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**Regional policy,
sustainable development
and climate change**

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Green light for sustainable growth

Climate change has been described as the greatest challenge currently facing humanity. It will affect regions throughout Europe in various ways. While 7% of the Union's population live in flood-prone areas, another 9% live in areas where there are over 120 days a year without rain. In total, that is one in six of the EU population. The different effects of climate change will pose serious problems for quality of life, tourism and agriculture in these regions. Furthermore, the European Union's commitments under the Kyoto Protocol, and the recent agreement of the international community in Bali (December 2007) to finalise negotiation on a successor agreement by the end of 2009, require all of Europe's regions to embrace ambitious objectives for climate change mitigation, including new challenges in terms of energy supply and efficiency. In this context, the concept of sustainable regional development has never been more crucial.



This issue of the Inforegio Panorama magazine shows how regional and cohesion policies can play an important role in ensuring sustainability, in supporting efforts to adapt to and mitigate the effects of climate change, and in contributing to improved energy efficiency and the development of alternative sources of energy.

The total support from the European budget under Structural and Cohesion Funds allocated to environmental programmes in 2007-13 has doubled since the previous period, to around € 100 billion. Half of this amount will be devoted to infrastructure investments related to water and waste treatment, renewal of contaminated sites, pollution reduction, and support for nature protection and risk prevention. The other half will go to investments with an environmental impact on areas such as transport and energy systems, eco-innovation, urban and rural regeneration, environmental management for businesses and ecotourism.

The many examples in this issue also demonstrate that, with EU support, sustainable development can be turned into a major opportunity for European regions. Environmental investment is a source of economic growth, for example, in developing innovative clean technologies, fostering the efficient use of energy, promoting ecotourism, or simply by enhancing the attractiveness of the natural environment. New technologies using wind, solar and biomass for sustainable energy production, can give regions a new competitive edge. Even the fight against climate change can present new opportunities: by exploiting their natural assets and specific know-how, regions can improve their energy balance and strengthen their competitiveness.

As difficult as ecological challenges may be, they can be overcome with creativity. The process will make regions stronger. I hope that Europe's regions continue to work together on questions related to climate change and technological development for sustainable energy use.

A handwritten signature in black ink, appearing to read 'DHübner'.

Danuta Hübner
Commissioner for Regional Policy

Access to finance for small businesses and socially excluded people

New ways to strengthen micro-credit in Europe

The European Commission has proposed an initiative which seeks to improve access to finance for small businesses and socially excluded people who want to become self-employed¹. This initiative, in line with the Lisbon Strategy for growth and jobs, aims to make small loans, or micro-credit, more widely available in Europe to meet an unsatisfied demand.



Small timber business in Rebrisoara, Romania.

Micro-credit is the extension of very small loans to entrepreneurs, to social economy enterprises, to employees who want to become self-employed, to people working in the informal economy and to the unemployed and others living in poverty who are considered “non-bankable” and are often excluded from traditional banking services. It stands at the crossroads between economic and social preoccupations. It contributes to economic initiative and entrepreneurship, job creation and self-employment, the development of skills and active inclusion for people suffering disadvantages. Micro-credit is of particular importance for rural areas and can play an important role in helping to integrate ethnic minorities, and immigrants both economically and socially.

"People want to work, and many want to run their own small business or become self-employed. Micro-credit is a highly effective way to develop new businesses or to help the unemployed get back into the mainstream economy through self-employment or micro-enterprise development," Commissioner Hübner said on presenting the initiative.

Micro-credit has been used very successfully in less developed countries. In the EU, demand for this

type of finance – typically, loans averaging around €7 700 – is mostly from people setting up small companies in the service sector. Be it services to businesses, individuals or households, ranging from personal computer wizards to window cleaners, gardeners, or carers for people or pets, micro-credit can help make a business of an individual's skills and abilities. In this way, micro-credit can play an important role in the realisation of the Lisbon strategy for growth and jobs and the promotion of social inclusion in keeping with the modern emphasis on "flexicurity", i.e. the combination of flexibility and social security.

Micro-credit is developing in many of the newer Member States, and a similar trend has been discerned over recent years in the EU-15 older Member States. However, much remains to be done to exploit its full potential. *"This initiative is intended to set out a framework to coordinate our efforts at EU level by improving the legal and institutional environment in which micro-credit providers operate, and increasing the availability of capital. With micro-credit, we could have €6.1 billion more invested in Europe,"* Commissioner Hübner added.

(1) A European initiative for the development of micro-credit in support of growth and employment, COM(2007) 708 final.

A rising and unsatisfied demand

Micro-credit has taken off in both the newer and older Member States.

Micro-credit in the EU means loans under €25 000; the average is €10 000 in the 15 older Member States and €3 800 in the 12 newer Member States.

In the EU as a whole, the potential demand for micro-credit, granted by non-banking financial institutions for start-ups, could be well over half a million new customers. This figure could grow significantly over the years due to potential demand, the recycling of micro-loans and the expected positive impact of the proposed micro-credit initiative.

According to estimates based on Eurostat data, potential demand for micro-credit in the EU could amount, in the short term, to over 700 000 new loans worth approximately €6.1 billion.

It is tailored for micro-enterprises, employing less than 10 people (91 % of all European enterprises), and unemployed or inactive people who want to go into self-employment but do not have access to traditional banking services. This initiative focuses on this "non-bankable" segment of the market.

New frameworks

With this initiative, the Commission invites Member States to adapt their national institutional, legal and commercial frameworks in order to:

- create an environment to allow for the development of Microfinance institutions (MFIs) which would cover all segments of the clientele;
- help micro-credit to become sustainable by relaxing interest caps for micro-credit operations;
- allow MFIs access to borrower databases and facilitate their evaluation of the risks;
- reduce operating costs and apply favourable tax schemes;
- adapt national regulation and supervision to the specificity of Microfinance;
- ensure single market rules are applied to micro-credit;
- incorporate micro-credit into regulation and accounting standards.

Europe's shift towards knowledge, services and new technology, under the renewed Lisbon Strategy of 2005, could be boosted by giving greater attention to the link between business generation and micro-credit at three levels: adapting of the micro-enterprise institutional framework; smoothing the transition between unemployment and micro-enterprise creation; and providing technical support to micro-entrepreneurs.

Allowing banking and non-banking institutions to continue their activities and to develop sustainable actions is a key factor in proving the value of micro-credit. Using public aid to take temporary measures that disappear once public support is discontinued is not efficient. It is more useful to support the development of banking services and permanent non-bank MFIs, with a view to encouraging them to share experience and best practice and to use a common language that will help them to work together more effectively. If non-bank organisations have much to learn from the

banks, the opposite is also true, as methods developed for providing and recovering micro-credit differ from traditional banking techniques. This exchange of know-how would allow inter alia better integration of quantitative methods such as scoring, (which are beginning to extend to micro-credit) and trust-generating contact, on which the micro-project and its reimbursement depends. Dissemination of best practices is an important factor in the development of micro-credit. This will continue to be carried out by existing resource centres such as the Microfinance Centre for Central and Eastern Europe, the European Microfinance Centre and the banks themselves.

New facility, new fund

To address these issues, the Commission recommends the setting up of a new European-level facility with qualified staff to provide expertise and support for the development of non-bank Microfinance institutions in the Member States. This would equip Microfinancers to offer not just a loan, but a service mentoring the borrower to help develop and ensure the success of their business. This kind of accompaniment is the key to the success of micro-credit operations.

Financial support would come from the existing technical assistance budget of the European Regional Development Fund (ERDF). The new facility would be managed within the European Investment Fund (EIF), which is already working with the Commission in the field of micro-credit through the JEREMIE (Joint European Resources for Micro and Medium Enterprises) scheme, operational since 2005 (see box). The new initiative would concentrate on developing the huge potential of the micro-credit side of JEREMIE activities.

To find more capital for micro-credit providers, the initiative proposes setting up a micro-fund in the new facility. This would help finance the loan activities of Microfinance institutions which can also expect to draw in contributions from a range of investors and donors. The EIB and the EIF have expressed interest in running this facility.

