tools in this respect, as well as working for better

environmental governance, and broadening stakeholder involvement.

2. LIFE+ Environment Policy and Governance

This strand of LIFE+ will support innovative policy approaches, with a special focus on climate change, environment and health and quality of life, and natural resource use and waste.

3. LIFE+ Information and Communication

This strand of LIFE+ will disseminate information and raise awareness on environmental issues, including forest fire prevention, and will support accompanying measures, such as information campaigns, conferences, publications and training.

Trans-European Networks (TEN)

DG TREN (Transport and Energy) has launched a consultation regarding an action named motorways of the sea. The project provides for connections in four geographical areas.

In 2004, the Commission, in agreement with the Member States, has adopted a list of 30 priority projects. The work should start by 2010. Maps of these priority projects have been published in O.J. L 201, 7.6.04.

340 million € are available in order to finance feasibility studies on the interconnection of gas pipelines and electricity networks.

Services of General Interest

Publication of a White Paper in this matter in June 2004. This White Paper suggests that the Commission:

- will adopt a Decision on the application of Article 86 of the Treaty to state aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest by July 2005,
- will adopt a Community framework for state aid in the form of public service compensation by July 2005,
- will adopt an amendment of Directive 80/723/EEC on the transparency of financial relations between Member States and public undertakings by July 2005,
- will further clarify under which conditions public service compensations may constitute state aid within the meaning of Article 87 (1) by July 2005.

The Member States

- should assist the Commission in applying the new legal framework, in particular by clearly defining public service obligations and by applying transparent rules on compensation.

Enterprise taxation

Consultation of SMEs with regard to the home State taxation scheme.

Regional State Aids**O.J. C054 dated
4.3.2006**

DG Competition has defined a table of aid intensities acceptable by each region for 3 categories of enterprises. The Commission's proposal can be summarised in the table below :

Table of proposed aid intensities

(Expressed in gross grant equivalents)

	Large enterprises	Medium-sized enterprises	Small enterprises
Convergence region for article 87.3.a			
GDP below 45% of EU average	50%	60%	70%
GDP between 45.01% and 60% of EU average	40%	50%	60%
GDP between 60.01% and 75% GDP	30%	40%	50%
Phasing out – statistical effect as from 2011	20%	30%	40%
Outermost Regions			
GDP below 75% of EU average	60%	70%	80%
GDP above 75% of EU average	40%	50%	60%
Specific regions for article 87.3.c			
Low population density	15%	25%	35%
Low population density – bordering regions	15%	25%	35%
Standard regions	15%	25%	35%
Most prosperous Regions eligible	10%	20%	30%
Non-assisted areas	0	10%	20%

Main changes introduced in the new guidelines:

- The aid is calculated on the gross amount and no longer on net amount;
- Replacement investments are no longer eligible to state aids;
- Ad hoc provisions for start-up enterprises (less than 5 years);
- New selection of eligible regions:

➤ **The derogation in Article 87(3)(a)**

- Article 87(3)(a) provides that aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious underemployment may be considered compatible with the common market. As the Court of Justice of the European Communities has held, 'the use of the words "abnormally" and "serious" in the exemption contained in [Article 87(3)(a)] shows that

it concerns only areas where the economic situation is extremely unfavourable in relation to the Community as a whole'.

- The Commission accordingly considers that the conditions laid down are fulfilled if the region, being a NUTS level II geographical unit, has a per capita gross domestic product (GDP), measured in purchasing power standards (PPS), of less than 75 % of the Community average. The GDP per capita of each region and the Community average to be used in the analysis are determined by the Statistical Office of the European Communities. In the interest of ensuring the maximum possible coherence between the designation of regions eligible for the derogation under Article 87(3)(a) under the regional aid guidelines, and the regions eligible for the convergence objective under the structural fund regulations, the Commission has used the same GDP per capita data to designate the Article 87(3)(a) regions as that used to designate the convergence regions under the structural fund regulations.
- In recognition of the special handicaps which they face by reason of their remoteness and specific constraints in integrating into the internal market, the Commission considers that regional aid for the outermost regions covered by Article 299(2) of the Treaty also falls within the scope of the derogation in Article 87(3)(a), whether or not the regions concerned have a GDP per capita of less than 75 % of the Community average.

