Report on OPEN DAYS 2015:  
13th European Week of Regions and Cities  

Lena Brommer*  

The European Week of Regions and Cities or OPEN DAYS is an annual event in Brussels during which representatives of regions and cities’ administrations as well as experts and academics gather to exchange good practices and knowledge in regional and urban development policies. The following is a report of the main points that were presented and the issues that were discussed during the 13th European Week of Regions and Cities that took place in Brussels on 12-15 October 2015. First, the author provides an overview of the issues debated and, second, highlights the proceedings of selected workshops and debates in more detail such as Simplification, Smart Specialisation, Community-led Local Development (CLLD), Major Projects. The report has been prepared for information purposes only and it is not meant to be a precise record of the proceedings of the event. No statement may be attributed to any of the speakers or participants.

I. OPEN DAYS 2015: ‘Europe’s Regions and Cities: Partners for Investment and Growth’

1. Cohesion Policy in 2015 – A Time of Change

The OPEN DAYS 2015 took place at a time when first experiences and challenges have been faced with regards to cohesion policy in 2014-2020. By the end of 2015, some 400 cohesion policy programmes worth €351 billion of funding from the European Regional Development Fund (ERDF), the Cohesion Fund and the European Social Fund (ESF), were adopted, and in addition most of the 118 programmes financed by the European Agricultural Fund for Rural Development (EAFRD) (€84 billion) and 27 European Maritime and Fisheries Fund (EMFF) programmes (€7 billion) were adopted, too. Ex-ante assessments are being fine-tuned and ex-ante conditionalities have to be met. At the same time, grants from programming period 2007-2013 still have to be paid out to beneficiaries with many projects in the pipeline. While contracting grants for the programming period 2014-2020, Member States are at the same time due to prepare for the closure of the programming period 2007-2013. All stakeholders involved, i.e. managing, certifying, audit, and contracting authorities as well as financial intermediaries and beneficiaries therefore took the chance to discuss and exchange experiences and good practices. Final registration statistics confirm the attendance of about 6000 participants. With more than 600 speakers, the OPEN DAYS 2015 programme consisted of more than 100 debates and workshops.¹


The event started with a high-level Opening by Markku Markkula, President of the European Committee of the Regions (CoR), Corina Crețu, Commissioner for Regional Policy, Philip McCann from the University of Groningen, Carlos Moedas, Commissioner for Research, Science and Innovation, and Member of the European Parliament (MEP) Ramon Luis Valcárcel Siso, Vice-President of the European Parliament (EP). These speakers mapped the state of play in current Cohesion policy, a time in which most operational programmes have been approved and

* Lena Brommer is in charge of the design and organisation of trainings on European Structural and Investment Funds, EU public procurement and State aid law at Lexicon Publisher. The author is solely responsible for the views expressed and analyses provided.

¹ A comprehensive documentation including the detailed programmes, video streams and presentations, and more can be found on the official website of the organisers: <http://www.opendays.europa.eu/>. 
the focus has shifted from designing strategies to implementing these strategies.

New funds available under the European Fund for Strategic Investments (EFSI) with an initial investment of €10 billion under the Juncker Plan and in cooperation with the European Investment Bank (EIB) Group shall multiply the existing structural funds. The increased use of financial instruments such as guarantees, loans and equity funds is expected to support these developments. In the next years, funds will be needed to fight the high level of youth unemployment in many countries as well as the migration crisis which is why European Territorial Cooperation (ETC), better known as INTERREG, in 2014-2020 also aims at social cohesion.

The panel further discussed the role of regions in Cohesion policy and the complexities of its implementation. CoR’s president Markkula called the regions the “power house of cohesion policy” with the CoR’s priorities being a bottom-up approach, the functioning of the Digital Single Market and Smart Specialisation. The recommendations of the newly set-up High Level Group on Simplification shall ease the access to finance for (regional) beneficiaries while keeping high standards in monitoring and control. In the current programming period, regions are expected to play an increasingly important role due to the planned set-up of macro regions. With the Cohesion policy falling under shared management between the Member States and the European Commission (EC), Commissioner Crețu reminded the Member States that also national laws should be scrutinised in terms of possible simplifications and cutting red tape.