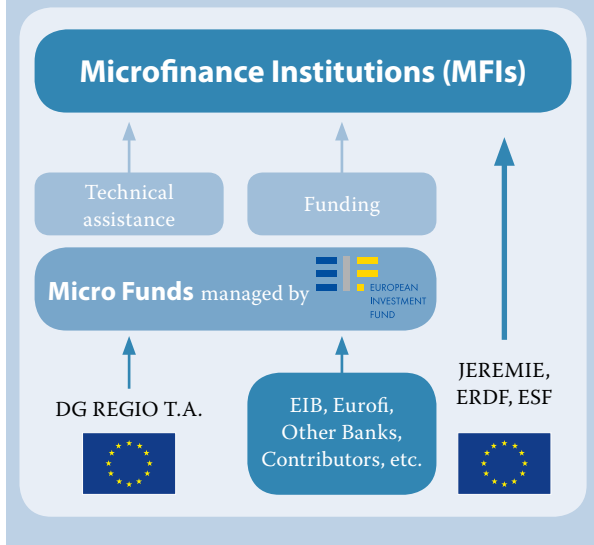
Appropriate communication campaigns must be undertaken in order to boost micro-credit in Europe and contribute to its development in the longer run. Evaluations will also be carried out. All these elements are complementary and are important for the development of a favourable environment for the sustainability and expansion of micro-credit in Europe.



Business incubator in Martin, Slovakia.

Shaping the micro-fund

One of the measures foreseen in the European initiative for the development of micro-credit involves the setting up of a fund which would provide seed capital and technical assistance to selected non-banking Microfinance Institutions (MFIs). This would help them to become self-sustainable and create models for the whole sector. It is envisaged that the micro-fund will be managed by the European Investment Fund. The diagram below situates the micro-fund in the institutional context.



Inclusion in the National Reform Programmes

The proposed initiative seeks to develop micro-credit in the European Union in the framework of the Lisbon Strategy and takes Communication of the Commission "Financing SME Growth – Adding European Value" a step further. It recommends setting up a dedicated support structure for micro-credit with the view to developing mentoring services, which are essential to support micro-borrowers setting up a business. Furthermore, it will stimulate good market practices by creating a specific micro-credit label and a guide of good conduct. It also seeks to improve the provision of capital and proposes setting up of a micro-credit fund which would help finance the loan activities of MFIs. In view of the need for a number of changes at national level in terms of the institutional and legal frameworks supporting micro-credit, it is envisaged that these aspects could feature in the annual Lisbon governance cycle. In other words, by their inclusion in the National Reform Programme, Member States would be encouraged to introduce reforms to promote micro-credit that are appropriate for their national circumstances.

A friend called JEREMIE

In the past, national and regional programmes supported by the Structural Funds provided capital and other support in a less systematic way for micro-credit operations. This was the case for disadvantaged urban areas for example.

The Joint European Resources for Micro and Medium Enterprises (JEREMIE) scheme was set up in 2005, with the support of the European Investment Bank (EIB) and the European Investment Fund (EIF). It was established to improve access to finance, including micro-credit, in the European regional programmes for 2007-13.

JEREMIE is a process whereby the Member States and Regions can use part of their Structural Funds through the European Investment Fund (EIF) in order to obtain a set of financial products specifically engineered for micro, small and medium enterprises. Instead of using grants as such, it is possible to transform part of the grants into financial products. These can then be rolled over (reimbursed and used again) instead of simply "granted" once.

These products include a wide range of instruments such as equity, venture capital, guarantees and technical assistance and they allow a multiplier effect on the budget. This means that for each euro coming from the budget, the financial products available could generate an additional € 2 to € 10.

EIF works with the full support of the EIB and its lending capacity, and also brings together all the other sources of finance, which come from international, national or local financial institutions, investment funds, micro-credit agencies.

EIF works with national and local authorities to design each local scheme "à la carte", taking into account and adapting it to local conditions. A funding agreement is signed in each case with the programming authority. Cooperation with local, financial intermediaries such as venture capital funds, guarantee schemes, banks, Microfinance providers is essential as European Regional Development Fund (ERDF) grant money is channelled in JEREMIE through EIF, then to the local financial intermediaries, which in turn will provide financing to SMEs.

More information: www.eif.org



The two founders of Faraway Foods, a Loughry College spin-off that received grant assistance from the ERDF within the PEACE programme.

Sustainable development and regional development – from climate challenge to energy action

Climate change – and its impact on how we produce and consume – is increasingly at the heart of sustainable development policy. It is, therefore, central to regional development, presenting an unprecedented challenge, but also an opportunity for Europe's regions in terms of their capacity to innovate and create new jobs.



A large photovoltaic system produces 530 MWh from solar energy in Blons, Austria.

"Sustainable development", which implies a balance between economic, social and environmental concerns, has long been a fundamental goal of European policy. However, one major challenge is now taking precedence: climate change¹. Although the processes leading to climate change are linked to a number of areas (air, water, soils, biodiversity) and to a number of sectors (transport and building, industry and agriculture), one core element features throughout – energy. This energy is heavily dependent on fossil fuels, which are not only a major contributor to the greenhouse effect but are also limited in terms of remaining reserves. This situation means that

the EU is dependent on external energy supplies and is exposed to price volatility.

It therefore makes sense for energy and climate change to feature prominently among the seven challenges listed in the EU's Sustainable Development Strategy (SDS), adopted by the Council of the European Union in 2006. The six other challenges identified in the SDS are sustainable transport, sustainable consumption and production, conserving natural resources, health, social inclusion and demography, and global poverty.

(1) Green Paper from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions – Adapting to climate change in Europe – options for EU action (COM(2007) 354 final); and the PESETA project – Impacts of climate change in Europe (<http://peseta.jrc.es/>).

The first Commission report on the sustainable development strategy

On 22 October 2007, the European Commission adopted its first progress report on the SDS². Although progress in the field remains modest, developments in European and national policies are more encouraging, particularly in the area of energy and climate change. The new integrated policy adopted by the Council in March 2007 features among the important measures taken at European level. Nearly all Member States have adopted strategies to combat climate change.

Unlike other sectors, and despite improvements in vehicle performance, greenhouse gas emissions caused by transport continue to rise in line with GDP. In the area of sustainable production, results are difficult to evaluate on a large scale. While a growing number of companies are providing sustainable products and services, and initiatives to encourage eco-technologies or ecological labels are increasing, there is still significant untapped potential. With regard to the question of natural resources, the situation is diverse and complex, with some areas of real concern, such as soil quality, biodiversity and marine resources.



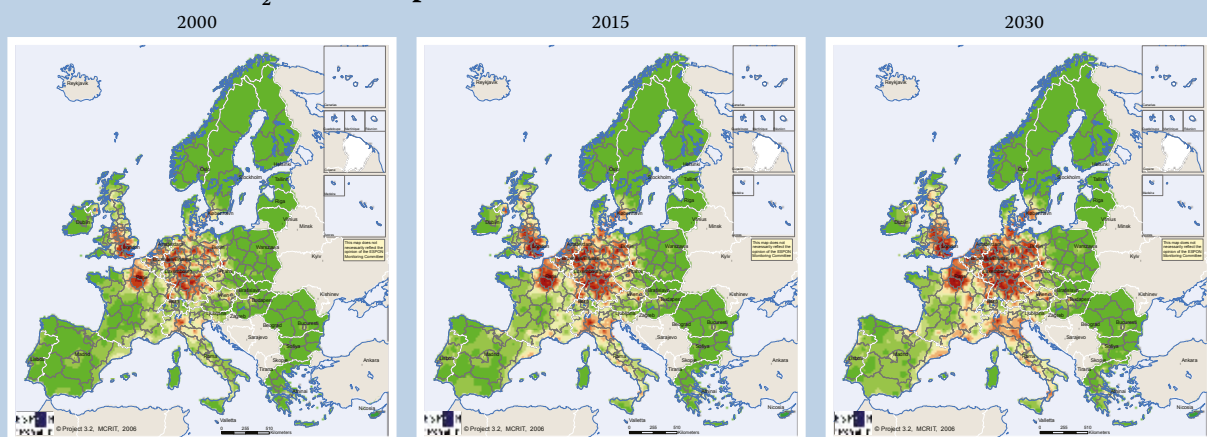
Car free day in Brussels, Belgium.