➤ **Phasing out arrangements for the 'statistical effect' regions**

- For certain regions, the GDP per capita exceeds 75 % of the Community average solely because of the statistical effect of enlargement. These are regions at NUTS II level which have a GDP per capita of more than 75 % of the EU-25 average, but less than 75 % of the EU-15 average.
- In order to ensure that the past progress of these regions is not undermined by too rapid change, in terms of aid intensities and the availability of operating aid, the Commission considers that they should continue to remain eligible for the derogation in Article 87(3)(a) on a transitional basis until 31 December 2010.
- In 2010 the Commission will review the position of these regions on the basis of the three-year average of the most recent GDP data available from Eurostat. If the relative GDP per capita of any of the regions has declined below 75 % of the EU-25 average, the regions concerned will continue to be eligible for the derogation under Article 87(3)(a). Otherwise the statistical effect regions will become eligible for aid under the derogation of Article 87(3)(c) from 1 January 2011.

➤ **The derogation in article 87(3)(c): selection of eligible regions**

The eligibility criteria for the selection of regions by the Member States must be sufficiently flexible to allow for the wide diversity of situations in which the granting of national regional aid may potentially be justified but at the same time they must be transparent and provide sufficient safeguards that the award of regional aid will not distort trade and competition to an extent contrary to the common interest. Accordingly, the Commission considers that the following regions may be eligible for selection by the Member States concerned for the award of regional investment aid pursuant to the derogation under Article 87(3)(c):

- the 'economic development' regions;
- the low population density regions: such areas are made up essentially of NUTS-II geographic regions with a population density of less than 8 inhabitants per km², or NUTS-III geographic regions with a population density of less than 12.5 inhabitants per km². However, a certain flexibility is allowed in the selection of these areas, subject to the following limitations:
 - flexibility in the selection of areas must not mean an increase in the population covered;

- the NUTS III parts qualifying for flexibility must have a population density of less than 12.5 inhabitants per square kilometer;
- they must be contiguous with NUTS III regions which satisfy the low population density test;
- regions which form contiguous zones with a minimum population of at least 100 000 and which are located within either NUTS-II or NUTS-III regions which have either a GDP per capita of less than the EU-25 average, or which have an unemployment rate which is higher than 115 % of the national average, (both calculated on the average of the most recent 3 years of Eurostat data);
- NUTS-III regions with less than 100 000 population which have either a GDP per capita of less than the EU-25 average or which have an unemployment rate which is higher than 115 % of the national average, (both calculated on the average of the most recent three years of Eurostat data);
- islands and other regions categorised by similar geographical isolation which have either a GDP per capita of less than the EU-25 average, or which have an unemployment rate which is higher than 115 % of the national average, (both calculated on the average of the most recent three years of Eurostat data);
- islands with fewer than 5 000 inhabitants and other communities with fewer than 5 000 inhabitants categorised by similar geographical isolation;
- NUTS-III regions or parts thereof adjacent to a region which is eligible for support under Article 87(3)(a) as well as NUTS-III regions or parts thereof which share a land border, or a sea border of less than 30 kilometres with a country which is not a Member State of the European Economic Area or EFTA.
- In duly justified cases, Member States may also designate other regions which form contiguous zones with a minimum population of at least 50 000 which are undergoing major structural change, or are in serious relative decline, when compared with other comparable regions. It will be the task of Member States which wish to use this possibility to demonstrate that the award of regional investment aid in the region concerned is justified, using recognised economic indicators and comparisons with the situation at Community level.

The draft regional aid coverage 2007-2013 is presented hereafter:

Belgium	Regions	GDP/CAP ³	Population covered
Article 87(3)(a)			
Statistical effect	Hainaut	75.45	
			12.4%
Article 87(3)(c)			13.5%
Total population coverage 2007-2013			25.9%

Czech Republic	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Strední Morava	52.03	
	Severozápad	53.29	
	Strední Čechy	54.35	
	Moravskoslezsko	55.29	
	Severovýchod	55.59	
	Jihovýchod	58.17	
	Jihozápad	60.41	
			88.6%
Statistical effect			
Article 87(3)(c)			
Total population coverage 2007-2013			88.6%
Transitional additional coverage 2007-2008 under Article 87(3)(c)			7.7%

Denmark			Population covered
Article 87(3)(a) ...			
Statistical effect			
Article 87(3)(c)			8.6%
Total population coverage 2007-2013			8.6%
Transitional additional coverage 2007-2008 under Article 87(3)(c)			2.7%

Germany	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Dessau	65.99	
	Chemnitz	69.63	
	Brandenburg-Nordost	70.64	
	Magdeburg	72.27	
	Mecklenburg-Vorpommern	72.56	
	Thüringen	73.10	
	Dresden	74.95	
			12.5%
Statistical effect	Halle	75.07	
	Leipzig	77.12	
	Brandenburg-Südwest	77.45	
	Lüneburg	81.80	
			6.1%
Article 87(3)(c)			11.0%
Total population coverage 2007-2013			29.6%

³ GDP per capita 2000-2002, PPS, EU-25 = 100 (Eurostat news release 47/2005 of 7.4.2005).