Focussing on research and innovation and elucidating an ERDF-funded project "Juliette" (France), special attention was given to a special guest: NAO the Robot. When asked by the robot whether research and innovation will remain high on the agenda, Commissioner Crețu underlined the key areas of funding for the small and medium-sized enterprises (SMEs), skills, research and the digital agenda in 2014-2020 under the ERDF. €80 billion are available under Horizon 2020, however, only a few of the proposals for funding under Horizon 2020 pass the competition: The chance of winning a research grant is stuck between 12% and 14%, with many excellent proposals being rejected. Commissioner Moedas hence launched two new initiatives that intend to facilitate better coordination between (1) European Investment and Structural Fund (ESI Fund) and Horizon 2020 as well as (2) the exchange of information between the EC and the CoR. (1) Taking the SME Initiative as an example, the Seal of Excellence shall serve as a certificate for excellent projects that are not eligible for funding under Horizon 2020 due to budget constraints. Commissioner Carlos Moedas said: "EU regions are already a major investor in quality research and innovation in Europe. Through the Seal of Excellence they can benefit from the world class Horizon 2020 evaluation system to easily identify the best projects in their regions to support with their funds." (2) The Action Plan for a Knowledge Exchange Platform (KEP) shall launch a new kind of cooperation CoR and Directorate General for Research and Innovation (DG RTD).

The opening session established the building blocks of what would follow: More than 100 events on regional and urban development.

II. A Smart EU Cohesion Policy: Smart Specialisation

1. Review of the Policy Goals

Together with CLLD and result-based management, Smart Specialisation is one of the key elements in Cohesion policy. Combined, the definition of priorities within the policy can be put on a smart footing. Roberta Capello (Professor of Regional Economics, Politec-
nico of Milan, President of the Regional Science Association International), Philip McCann (Professor Economic Geography, University of Groningen and Editorial Board Member of ESTIF), and Slavo Radošević (Professor of Industry and Innovation Studies, University College London) then delved deeper into Smart Specialisation. The new Research and Innovation (R&I) strategies for Smart Specialisation (RIS3) for the efficient and effective use of public investment in research shall boost regional innovation. In theory, this new innovation policy concept supports these goals:

- Possibility to achieve the polarisation and distribution of research activities in space;
- Achieve a better use of the existing regional potential;
- Develop a cumulative learning of advanced Research & Development (R&D) activities;
- Creation of synergic effects of technology adoption and application.8

2. The Role of Regions and Finding a Niche

During the discussion, Professor Capello argued that in practice, after the design of the strategies and during the first phase of implementing these strategies, there is a lack of preconditions to innovate, especially in weaker regions as many regions tend to keep on locking in their old patterns. The priority setting seems difficult, which could be illustrated by the fact that five out of eight Southern Italian regions decided to focus on the same priorities. Professor Capello recommended developing territorial assets including natural and cultural assets to improve existing strategies. Philip McCann agreed in so far that Smart Specialisation should be a continuous process of learning grounded in evidence-based analyses. As next steps being the implementation, monitoring and evaluation of the strategies, regions are advised to well define stakeholders and develop scale advantages.9 Summing up, Slavo Radošević highlighted the importance of demand-led innovation: Excellence needs to be locally relevant and communication with the local level is important to define a region’s needs.