Energy and the regions: a study by the European Parliament

Published in June 2007, a study³ carried out under the aegis of the European Parliament looks at the support to sustainable and renewable energies in Cohesion Policy programmes 2000-06 in the 15 Member States and the projects of the National Strategic Reference Frameworks (NSRFs) 2007-13 of the 27 EU Member States.

During the 2000-06 period, planned expenditure on sustainable and renewable energies within Structural Fund programmes amounted to about 1% of total spending. The NSRFs for the funding period 2007-13 show a significant increase in this area. About € 15 billion has been allocated for investments in renewable energies, energy efficiency and clean urban transport. Compared to the previous period, this figure represents an amount which is five times higher than under the Convergence Objective and seven times higher than under the Regional Competitiveness and Employment Objective.

Trend scenario: CO₂ emissions per surface due to inter-urban road traffic



© Eurogeographics Association for the administrative boundaries origin of data: Based on output of KTEN, 2006. Texts and maps stemming from research projects under the ESPON programme presented in this report do not necessarily reflect the opinion of the ESPON Monitoring Committee. Source: MCRIT, ESPON



(2) Communication from the Commission to the Council and European Parliament – Progress report on the 2007 Sustainable Development Strategy (COM(2007) 642 final).

(3) European Parliament, Directorate-General for Internal Policies of the Union: Using sustainable and renewable energies in the context of the structural policy 2007-13 (June 2007).



Oil shale power plant in Estonia.

The study by the Parliament presents 15 examples of good practices and formulates three general recommendations: to set an achievable target, a more strategic approach in sustainable and renewable energies, and better management of energy aspects of sector interventions.

20 20 by 2020

A proposal for a Directive⁴, submitted by the Commission to the Council and the European Parliament on 23 January 2008, aims to encourage efforts to meet the energy and climate targets adopted by the Council in March 2007. On the basis of the economic and ecological reasons for

using renewable energies, and the need to strengthen the supporting legal framework, the Commission proposes an ambitious package of measures that marks the beginning of a “new industrial revolution”.

These measures aim to achieve the following by 2020: a 20% reduction in greenhouse gas emissions across the EU compared with 1990 levels (30% if there is international consensus); a 20% share of renewable energies in EU energy consumption by 2020 (compared with 8.5% today); and biofuels used for 10% of transport fuel needs, where the fuel is produced in an economically viable manner. An improvement in the emission trading system is also proposed.

(4) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - 20 20 by 2020. Europe's climate change opportunity (COM(2008) 30 final).

The environment and sustainable development in ...

... the Community Strategic Guidelines 2007-13

The Community Strategic Guidelines on Cohesion¹, adopted by the Council, provide the Member States and regions with a set of guidelines for “encouraging the harmonious, balanced and sustainable development of the Community”. Many of these guidelines, which are summarised below, deal with the environment.

Guideline 1.1: "Making Europe and its regions more attractive places in which to invest and work". This involves expanding transport infrastructure (1.1.1) alongside improving the environmental performance of modes of transport and their balanced distribution, in accordance with the White Paper on transport policy.

Better synergies between environmental protection and growth (1.1.2) implies giving priority to combating pollution at source, notably in terms of waste. The Council calls for:

- major investments in infrastructure, in order to comply with European environmental legislation and the Kyoto commitments;
- rehabilitating the physical environment and heritage;
- creating attractive conditions for business;
- establishing risk prevention measures through improved management of natural resources;
- more targeted research;
- better use of ICTs;
- more innovative public management.

With a view to less intensive use of traditional energy sources (1.1.3), the actions proposed consist of:

- supporting projects to improve energy efficiency and low energy intensity development models;
- encouraging renewable energies (RE) and alternative technologies;
- focusing investments on traditional energy sources to develop networks where there is evidence of market failure.

Guideline 1.2: "Improving knowledge and innovation for growth". To facilitate innovation and entrepreneurship (1.2.3), the Member States are invited to draw on the EU's strengths in eco-innovations and to encourage the introduction of environmental management systems.

... National Strategic Reference Frameworks and the Operational Programmes

The Strategic Guidelines for Cohesion 2007-13 were used in drawing up the 27 "National Strategic Reference Frameworks" (NSRFs) approved by the Commission. The NSRFs are the basis of 434 Operational Programmes, nearly all of which have now been adopted.

Overall, these documents reflect the broad commitment of the Member States to environmental protection and risk prevention, with a total investment of € 51 billion. Under the new 2007-13 programmes, Cohesion policy aid granted to sustainable and renewable energies and clean urban transport amounts to € 15.2 billion.

... the "Regions for economic change" initiative

This initiative was launched by the Commission to facilitate implementation of the Strategic Guidelines through interregional cooperation and the Urbact urban development network. The initiative has been allocated € 327 million and concerns 30 priority themes, a dozen of which are focused on the environment.

... the Structural Funds and Cohesion Fund regulations

The new Structural and Cohesion Funds regulations put greater emphasis on the environmental aspects of sustainable development. The **general regulation** mentions them in the definition of the Fund objectives and missions (Article 3), while Article 17 places the action of the Funds entirely within the framework of sustainable development and within the aim of protecting and improving the environment.

The **European Regional Development Fund (ERDF)** Regulation sets out the environmental measures foreseen in all fields for each of the new priority objectives: Convergence (Article 4), Regional competitiveness and employment (Article 5), European territorial cooperation (Article 6).

Article 1 of the **Cohesion Fund** Regulation reiterates that the Fund was created out of a desire to strengthen economic and social cohesion with a view to sustainable development while Article 2 highlights the new focus of the Fund on sustainable development while declaring eligibility for "energy efficiency and renewable energy".



■ *Caring for ecosystems is everybody's business.*

(1) Council Decision of 6 October 2006 on Community strategic guidelines on cohesion (2006/702/EC).

Regional adaptation to climate change: a European spatial planning challenge

By Ronan Uhel and Stéphane Isoard¹

It is critical for Europeans to put in place timely, adequate and cost-effective adaptation measures to avoid or lessen the potential harm of climate change to human and ecological systems.



Floods are the first visible effects of climate change.

The worst effects of climate change may not hit Europe this year or next year. However, we cannot afford to be complacent. Last year's dramatic forest fires in Greece and floods in the United Kingdom once again showed the devastating power of the elements on human health and ecosystems and their socio-economic impacts. Although the impacts of climate change will differ across Europe, recent assessments by the Intergovernmental Panel on Climate Change (IPCC) indicate that the frequency and intensity of extreme weather-related events will increase in the future due to global warming. Even if greenhouse gas emissions stop today, these changes would continue for many decades and in the case of sea level, for centuries; projections for 2100 suggest that temperatures in Europe will have risen by between 2 to 6 °C above 1990 levels.

The need for adaptation: a regional and territorial issue

South-eastern Europe, the Mediterranean and central Europe are the most vulnerable regions to climate change. On the other hand, northern and some western regions of Europe may experience some beneficial impacts, particularly within agriculture, although only for a limited period of time. Climate change may result in yield increases in commercial forests in northern Europe, while decreases are expected in Mediterranean regions and continental Europe due to more frequent droughts. In addition, increased risks of fire are likely in southern Europe. Mountainous regions, like the Alps, are particularly vulnerable to climate change and are already suffering

(1) Ronan Uhel is Head of Spatial analysis and Stéphane Isoard is Project Manager for Climate change impacts & adaptation at the EEA. European Environment Agency, Kongens Nytorv 6, 1050 Copenhagen K, Denmark (www.eea.europa.eu).

from higher than average increases in temperature, where melting glaciers and permafrost are likely to cause a surge in natural hazards, soil erosion and flooding. Austria, is already evaluating these risks and related adverse effects on winter tourism, assessing its vulnerability to climate change impacts and is drawing up possible actions to adapt in due time to minimise societal costs. Climate change could have profound impacts on coastal zones due to the rise in sea level and changes in frequency and/or intensity of storms. The Netherlands, together with stakeholders across sectors, is developing plans to decrease risks from coastal and river flooding. Habitats and coastal ecosystems on the Baltic, Mediterranean and Black seas in particular are at high risk with considerable loss of wetlands.