Estonia	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Estonia	44.94	100%
Total population coverage 2007-2013			100%

Greece	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Dytiki Ellada	56.30	
	Anatoliki Makedonia, Thraki	57.40	
	Ipeiros	59.30	
	Thessalia	62.90	
	Ionia Nisia	65.53	
	Kriti	72.27	
	Peloponnisos	73.71	
	Voreio Aigaio	74.29	
			36.6%
Statistical effect	Kentriki Makedonia	75.89	
	Dytiki Makedonia	76.77	
	Attiki	78.98	
			55.5%
Article 87(3)(c)			7.9%
Total population coverage 2007-2013			100%

Spain	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Extremadura	59.89	
	Andalucia	69.29	
	Galicia	73.36	
	Castilla-La Mancha	74.75	
	Canarias	87.79	
			36.2%
Statistical effect	Asturias	79.33	
	Murcia	79.37	
	Ceuta	79.64	
	Melilla	79.72	
			5.8%
Article 87(3)(c)			17.7%
Total population coverage 2007-2013			59.6%
Transitional additional coverage 2007-2008 under Article 87(3)(c)			12.4%

France	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Guyane	56.76	
	Réunion	60.63	
	Guadeloupe	67.32	
	Martinique	74.88	
			2.9%
Statistical effect...			
Article 87(3)(c)			15.4%
Total population coverage 2007-2013			18.4%
Transitional additional coverage 2007-2008 under Article 87(3)(c)			6.9%

Ireland	Population covered
Article 87(3)(a) ...	
Statistical effect ...	
Article 87(3)(c)	50%
Total population coverage 2007-2013	50%
Transitional additional coverage 2007-2008 under Article 87(3)(c)	25%

Italy	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Calabria	67.93	
	Campania	71.78	
	Sicilia	71.98	
	Puglia	72.49	
			29.2%
Statistical effect	Basilicata	77.54	
			1.0%
Article 87(3)(c)			3.9%
Total population coverage 2007-2013			34.1%
Transitional additional coverage 2007-2008 under Article 87(3)(c)			5.6%

Cyprus	Population covered
Article 87(3)(a) ...	
Statistical effect ...	
Article 87(3)(c)	50%
Total population coverage 2007-2013	50%
Transitional additional coverage 2007-2008 under Article 87(3)(c)	16%

Latvia	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Latvia	37.28	100%
Total population coverage 2007-2013			100%

Latvia	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Lithuania	40.57	100%
Total population coverage 2007-2013			100%

Luxembourg	Population covered
Article 87(3)(a) ...	
Statistical effect ...	
Article 87(3)(c)	16%
Total population coverage 2007-2013	16%
Transitional additional coverage 2007-2008 under Article 87(3)(c)	5.1%

Hungary	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Észak Magyarország	36.10	
	Észak Alföld	36.31	
	Dél Alföld	39.44	
	Dél Dunántúl	41.36	
	Közép Dunántúl	52.28	
	Nyugat Dunántúl	60.37	
			72.2%
Statistical effect ...			
Article 87(3)(c)...			27.8%
Total population coverage 2007-2013			100%

Malta	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Malta	74.75	100%
Total population coverage 2007-2013			100%

Netherlands		Population covered	
Article 87(3)(a) ...			
Statistical effect ...			
Article 87(3)(c)		7.5%	
Total population coverage 2007-2013		7.5%	
Transitional additional coverage 2007-2008 under Article 87(3)(c)		2.4%	

Austria		Population covered	
Article 87(3)(a) ...			
Statistical effect	Burgenland	81.50	3.4%
Article 87(3)(c)		19.1%	
Total population coverage 2007-2013		22.5%	

Poland	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Lubelskie	32.23	
	Podkarpackie	32.80	
	Warmińsko-Mazurskie	34.70	
	Podlaskie	35.05	
	Świętokrzyskie	35.82	
	Opolskie	38.28	
	Małopolskie	39.81	
	Lubuskie	41.09	
	Łódzkie	41.45	
	Kujawsko-Pomorskie	41.80	
	Pomorskie	45.75	
	Zachodniopomorskie	46.29	
	Dolnośląskie	47.52	
	Wielkopolskie	48.18	
	Śląskie	50.62	
	Mazowieckie	68.77	
Total population coverage 2007-2013			100%

Portugal	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Norte	61.94	
	Centro (PT)	63.08	
	Alentejo	65.72	
	Açores	61.61	
	Madeira	87.84	
			70.1%
Statistical effect	Algarve	80.05	3.8%
Article 87(3)(c)			2.8%
Total population coverage 2007-2013			76.7%
Transitional additional coverage 2007-2008 under Article 87(3)(c)			19.2%