III. State of Play of Integrated CLLD across Four ESI Funds

1. Actors, Set-up and Goals

The workshop took stock of the way CLLD has been programmed in four ESI Funds (ERDF, ESF, EAFRD and EMFF)10. Speakers from the EC discussed investments planned by the Member States and presented different models used to deliver multi-funding at local level. CLLD, a bottom-up tool developed by local action groups for use at sub-regional level, aims at building community capacity and stimulate innovation. To encourage the use of this tool, the maximum co-financing rate from the ERDF and/or the ESF at the level of a priority axis can be increased by 10 percentage points.11 Elisa Roller (Head of Unit at Directorate-General for Maritime Affairs and Fisheries) moderated the panel which was held, according the organisers, to boost “a wider take-up of this approach before the deadline for the selection of new groups at the end of 2017.”12

2. Multi-funding and Multi-level Governance: Challenges and Good Practices

Introduced in 2014-2020, a single methodology for CLLD is applicable across all ESI Funds and regions enabling beneficiaries to create multi-funded strate-
gies. In practice, public bodies managing and delivering through CLLD face several challenges rooted in the different set up of the funds and in the various stakeholders and interests involved. An URBACT Study on the new instruments for Sustainable Urban Development (SUD) in 2014-2020 found that diverse institutional and political cultures influence take up.13

Practical examples were presented by representatives of managing authorities to illustrate different forms of integration of the Funds. Ton Overmeire (Programme Manager at City of The Hague) presented one of the pioneering examples of the CLLD Scheveningen which has been kick started by Integrated Territorial Investment (ITI) The Hague. The long-term structural economic development strategy aims to augment high skills and innovation by focussing on local needs, for example job creation for local residents in tourism and SMEs. €0.4 billion from ERDF have been allocated to CLLD to add value to the ITI The Hague. This puts a financial challenge on the local group as the co-financing part has to be made available before ERDF money comes in. The CLLD local group obtains ownership of the strategy and represents SMEs, the cultural and sports’ sector, and residents groups with the City acting as facilitator and intermediate body. Despite the complexities of cooperation and defining mutual interests, Mr. Overmeire pointed out that the CLLD Scheveningen is already a success because various local stakeholders do cooperate who have not done so in the past.

A second case was presented by Johan Magnusson (Head of Unit CLLD at Swedish Board of Agriculture), who formerly worked at Directorate-General for Regional and Urban Policy (DG REGIO), Directorate-General for Agricultural and Rural Development (DG AGRI) and Directorate-General for Maritime Affairs and Fisheries (DG MARE) and hence, has practical experience with all funds involved. The Swedish CLLD is overseen by a single managing authority, the Swedish Board of Agriculture (Jordbruksverket), which works closely with the Agency for Growth. CLLD is well-suited to integrate refugees and migrants on the local level through the ESF, which will be a major task in the coming years. CLLD opens up existing procedures to let in new stakeholders, especially regions, which, in Sweden, are mainly rural areas. ERDF focuses on urban areas, which is new for those who are used to work with rural aspects under the LEADER programme. Mr. Magnusson concluded that it takes political will, time and the developing of knowledge to convince several ministries in charge of different funds to cooperate.

IV. New Appraisal Procedures of Major Projects 2014-2020

1. What is Special about Major Projects and the New Appraisal Procedures

European regions and cities can be promoters or beneficiaries of major projects to be financed from the ERDF or Cohesion Fund.14 A Major Project is an investment operation comprising ‘a series of works, activities or services intended to accomplish an indivisible task of a precise economic and technical nature which has clearly identified goals’15 and for which the total eligible cost exceeds €50 million.16 Major projects require special appraisal procedures to be approved by the EC, i.e. DG REGIO.

The following experts provided an overview of the different appraisal procedures as well as common pitfalls and practical advice: Witold Willak, Head of Sector Major Projects, Milen Baltov, Pawel Engel, Camelia Mihaela Kovács (Major Projects Team, Smart and Sustainable Growth Competence Centre of DG REGIO), Georges Kremlis-Stavros (Enforcement, Cohesion Policy & European Semester, Cluster, Directorate-General for the Environment [DG ENVI]), and Roxana Liau (Regional Aid Unit, Directorate-General for Competition [DG COMP]).