It is therefore critical for Europeans to recognise this and put in place timely, adequate and cost-effective adaptation measures to avoid or lessen the potential harm of these events to human and ecological systems. Reducing



The arctic fox's coat colour has already been affected by climate change.

vulnerability and increasing resilience is a common and pressing priority indeed for all countries, regions, businesses and stakeholders in the European Union.

Information and knowledge gaps

Policy makers and the public need information and a key challenge will be to further develop the scientific understanding of climate change and impacts on a regional scale so that the best adaptation options possible can be developed and deployed. Currently, we do not even know enough to implement strategic and coordinated actions at EU or national levels let alone at regional and local levels.

Improving our knowledge base is a main priority. Some countries are developing or have finalised national vulnerability assessments and/or national adaptation plans (e.g. Denmark, Finland, France, Portugal, Spain, Sweden, the Netherlands and the United Kingdom). However, we need to carry out more vulnerability and adaptive capacity assessments across key economic sectors and environmental themes, and use appropriate analytical tools, such as spatial planning, for the issue at stake. More

sound research and co-ordinated analysis are needed to build up baseline data sets and models, for example a regional hindcast of Europe's climate to link improved hydrological models with climate change. Only in this way can we ask fundamental questions such as, whether the lack of water in a region is due to low precipitation or poor management.

Economic costs of climate change impacts (i.e. costs of inaction) are increasingly helping to inform the policy debate. This is essential to develop adequate adaptive responses as a means of moderating damages or realising opportunities associated with climate change. Economic costs provide a common metric to assess and monitor across sectors and can help identify key areas of concern. There is also a need for an economic perspective in European and national adaptation policies in order to complement our knowledge on climate change impacts. There is indeed very little quantified information on



Aviation is one the fastest growing sources of pollution and carbon emission.

adaptation costs and further work is urgently needed to build the evidence base to facilitate informed, cost effective and proportionate adaptation in Europe.

Good practice in initial adaptation actions, particularly those coping with current extreme weather events, must be documented and shared. The European Environment Agency (EEA) has established a database on actions by Member States in the water sector but this needs to be regularly updated by the relevant national organisations and extended to new Member States and other sectors. Invaluable information is also available from other international frameworks, for example, the UN Framework Convention on Climate Change and the IPCC have extensive data on vulnerability and adaptation, but this information needs to be made more widely available.

Results from research programmes have often not been fully shared with policy makers and other stakeholders in a form that they can understand. There are some good examples, such as the ESPACE (European Spatial Planning: Adapting to Climate Events) and BRANCH (Biodiversity Requires Adaptation in Northwest Europe under a Changing climate) projects under the INTERREG

Community programme, but overall, there is an urgent need for projects that can help provide the right policy guidance and tools and which will help to build effective transnational and sub-national networks.

The policy context and perspectives

The European Commission's Green Paper on Adaptation (2007)² provides the framework within which efforts have to be coordinated. The consultative processes must be 'worked through' to ensure that Europe has an integrated approach across its direct funding mechanisms (e.g. agriculture, cohesion, solidarity and LIFE+ instruments); as well as its existing legislation and new policy responses. The Green Paper on Adaptation started the EU adaptation policy process that will be further supported and developed by a European Advisory Group on Adaptation and the preparation of the White Paper on adaptation to be published at the end of 2008. In addition, other sectoral policies, such as the Floods Directive (common position between Council and European Parliament in 2007) and the Communication on Water Scarcity and Droughts adopted by the European Commission (July 2007), provide a very useful and complementary policy framework that directly addresses climate change impacts. A Communication on the consequences of climate change on human health is also in preparation.

From a territorial and regional development perspective, growing attention is being given to climate change adaptation. At the Informal Ministerial conference held in Leipzig in May 2007, ministers responsible for Spatial Development in EU Member States agreed on a 'Territorial Agenda of the European Union' and on an 'Action Plan on Territorial Cohesion' in November 2007, in which climate change adaptation is a key issue. In this context, the European Commission is preparing a Green Paper on Territorial Cohesion for 2008. Other related policies with a territorial dimension are the Marine Strategy Directive, the Maritime Policy Blue Book as well as the Inspire Directive on the provision of spatial environmental information.

With these developments in mind, the European Union must adapt its governance structures to deal with the cross-cutting nature of adaptation. The failure to do so will jeopardise the entire adaptation effort. This has been clearly demonstrated by the ESPACE project, which provides concrete adaptation guidance for policy-makers involved in managing climate change impacts on spatial planning for water management. The project includes making climate change adaptation a core objective of spatial planning, looking beyond the lifetime of normal planning to understand climate risks and fostering 'climate adaptation champions'.

This type of project should be expanded to other key regions and adaptation issues, e.g. drought and water scarcity in Southern and Mediterranean regions. A first step is to develop and implement climate change actions in existing strategies

and policy. For example, to improve water availability and quality and reduce effects of flooding, a basic building block is the Water Framework Directive with its stepwise and cyclical approach. It is important that EU Member States are now taking steps to discuss how to ensure climate change is embedded in river basin management plans already from the first cycle starting in 2009. There are important connections to be made with spatial planning, as there is a strong stakeholder engagement needed to make adaptation accepted and successful. Important stakeholders include sub-national and local authorities, businesses and citizens. Particularly spatial planners should work within the corresponding frameworks to ensure climate change is factored in since they are dealing with many scales of planning and can integrate and lead on adaptation capacity assessment.

Development and implementation of adaptation measures is a relatively new issue. The wide-ranging climate change impacts on the natural and man-made environment across



The development and implementation of adaptation measures is a relatively new issue.

all sectors and regions are insufficiently embedded in the developments of other sectoral areas (e.g. management of soils and ecosystems). These interactions need to be established for an efficient and integrated policy response, relying in particular on improved climate scenarios at regional level, an advanced understanding of 'good practice' through information sharing, the participation of the public and private sectors alike, and ensuring the coherence of adaptation measures with other policy objectives. We need to act now and together in Europe on adaptation in a similar way as is happening on mitigation. Our actions must be sustainable, consistent and integrated with mitigation strategies. All levels of our society are involved and new frameworks are needed to ensure they become engaged and deliver.

For any inquiries:
information.centre@eea.europa.eu

(2) Green Paper from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions – Adapting to climate change in Europe – options for EU action (COM(2007) 354).

Regions working together on sustainable development

By Flora Dewar and Julie Verré¹

The "Greening Regional Development Programmes (GRDP)" network developed products to help public bodies give full weight to environmental issues in local and regional development.



Participants of a seminar in Exeter, England, in 2006.

Every year hundreds of billions of Euros are spent on developing Europe's regions. This money offers a huge potential to develop the regions in a way that protects or improves the environment, yet many authorities still find this hard to do.

It was to unlock this potential that the 'Greening Regional Development Programmes (GRDP) network' was created in 2004. The GRDP partners want to promote more effective regional programmes, which deliver sustainable results for local people.

The GRDP partnership worked for three years on developing products to help public bodies throughout Europe give full weight to environmental issues alongside more traditional

economic and social objectives in the 2007-13 round of development programmes supported by the EU.

Origins of the GRDP project

The GRDP project was a European-wide network funded by the EU INTERREG IIIC programme. It was born from the discussions between a core group of partners from Italy, Austria, Spain, Malta, England and Wales. They discussed their experience of integrating the environment into regional programmes backed by the EU Structural Funds.

Although the EU's rules governing the use of Structural Funds say that the environment and sustainable development

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should be at the heart of development programmes, many regions struggle to make this a practical reality. The GRDP project was designed to help these regions.

The project brought together thirty-nine partners. The partnership was very diverse. Partners were local, regional and national authorities, environmental authorities, development agencies and research institutes from eight EU Member States. The project was based on the idea that the partners wanted to learn from each other and develop a common European approach for integrating the environment into regional development programmes.