Slovenia	Regions	GDP/CAP	Population covered
Article 87(3)(a)	Slovenia	74.40	100%

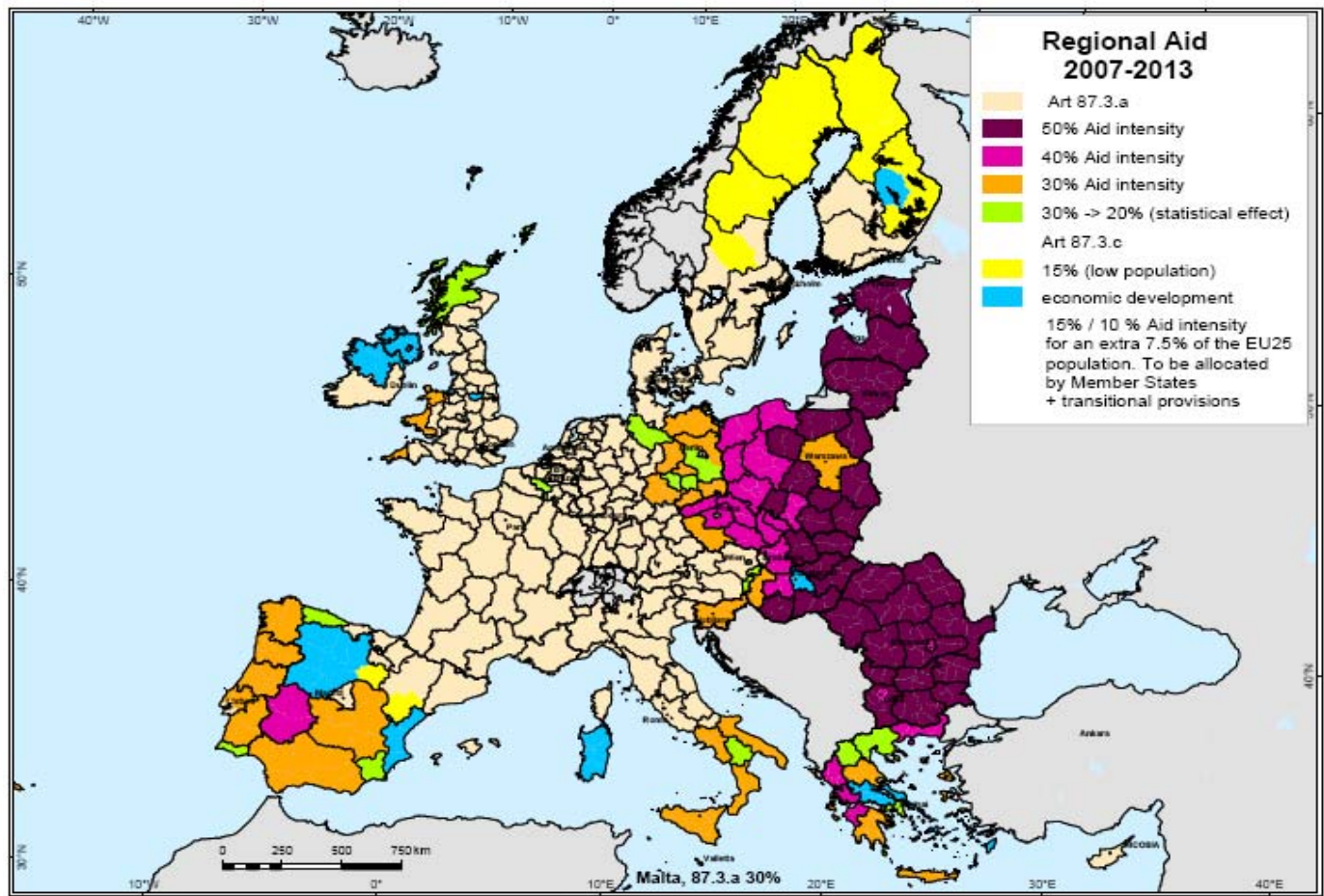
Slovakia			Population covered
Article 87(3)(a) ...	Východné Slovensko	37.21	
	Stredné Slovensko	40.72	
	Západné Slovensko	45.42	
			88.9%
Statistical effect...			
Article 87(3)(c)...			
Total population coverage 2007-2013			88.9%
Transitional additional coverage 2007-2008 under Article 87(3)(c)			7.5%

Finland			Population covered
Article 87(3)(a) ...			
Statistical effect ...			
Article 87(3)(c)			33%
Total population coverage 2007-2013			33%

Sweden			Population covered
Article 87(3)(a) ...			
Statistical effect ...			
Article 87(3)(c)			15.3%
Total population coverage 2007-2013			15.3%

United Kingdom			Population covered
Article 87(3)(a) ...	Cornwall & Isles of Scilly	70.16	
	West Wales and the Valleys	73.98	
			4%
Statistical effect ...	Highlands and Islands	77.71	0.6%
Article 87(3)(c)			19.3%
Total population coverage 2007-2013			23.9%

SOURCE: DG Competition, *Guidelines on National Regional Aid for 2007-2013*, Annex 5.