Camelia Mihaela Kovács presented the new appraisal procedures Member States can choose from:17

– Article 102(1) procedure – Notification (IQR report based procedure): A first quality check, i.e. an in-

13 These key challenges were defined: co-production and co-decision, building capacity and trust, long term commitment. Czisckke, Delft University of Technology, 2015, available online at <http://ec.europa.eu/regional_policy/sources/conferences/udg2015/territorial_instruments_czisckke.pdf>.
15 Art. 100 of Reg. 1303/2013, Common Provisions Regulation,
16 Operations falling under Art. 9(7) (Thematic objectives) of Reg. 1303/2013, the financial threshold to identify a major project is set to be €75 million. The total eligible cost of a project is the part of the investment cost that is eligible for EU co-financing (without VAT).
dependent quality review with the help of an independent expert, e.g. Joint Assistance to Support Projects in European Regions (JASPERS) Independent Quality Review (IQR) Section, will be conducted before the project is presented to the Commission, which should answer within three months. This procedure is only possible if the IQR result is positive.

- Article 102(2) procedure – Full Application Form based procedure: Technical assistance and advice is available from JASPERS Advisory Section acting as external consultants and which submits application form and completion note to the Commission. Relying on JASPERS’ expertise, DG REGIO recommended the use of this procedure to the various stakeholders who attended the workshop.

- Article 103 procedure – for phased projects only: Article 103 is a simplified procedure for projects that have been approved by the Commission before. Notification can be made without a new IQR report since the project already has a Commission Decision in the 2007-2013 period based on project documents (Application Form [AF]) prepared then.

Proposed projects will be checked based on the required information as set out in Commission Implementing Regulation (EU) 2015/207 Annex II - Format for submission of the information on major projects and as further described in the EU Guide to Cost-Benefit Analysis of Investment Projects. Projects are checked with regards to the completeness of a project dossier (Art. 101), consistency with the operational programme, national action plans and other EU policies (e.g. environmental strategies), the need of co-financing, and the desirability from a socio-economic point of view.

2. Possible Pitfalls: Compliance with Environmental, Climate Change and State Aid Requirements

The experts then introduced common pitfalls: climate change mitigation, State aid, as well as financial and economic indicators. The risk of non-compliance with the manifold requirements is a major blocking issue and should be mitigated. Generally, all information should be supported by well-presented documents. Crucial in this regard, and taking into account that many studies are performed by different external consultants, is ensuring the right quality control of the information provided.

Mr. Kremlis presented the Economic Impact Assessment (EIA) process which every major project has to go through, and in which it has to demonstrate that alternatives had been considered as well as technologies which should be the best available or have the lowest impact on the environment (Revised EIA Directive 2014/52/EU and ANNEX I and II). Infringements with the environmental acquis might lead to delays in the project approval process. Under the revised Directive, new issues have to be assessed now, including climate change, biodiversity, and risks from natural disasters which are also included in Reg. 1303/2013. Also, monitoring measures have to be foreseen (not a requirement under current directive), until the end of the transposition phase in May 2017. The new directive will hence apply for projects that will start late in this programming period. Mr. Kremlis further raised awareness to the fact that DG ENVI carries out consistency checks to test whether old impact assessments have been reused, studies should not be older than five years. Climate-proofing\(^\text{18}\) of projects could also be assessed under the present EIA directive. The methodology set out in the Cost-Benefit Analysis (CBA) Guide follows the methodology used by the European Investment Bank (EIB) and is recommended. Climate change mitigation is a new requirement; DG REGIO had just received a first proposal and looked at it with "virgin eyes".

State aid rules are also a major risk of non-compliance and the principles were summarised by Roxana Laiu from DG COMP. The compliance requirement is set out in Art. 6 Reg. 1303/2013: Operations supported by the ESI Funds shall comply with applicable Union law and national law relating to its application. Art. 2(13) Reg. 1303/2013 provides for a wide definition of State aid: ‘State aid’ means aid falling under Article 107(1) TFEU which shall be deemed for the purposes of this Regulation also to include de minimis aid. Ms. Laiu reminded everybody that State aid issues should be resolved before a managing authority submits a project application. The independent expert has the possibility to consult DG COMP,