Environmental integration means treating the environment as an equal component alongside social and economic issues at every stage of developing and implementing a regional programme. To achieve this aim, the partnership built strong links with key institutions and networks throughout the EU such as the European Network of Environmental Authorities.

GRDP outputs

At the start of the project, an in-depth audit was carried out in the partner regions to identify good practice and practical solutions for integrating the environment into regional development programmes. The audit also identified case studies that describe how the environment was integrated successfully into Structural Funds and other development programmes. From this, the GRDP partners defined four working themes and four technical workshops took place. Following the workshops, publications on various topics linked to environmental integration were issued.

In 2006, the GRDP project produced a guide that received a very warm welcome across the European Union: a Handbook on Strategic Environment Assessment (SEA) for Cohesion Policy 2007-13 (see Box 1).

Charter and Toolkit

The latest publications summarise the key GRDP findings. These are the GRDP Charter and the toolkit called "Beyond compliance: how regions can help build a sustainable Europe".

The GRDP Charter is directed at all European public organisations. It is a concise collection of main principles on key aspects for environmental integration into regional development programmes. By signing the Charter, they promise to "work towards a more sustainable regional development programmes, to work in partnership and to support green projects".

The GRDP Toolkit, complete with a CD-ROM of case studies, is designed to assist public sector bodies to integrate green issues and the environment into regional development. It provides a collection of fact sheets, guidance and good practices on topics crucial for environmental integration. This guidance, available in seven languages, makes practical suggestions on how greater efficiency and cost savings can be achieved through greener programmes and projects. Dissemination workshops were organised throughout Europe on the key elements of the Toolkit which were: "The Environment as an economic Driver", "Strategic Environmental Assessment", "Partnership as a tool to green regional development programmes", "How to green projects".

Handbook on strategic environmental assessment for Cohesion Policy

The "Handbook on Strategic Environmental Assessment (SEA) for Cohesion Policy 2007-13" provides information, resources and procedural guidance to those who require it in order to carry out SEA for Cohesion Policy programming documents. It was posted on the EU DG Regional Policy website among the European Commission's Guidance documents to assist all those involved in the implementation of European structural actions. This tool can be used widely thanks to the partners who translated it in Lithuanian, Greek, Italian, Portuguese, Polish and Romanian. Also, many authorities from different member states have used the GRDP SEA methodology for the new operational programmes 2007-13. For example, in Greece it was used successfully to carry out three SEAs in different regions.

The handbook is available online at:
http://ec.europa.eu/regional_policy/sources/docoffic/working/doc/sea_handbook_final_foreword.pdf



10 tips to achieve greener regions from the GRDP Toolkit

- 1) Ensure that environmental objectives stretch across all programme priorities and measures, and are taken into account in all stages of a programme.
- 2) Recognise that green projects can save money and can create social and economic opportunities, as well as stimulate innovation.
- 3) Consider a more sustainable approach to your agricultural and rural development programmes.
- 4) Look at adopting integrated urban management for our cities, and accept environmental regeneration as a driver of a sustainable local economy.
- 5) Recognise that SEA reinforces regional development planning, and delivers a more sustainable approach to development.
- 6) Support partnership working in policy shaping, programme design and project implementation as an essential tool for a successful programme.
- 7) Promote the involvement of environmental partners, including environmental authorities, NGOs and others.
- 8) Recognise the use of networks to build the capacity of institutions to develop European, national and multi-regional strategies, policies, plans and programmes.
- 9) Work towards integrating environmental aspects into the design, implementation, and monitoring of all projects.
- 10) Promote and disseminate widely information about environmentally successful projects to encourage motivation and commitment amongst future applicants and project beneficiaries.



The benefits of working with other European regions

The INTERREG IIC project was successful thanks to a strong EU partnership and the dedicated support from the international project team based in Exeter, at the Environment Agency for England and Wales. The range and number of partners gave exposure to best EU practices and an opportunity to discuss common issues. It also added weight to political messages. The partnership was able to influence at a strategic level and stimulate greater awareness of the need for environment integration in programmes.

The project's products and activities supported some partners to gain further credibility and recognition for their work in the field of greening regional development.

Thanks to timely availability of the GRDP documents and the GRDP network, partners and authorities are influencing regional development programmes, at a time when the environment is receiving much more attention, in particular through the climate change debate.

To find out more and download the GRDP Handbook, Toolkit and case studies:
www.grdp.org

UNITED KINGDOM

Community based renewable energy in the Dyfi Valley, Wales



Total cost: €675 000
EU contribution: €227 000

"At a time of increasing resistance to large commercial wind farms in mid Wales, this project aimed to help local people establish a number of small renewable energy schemes of their own. It was hoped to improve understanding and support for renewable energy by maximising its benefits at the local level. With support from Powys County Council, the Welsh Assembly Government and Dulas Ltd, 16 schemes were supported with grants and business development time, including a 100 kW hydro scheme owned by a hill farmer. The Bro Dyfi Community Renewables co-operative was set up. Its first (75 kW) wind turbine has since been followed by a second one (500 kW). The managing body, edodyfi, has grown into a social enterprise supporting sustainable community regeneration in the Dyfi Valley."

Andy Rowland, Manager/Trefnydd, ecodyfi
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AUSTRIA

Energievision Murau: 100% energy from renewable sources by 2015



Total cost: €200 000
EU contribution: €100 000

"The Energievision Murau project in Styria is based on a bottom-up approach involving all the regional stakeholders in the energy field, including consumers. Through the project, regional energy conferences have been organised in which everybody can take part. Participants come from all sectors of society (planners, installers, SMEs, energy suppliers and distributors, biomass district heating operators, foresters and farmers, municipalities and other public authorities ...), and work together on common goals, a strategy and projects. Pilot actions and investment projects have been planned in several of the thematic working groups, i.e. biomass, solar, green electricity and energy efficiency. Since 2002 the share of renewable sources in the heating sector has increased from 47% to 56%, while green electricity production amounts to 120% of the needs. The project has resulted in the creation of many jobs and increased income in the area."

Josef Bärnthaler,
Energieagentur Judenburg-Knittelfeld-Murau
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GREECE

Exploitation of geothermal field in Thessaloniki Bay



Total cost: €75 600
EU contribution: €37 800

"The area east to the city of Thessaloniki has been known to be rich in geothermal potential since the Greek-Roman era. However, in modern days this energy was never really exploited. In the framework of the SEIPLD Project a plan was elaborated to use the geothermal field as a tool for local economic development. The use of geothermal energy for heating public buildings, soil heating of open and greenhouse cultivations and recreational spas has been successfully realised. A pilot project was developed to heat an Olympic size swimming pool in the Municipality of Thermi geothermically. The pilot project will enable savings of 200 toe/year, a reduction in CO₂ emissions of 420 tons/year and will generate employment and recreational opportunities for the local community."

Kostas Konstantinou,
Technical Director of the Regional Energy Agency of Central Macedonia (REACM) ANATOLIKI S.A.
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URBACT

SUDEST – Sustainable Development of Sea Towns



Total cost: €296 000
EU contribution: €150 000

"The SUDEST transnational partnership worked from October 2005 to July 2007 to identify good practices for the sustainable development of sea towns. It involved the participation of a wide range of actors who looked at all the dimensions of the issue; from port management to the development of harbour areas and their surroundings. In addition to the City of Naples, lead partner of the project, SUDEST involved four EU and two third country cities, a Port Authority, a society for urban regeneration and four universities. While presenting a summary of the work which was carried out, the project's final report is also a useful instrument to help sea towns find adequate solutions to develop sustainably."

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Poland's Operational Programme "Infrastructure and Environment 2007-13"

Increasing the attractiveness of Poland and its regions



Jaroslaw Orlinski, Deputy Director, Department for Coordination of Infrastructural Programmes, Ministry of Regional Development, Poland

Poland's Operational Programme "Infrastructure and Environment 2007-13" is the biggest ever Cohesion policy instrument in the European Union. It not only takes a considerable share of the Cohesion Fund allocated to Poland (more than € 22 billion) but it also includes additional and sizeable ERDF funds (€ 5.7 billion).