Based on EUROSTAT statistics of 7.4.2006 (GDP In PPP per Capita 2000-2002 Avg) / Cartography: DG COMP - G 1 12/2005 / © EuroGeographics for the administrative boundaries

The European Commission has also announced a large programme intended to revise the sectorial regional State aid controls regarding the following themes:

- State aid for SMEs
- Application of Articles 87 and 88 of the Treaty to de minimis aid
- State aid for employment
- Training aid
- State aid and risk capital
- Community guidelines concerning the application of Articles 87 and 88 of the Treaty to urgency aid and / or restructuring aid to firms in difficulty.

De minimis aid

The total de minimis aid granted to any one undertaking shall not exceed EUR 200.000 gross over any period of three fiscal years. This ceiling shall apply irrespective of the form of the aid or the objective pursued and regardless of whether the aid granted by the Member State is financed entirely or partly by resources of Community origin. The period shall be determined by reference to the fiscal years used in the Member State concerned. When an overall aid amount exceeds this ceiling, that aid cannot benefit from this Regulation, even for a fraction not exceeding that ceiling, either at the time it is granted or in respect of a later period.

5. LISBOA STRATEGY

On 2.2.05, the EU Commission presented a new strategy for the EU to create more growth and jobs. The strategy aims to revitalize the so-called Lisbon Agenda.

The Commission has put forward a concrete action programme which focuses on:

Making Europe a more attractive place to invest and work

- Completing the Single Market in areas which can deliver a real growth and job dividend and are of immediate relevance for consumers (a balanced agreement on services, regulated professions, energy, public procurement and financial services, a balanced agreement on REACH, the new framework for chemicals, which takes into account the impact of the competitiveness and innovation and SMEs).
- Ensure open and competitive markets inside and outside Europe: redirect State aids towards sectors with high growth potential, create a SME friendly business environment, create access to third markets, simplify European and national regulation.
- Improve European and national regulation to reduce the burden of administrative costs.
- Expand and improve European infrastructure.
- Continue to push for a Community patent and to move forward on a consolidated corporate tax base.

Knowledge and innovation for growth

- Reach a 3% GDP target for R and D expenditure.
- Promote the uptake of Information and Communication Technologies (ICT).
- Promote the development of innovation poles linking regional centres, universities and businesses.
- Boost European Technology Initiatives through public-private partnerships.
- Promote energy efficient and low emission eco-innovations.
- Contribute to a strong European industrial base through mobilising public and private partnerships.
- The Commission is proposing the creation of a European Institute for Technology to attract the best minds, ideas and businesses to Europe.

Creating more and better jobs

- Attract more people into employment in particular through action to reduce youth unemployment (European Youth initiative) and modernise social protection systems.
- Increase the adaptability of workers and enterprises and the flexibility of labour markets through removing obstacles to labour mobility.
- Invest more in human capital through better education and skills by reforming the EU Structural Fund and Cohesion Fund.

Partnership: Responsibility for the broad policy areas of employment, macroeconomic policy and structural reforms is shared between the Union and the Member States: therefore a partnership is needed. The Action Programme makes a clear distinction between actions at Member States and European Union level: building on the experience of the Internal Market

Programme – it identifies responsibilities, sets deadlines and measures progress.
Governments should appoint a “Mr or Ms Lisbon” to take charge of implementation.

* *
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On 12.4.05, the European Commission has adopted a 3-year blueprint for growth and jobs. On the basis of the guidelines, Member States will draw-up 3-year national reform programmes.

The EU guidelines concern 4 topics:

- macroeconomic policies for growth and jobs;
- ensuring a dynamic and well-functioning euro area;
- microeconomic reforms to raise the EU's growth potential;
- new Employment Guidelines for more and better jobs;

It should be noted that the topic « microeconomic reforms to raise the EU's growth potential » is divided in the 2 following parts:

- a) to make Europe a more attractive place to invest and work, including: to reduce distorting state-aid and to open up network industries to competition;
- b) to spur knowledge and innovation for growth.