\(^{18}\) Art. 101 Reg. 1303/2013 - Information necessary for the approval of a major project: (f) An analysis of the environmental impact, taking into account climate change adaptation and mitigation needs, and disaster resilience.
as well as the Member State or a managing authority by the means of pre-notification. No legal deadlines apply but according to legal practice, DG COMP should react within one month after receiving a pre-notification. The risk is that ignoring State aid issues at an early project preparation phase might lead to delays (opening procedure) or recovery of aid which is found to incompatible. Generally, a Member State has to present all funding sources, CBA and funding gap analysis whereas direct funding form the Connecting Europe Facility (CEF) is exempted from State aid rules. Ms. Laiu reminded the participants that no State aid exists if a measure does not have effect on trade which is, however, difficult to prove and the rulings of the European Court of Justice (ECJ) show that also a potential effect on trade can be sufficient for the existence of aid. If a measure complies with the General Block Exemption Regulation (GBER) or fulfills the Altmark criteria for Services of General Economic Interests (SGEI), notification of the project is not necessary. Speakers from the audience claimed that the reaction time of DG COMP to clear a measure might be long; however, Witold Willak who is in charge of major projects at DG REGIO has not seen any projects which were delayed due to the existence of illegal or incompatible aid. Providing DG COMP with all necessary information and documents is crucial to prevent any delay in the appraisal process.

Summing up, the panel concluded that critical factors for success are preparation (Take into account reaction time!), approval, implementation, and closure (see Figure 1).  

V. Good Practices of Regional Activities and Tools for Regional Cooperation

1. The Scottish EU Funding Portal

One of the many side events was the launch of the Scottish EU Funding Portal in the Scottish representation. It is a partnership project between Scotland Europa, Scottish Government, East of Scotland European Consortium, and West of Scotland European Forum. By gathering information on EU Programmes, listings of EU funded Projects, Partner

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Searching Project Collaboration the portal serves "an online community of practice for stakeholders interested in EU funding with the aim of improving and broadening knowledge of EU Programme."\textsuperscript{20}

2. RegioStars Award Ceremony and Official Reception

The second day of the OPEN DAYS 2015 was concluded by the RegioStars Award Ceremony and Official Reception, the presentation of the winners of RegioStars and Photo Competition Awards in the BOZAR and gathered more than 1500 participants. The RegioStars Awards honour Europe’s most inspirational and innovative regional projects which, as good practices, could inspire other regions.\textsuperscript{21} The jury, presided by MEP Lambert van Nistelrooij and represented by Commissioner Crețu and President Markkula, chose these winners for 2015:

- Smart Growth: Unleashing SME growth potential for a digital economy: Scandinavian Game Developers (DK - SV);
- Sustainable Growth - Mobilising investments in energy efficiency for the benefit of citizens and society: PICSA (Andalucia, ES);
- Inclusive Growth - Integrating in society those at risk of social exclusion: Diritti a scuola (Puglia, IT);
- Citystar - Transforming cities for future challenges: Eurocity of Chaves-Verín (Galicia, ES - North Portugal, PT).

VI. Conclusion: \textit{Simplify it!}

Fourty years after the creation of ERDF, the OPEN DAYS 2015 offered a valuable platform for ‘Europe’s regions and cities, partners for investment and growth’, to gather and learn from each other’s experiences to better implement the European Union’s main investment strategy. The report at hand summarised the main points of consensus and contention of the Opening debate with Commissioner Crețu and CoR President Markkula, a session on Smart Specialisation, on Integrated CLLD, as well as on the new appraisal procedures of Major Projects. The report concluded with a presentation of good regional activities, the new Scottish Funding Portal and four projects which received the RegioStars Awards during the Official Reception. Overall, the OPEN DAYS surely supported the regional and national authorities to identify and select high-quality projects, and to mobilise the available funds as soon as possible. One issue, however, reoccurred during the various debates and networking events: Complex procedures and manifold requirements\textsuperscript{22} are putting a heavy burden on public administrations. Therefore, the initiative of Commissioner Crețu to set up a High Level Group on Simplification is welcome by many. Hopefully, participants of the next OPEN DAYS will be able hear first results from the group. \textit{Rendez-vous} next year, 10-13 October 2016, in Brussels!