More than 66% of the resources of the Operational Programme (OP) have been allocated to achieving the objectives of the so-called "Lisbon Strategy" for growth and jobs. The largest share of the remaining resources concerns environmental measures. Such a concentration of resources will mean that the OP is likely to have a significant impact not only on Poland but also on Europe as a whole.

The Programme will contribute to infrastructure investments in six sectors: environment, transport, energy, higher education, culture and health. Its main objective is *"increasing the investment attractiveness of Poland and its regions through developing technological infrastructure while maintaining the protection and improvement of the environment, health, cultural heritage and development of territorial cohesion."*

Although the Programme has a broad scope, it does not lack focus: all the priorities have clearly defined targets and concentrate on activities with the highest value added. They are also complementary, as they share a common economic objective: to increase investment attractiveness. However, this common goal requires a holistic approach, as development of the transport infrastructure alone would be insufficient if the environmental infrastructure and energy supply were not in keeping with the development at the same time. If economic growth is to be sustainable, environmental considerations have to be one of the horizontal objectives of the OP from the start.

As indicated in the strategic part of the Operational Programme Infrastructure and Environment 2007-13, the principle of sustainable development

will be implemented by supporting investments directly and indirectly related to environmental protection:

- initiatives directly related to the environment will include projects dealing with solid waste and wastewater management, waste dump rehabilitation; increasing ecological safety; adjusting Polish enterprises to the requirements of environmental protection and providing financial incentives for measures exceeding these requirements; conservation of biodiversity, protected areas; developing social attitudes which contribute to environmental protection, etc.
- initiatives indirectly related to environmental protection will include activities and projects which support eco-friendly modes of transport i.e. railway transport, maritime transport, urban transport in metropolitan areas, development of multimodal transport, inland waterways and intelligent transport systems. A specific priority axis which is fully devoted to eco-friendly transport has been allocated € 7.6 billion from the Cohesion Fund. With regard to the energy sector, projects which improve and reduce energy consumption as well as renewable energy sources are planned.

Simultaneously, the rational consumption of energy, energy effectiveness, energy from renewable sources, reducing and compensating activities, as well as factors such as promoting low-carbon solutions will be taken into consideration in a horizontal way in the preparation, assessment and project implementation under the various priority axes.

The Operational Programme Infrastructure and Environment 2007-13 will contribute to the implementation of objectives specified in Community policies, as well as national strategies and policies regarding environmental protection in Poland. Through the implementation of the OP, some progress will be made in meeting the "decoupling principle", i.e. separating the dependence of the emission levels or demand for energy from economic development.



Installing deep well pumps in the new water filtration plant at Dodrzyca, Poland.

The Programme will also enable Poland to pursue the objectives in relation to the emission of greenhouse gases, which were established by the European Union in 2007. It will do so by supporting activities which aim to increase the effectiveness of the energy sector, promoting renewable energies, investing in sustainable transport systems and, where necessary, examining the influence of particular activities on the reduction of emissions.

More information:
<http://www.pois.gov.pl>

The East of England at the forefront of sustainability and renewable energy

Well on the road to a low carbon economy

The East of England is one of the few European regions likely to reach the new and ambitious EU carbon reduction targets set by the European Commission in its recent package of proposals to fight climate change and promote renewable energy. It is also the only region to have a tailor-made € 110 million ERDF low carbon programme that will help cut CO₂ emissions and boost economic growth.



Commissioner Danuta Hübner visiting the OrbisEnergy construction site in January 2008.

"This is a flagship initiative", said the Chair of the East of England Development Agency (EEDA), Richard Ellis, to a group of assembled visitors – including Commissioner Danuta Hübner – last January when showing them around the construction site of the OrbisEnergy building. The project received € 3.6 million from the ERDF Objective 2 programme. Perfectly situated at Ness Point in Lowestoft, Great Britain's most easterly point, OrbisEnergy is destined to be the hub for renewable wind, wave and tidal power across the East of England. Raised up on stilts at just 30 m from the shore, the five storey building offers extensive sea views. To guard against harsh weather conditions, OrbisEnergy features permeable rain screen cladding, and is designed to shade occupants from bright coastal sunshine. The solar thermal heating reduces year-round temperature fluctuations and makes the concrete building energy efficient and self-regulating.

Power comes from the locally sourced woodchip biomass boiler. When OrbisEnergy opens this summer 2008, it will deliver flexible office, boardroom and conference facilities for more than 30 small and medium sized companies involved in the fast expanding renewable energy industry sector. "OrbisEnergy will become a catalyst for growth, and play a vital part in helping regenerate the Lowestoft and Great Yarmouth areas", explained Lisa Davidson, communications executive at EEDA.

UK leader in renewable energy

The East of England has a leading position in the UK's offshore wind market. The region is located between two large-scale development areas for offshore wind farms; the Greater Wash and Thames Estuary. More than 6 GW of offshore wind capacity is planned there over the next eight years. The ports of Lowestoft and Great Yarmouth are at the centre of these developments. Both ports were used during



Setting up an offshore wind turbine.

the construction of the Scroby Sands Offshore Wind Farm, which is one of the first commercial offshore wind farms in the United Kingdom. Scroby Sands generates enough energy to supply over 36 000 homes, saving over 65 000 tonnes of carbon dioxide emissions.

The region can also be seen as the United Kingdom's "gas capital"; Lowestoft and Great Yarmouth have been serving the gas fields in the Southern North Sea for the past 40 years. *"The skills and knowledge from the gas industry are directly transferable to offshore wind energy. Several regional companies operating in the offshore oil and gas industry successfully managed to diversify into offshore wind"*, explains Richard Ellis, Chair of EEDA.

With the highest electricity generation from renewable sources in England, the region has committed itself to supply 14% of its electricity from renewables by 2010. The draft East of England plan sets the region's target for renewable energy at 44% by 2020; this is far ahead of the national targets. Of the 371 MW of energy planned for the region from offshore wind projects by 2010, 288 MW are already in place or approved.

Looking to the future, it has been estimated that a quarter of the United Kingdom's electricity needs could be met through wave and tidal energy, both at an embryonic stage of their development. The East of England region invests more funding



Three Questions to David Morrall

Europe and International Director at the East of England Development Agency (EEDA)

- **David Morrall, most EU regions have not put such a strong emphasis on the low carbon economy. What has motivated the East of England to do so?**

There's an overwhelming economic argument in support of this agenda. The region has a very healthy and growing business sector focused on developing renewable energy and environmental technologies. These companies are leading the way in developing new technologies and it's important that we build upon and grow this expertise as a core part of the region's economy. In addition, the East of England is low-lying and is particularly challenged by the impacts of climate change – so it's absolutely vital that we manage our economic growth in ways which are sustainable in the long term.

- **You were director for Europe at GO-East, the managing authority of the East of England's 2000-06 Objective 2 Programme. Now you have joined EEDA to work on the new 2007-13 Competitiveness Programme. What links can you see between the two programmes in terms of the low carbon economy?**

The Objective 2 programme was developed back in 1999 and the climate has moved on in every sense since then. Obviously, if we'd proposed a programme with a low carbon focus at that time, I'm sure we'd have received a somewhat mixed reception. Having said that, we've recognised for some time the importance of this agenda in the East of England, hence our investment through the Objective 2 Programme in projects such as OrbisEnergy and our strong commitment to sustainability as a cross-cutting theme in this programme. So we are beginning our new Low Carbon 2007-13 ERDF Competitiveness programme from a strong base, and one which is very much in tune with the wider Lisbon commitment that underpins the new EU programming period.

- **A stone's throw away from London, the East of England is a dynamic region that is expected to grow very significantly in the period up to 2021. Is this growth compatible with the targets set for the low carbon economy?**

The two go hand in hand. Strong growth brings with it particular challenges and economic opportunities. Through the new programme we're keen to ensure that growth is sustainable but at the same time that we maximise economic opportunities. We are also keen to play a leading role in shaping policy in this agenda and so I'm determined to ensure that we share our expertise and experiences from the new programme with other regions and partners across Europe.

into research and development than anywhere else in the UK and more than most other European regions. This means the region is also in a position to offer adequate support services for the emerging marine renewables sector.

Reaching a consensus

The East of England, with its buoyant economy boosted in part by strong links to London, is home to 5.5 million people. The region is set for even greater economic growth over the period up to 2021. This will include 500 000 additional homes, 450 000 extra jobs and a population increase to six million people. Geographically, the East of England is particularly vulnerable to climate change due to its low-lying topography, relatively low annual rainfall and extensive coastline. Therefore, it is vital to deliver economic growth that recognises and addresses the region's carbon footprint. Supporting a lower carbon economy, will ensure that the growth is delivered in a way that is desirable, sustainable and essential for the period 2007-13 and beyond.

From 3 September to 26 November 2007, a wide consultation was undertaken on the draft regional economic strategy. Over 200 formal written responses were received by EEDA. Some 270 people, representing around 180 organisations, attended workshop events. Eighty consultation meetings were held with local and regional partnership groups and agencies. The feedback was collected and recorded by EEDA during the 12-week consultation period.

Commenting on the process, Richard Ellis says: *"In the next few months we will want to take into account the implications of new data and analysis, including further work that examines the environmental and housing affordability implications of different levels of economic growth. This is a huge but exciting challenge to devise a plan with partners that will increase the region's productivity and help tackle climate change, ensuring businesses can take the opportunities offered by a low carbon economy."* All the responses to the consultation are now being analysed and the final regional economic strategy is planned to be published next summer. In the light of the UK Sustainable Development Strategy¹, the latest EU

Sharing sustainability across the North Sea

Between 2000 and 2007, the East of England region was involved in two INTERREG IIIB cooperation projects with other regions of the North Sea in the field of sustainable development.

POWER (Pushing Offshore Wind Energy Regions), created a North Sea Competence Network in offshore wind energy, bringing together organisations from leading offshore wind energy regions. In POWER, Suffolk County Council and East of England partners teamed up with organisations in Germany, Denmark, the Netherlands and Flanders. The project gained an excellent reputation, and was presented at a large number of seminars and conferences at regional, national and European levels. Notable successes for the East of England were the establishment of a strong international offshore wind industry network, a number of highly successful international business networking events, the publication of supply chain studies for offshore wind energy and the organisation of an Offshore Wind Master Class at Lowestoft College.

SmartLIFE (Smart Lifestyle Innovations for our Environment), was an international pilot project led by Cambridgeshire County Council, in partnership with the Environment Department of the City of Malmö in Sweden and TuTech Innovation GmbH in Hamburg, Germany. SmartLIFE's main focus was the shortage of skills and capacity within the construction industry to deliver new housing that is both affordable and environmentally sustainable. The project established a number of training courses and qualifications. Some 2 500 trainees have come through the centres set up through SmartLIFE. The project received several environmental awards and has been shortlisted for the RegioStars Awards 2008.



The Innovation and Business Base in Luton.

(1) Under the Kyoto Protocol, the United Kingdom has an international target to reduce its greenhouse gas emissions by 12.5% over the period 2008-12. Two other more ambitious domestic goals are to reduce carbon dioxide emissions by 20% by 2010 and some 60% by 2050, compared to 1990 levels.



Farmer-owned grain storage company, Camgrain, will cut its carbon emissions by 1000 tonnes per year.

carbon reduction proposals, and confident of the regional skills which exist to support developments in this field, the objective of reaching a low carbon economy in this region enjoys wide support.

Environment cluster in Peterborough

Peterborough (population: 160 000) has the ambition to become the "Environment Capital" of the United Kingdom. The city is home to 300 environment-led businesses and a number of environmental organisations, including the UK Centre for Economic and Environmental Development. Such a concentration of businesses and organisations has helped to create an environment cluster which has contributed to wider environmental achievements. The members of the cluster are wide-ranging: public sector agencies who provide the government with policy advice; firms actively engaged in waste recycling; companies developing and using leading-edge technologies and consultancies selling their expertise throughout the world.

The cluster employs more than 4 500 people and accounts for over five per cent of the city's GDP. An innovation centre, recently opened, will support and nurture start-up businesses in the environment sector. A "green district" has been planned near the railway station; it will include a 25 000 m² low-carbon office development and an eco-friendly retail store. In Peterborough, as in places such as Lowestoft with the "OrbisEnergy" centre or Luton with the "Innovation and Business Base", these new ERDF supported facilities are playing a vital role in the improvement of the areas in which they are located. The inherent link between infrastructure creation and urban regeneration is another key aspect of the regional sustainable development strategy. *"The East of England is, in many respects, leading the field in the progress it is making to develop the region's prosperity as a low carbon economy,"* concludes David Morrall.

More information:
<http://www.eeda.org.uk/>

The East of England ERDF Competitiveness Programme (2007-13)

The East of England region, that comprises the counties of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk, has been allocated approximately €110 million under the EU Competitiveness and Employment Objective. The new East of England ERDF Competitiveness Programme moves from the previous Objective 2 (2000-06) programme which addressed economic restructuring, to refocus ERDF funds on opportunities for sustainable growth throughout the region.

The aims of the programme are to:

- Improve the knowledge economy to create more, higher quality jobs in the context of unprecedented levels of planned growth.
- Encourage innovation, entrepreneurship and the growth of the knowledge economy by research and innovation, including new information and communication technologies.
- Create more and better jobs by attracting more people into employment and by improving adaptability of workers and enterprises and increasing investment in human capital.
- Deliver the growth agenda in a manner that recognises the region's carbon footprint and the need to stabilise and reduce it.

Priorities

In line with the overall theme, the programme has three operational priority axes:

- 1) **To promote innovation and knowledge transfer with the intention of improving productivity** (€37.3 million): a) encourage commercialisation across the region's strong research base, including 'clean' technologies to increase efficiency and productivity; b) support the take-up of information technology which can support innovation and productivity; c) encourage businesses to engage with Higher Education Institutions to effect transfer of knowledge.
- 2) **To stimulate enterprise and support successful business by overcoming barriers to business creation and expansion** (€26.6 million): a) improve access to finance for businesses especially those with a low-carbon focus; b) support Social Enterprise development especially those with a low-carbon focus; c) promote business 'start-ups' particularly those in under-represented groups, e.g. women, ethnic minority and migrant communities; d) support high growth businesses; e) develop clean technologies and renewable energy areas; f) encourage management and operational practices for businesses that will reduce their carbon footprint.
- 3) **To ensure sustainable development, production and consumption** (€42.6 million): a) support local jobs and business growth in urban and rural areas that will enable low-carbon outputs; b) support low-carbon approach to construction and physical development; c) promote efficient use of resources and minimise waste.

Contact: erdf@eeda.org.uk

Making El Hierro sustainable – an innovative project aiming to achieve energy self-sufficiency in the Canary Islands



Juan Ruiz Alzola, Director of the Canary Islands Institute of Technology (ITC)

El Hierro, like the other islands in the Canaries, is totally dependent on energy from external sources. Its electricity is supplied by power stations that consume contaminating fossil fuels. Although the island has abundant resources in terms of wind power, harnessing this enormous potential to supply the island with energy is proving a difficult task.

Considerable technical obstacles have to be overcome before renewable energies can be widely introduced. One alternative is to combine wind power systems with mini-hydroelectric systems, where water is pumped between two reservoirs at different heights using wind power. When there is demand for electricity, water falling from the upper reservoir drives turbines in the hydroelectric plant.

El Hierro has a small surface area (278 km²) with stark contrasts in topography. The energy needs of its 10 500 inhabitants are met by a 12 MW, diesel-fuelled power station. Given its size, mountainous terrain, energy consumption and major wind power potential, the island is an ideal location for a hydro-wind electricity-generating system. In the system put forward for El Hierro, a wind farm will generate electricity, which is then fed into the island's grid to meet part of the population's needs. If there is excess wind power that cannot be fed into the electricity grid, this surplus energy is used to pump water between the reservoirs. If there is not enough wind speed, the stored water is released, falling onto several turbines which then generate the electrical power required. The hydro-wind power plant converts an intermittent power source into a controlled and constant electricity supply. This process maximises wind power use and minimises fossil fuel consumption.

The El Hierro Council, UNELCO-ENDESA electricity company and Canary Islands Government recently established via the ITC, the Gorona del Viento El Hierro company, which will be responsible for setting up and running the hydro-wind power plant. At present, the ITC and UNELCO-ENDESA are working together on the engineering projects to build and manage the hydro-wind power system. This project represents a major technological challenge, in

that it is a world first. The involvement of the Institute for Energy Diversification and Saving (IDEA) brings further added value to the project and will help turn this idea into reality in the near future.

The hydro-wind power plant (estimated cost €54 million) will generate a total of 10 MW of electricity, thereby reducing the annual oil consumption by 6 000 tonnes and avoiding the need to transport oil to the island by ship. Furthermore, there will be 20 000 tonnes less CO₂ pumped into the atmosphere every year.

The project entitled "El Hierro: 100% Renewable Energy" is co-financed by the European Regional Development Fund and coordinated by the ITC and will see involvement from the El Hierro Council and five other European institutions. A study will be conducted on strategies for achieving total energy self-sufficiency for the island, as well as the possibility of transferring this ambitious project to other islands in Europe and other regions worldwide. The strategies include raising awareness about energy-saving issues and increasing the use of other sources of renewable energy (such as thermal and photovoltaic solar energy) or using various types of biomass and organic waste produced on the island. This renewable energy project will make the island of El Hierro a world leader in terms of implementing energy self-sufficiency systems based on clean, renewable sources, thereby contributing to the drive for economic and social development, which is compatible with environmental preservation.

For more information please visit:
itc@itccanarias.org



■ A view of the whole system.

INTERREG IIIA SPAIN/PORTUGAL

Support to the cork sector



Total cost: €2 106 435
EU contribution: €1 579 827

"Cork is a key resource for the environmental and territorial balance of the Sierras of San Mamede and San Pedro, an 8 500 km² area situated in the south-eastern part of the Iberian peninsula, bordering the regions of Alentejo and Extremadura. In this area, more than 120 of the small businesses might disappear if they lose their traditional market; the making of corks for wine. To address this threat, the 'Corchiça' cross-border cooperation project has led to a better knowledge of the sector, the area and the market. In addition, promotional actions have been implemented, cooperation between producers has been supported and technical assistance in business management has been provided. This approach has culminated with the setting up of a strategy plan and the creation of a 'Cork Cluster' in Extremadura planned for 2008."

Fatima Cano, Project officer, ASECOR
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INTERREG IIIA Ireland/Northern Ireland

Vital Signs: environmental awareness among school children



Total cost: €532 140
EU contribution: €399 105

"Vital Signs was a 2005-06 cooperation project that developed software for pda technology and a GIS-linked website database of weather data, water quality, stream characteristics and habitats in rivers within the Blackwater, Foyle and Melvin River catchments, which are situated along the border of Northern Ireland and the Republic of Ireland. Every month school children made a record close to their school and the data was subsequently uploaded onto the website database. The children had opportunities to compare their data with those of other schools within their river basin. Joint field trips fostered cross-community links and greater ownership of the local resources. The project encouraged greater environmental awareness amongst children and introduced new technologies to remote rural schools and communities."

Gretta McCarron, Project leader
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INTERREG IIIC East

Conversion of a closed landfill



Total cost: €4 500 000
EU contribution: €3 240 000

"The IUWMM (Integrated Urban Waste Management Model) cooperation project involved the participation of 14 regional and local authorities who shared good practice in the field of waste management. One of the cases studied was an old, closed down, landfill, south of the city of Leipzig (pop.: 500 000). In the past, approximately 3.8 million m³ of waste were deposited there. The landfill did not comply with European environmental regulations, particularly with regard to ground water protection and landfill gas emissions. As a first step, the risks for the environment were investigated. Following this, the redevelopment of the landfill was designed with a view to minimizing the amount of leachate seeping through the landfill, using the landfill as a recreation area and finally the generation of energy from landfill gas and solar power. Consequently, the landfill was covered with a sealing system (26 ha) and cultivated afterwards."

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INTERREG IIIB Baltic Sea

Adaptation to climate change in the Baltic Sea Region



Total cost: €2 246 822
EU contribution: €1 399 616

"Climate change adaptation plays a very important role in sustainable territorial development. 'Towards climate change adaptation in the Baltic Sea Region' is the latest result of the pan-Baltic climate change adaptation projects (SEAREG' and 'ASTRA), which were conducted under the lead of the Geological Survey of Finland in cooperation with several local and regional authorities and research institutes. The fruitful interdisciplinary cooperation has enabled cities like Espoo in Finland and Gdansk in Poland, to include climate change adaptation in future land use planning."

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ESPON 2013 Programme launched

The launch of the ESPON 2013 Programme took place in Brussels on 21 January 2008.



Launched in 2002, the "European Spatial Planning Observation Network" (ESPON) has been set up to support policy development and to build a European scientific community in the field of territorial development. For the 2007-13 period, the European Commission adopted the ESPON 2013 Programme on 7 November 2007. The new programme is part-financed by the European Regional Development Fund (ERDF) under the Territorial Cooperation Objective. Its total budget amounts to €47 million.

The ESPON 2013 Programme Launch Event took place in Brussels on 21 January 2008. It was opened by Katarina Mathernova, Deputy Director-General of the European Commission's DG REGIO, together with Romain Diederich, Director-General of the Luxembourgish Ministry of the Interior and for Spatial Planning. Other prestigious guests included: Evgeni Kirilov, First Vice-Chair of European Parliament's Committee on Regional Development, Gerhard Stahl, Secretary-General of the Committee of the Regions, Joost van Iersel, Member of the European Economic and Social Committee and Blanka Bartol, Representative of the Slovenian EU Presidency.

The opening was followed by presentations on the ESPON 2013 Programme, its mission, priorities and interlinkages with other Structural Funds activities. The new programme will ensure the continuity of ESPON as well as new innovative approaches in consolidating a European observation network on spatial development and cohesion. It shall support policy development with a view to the harmonious development of the European territory and territorial cohesion. ESPON 2013 shall provide comparable

information, evidence, analyses and scenarios on framework conditions for the development of regions, cities and larger territories.

Many of the 182 participants at the event were potential beneficiaries and interested stakeholders who wanted to learn more about the various options for taking part in project activities. The event also provided an opportunity to launch the first four calls for proposals and calls for interest under the ESPON 2013 Programme. The details are as follows:

- (1) Call for proposals on applied research projects on the six following themes: Cities and urban agglomerations: their functionality and development opportunities for European competitiveness and cohesion; Development opportunities in different types of rural areas; Demographic and migratory flows affecting European regions and cities; Climate change and territorial effects on regions and local economies; Effects of rising energy prices on regional competitiveness; Territorial impact assessment of policies.
- (2) Call for interest on the Knowledge Support System (pool of experts).
- (3) Call for interest by stakeholders on Targeted Analysis.
- (4) Call for proposals on the ESPON 2013 Database.

The deadline for submitting proposals and expressions of interest for these calls is 22 March 2008.

More information:

info@espon.eu (<http://www.espon.eu/>)

REGIO & networks

OPEN DAYS 2008

At a kick-off meeting attended by 150 representatives from European regions and cities on 14 December 2007, Dirk Ahner, Director-General of the European Commission's Regional Policy Directorate, and Gerhard Stahl, Secretary-General of the Committee of the Regions, launched the "OPEN DAYS 2008 – European Week of Regions and Cities", which will be held from 6 to 9 October 2008. The theme for this year's event is "Regions and cities in a challenging world". Four issues will be addressed: (1) regional research and innovation; (2) regional sustainable development and climate change; (3) cooperation and networking/exchange of best practice; and (4) European cohesion policy of tomorrow. Based on the results of a survey of last year's event, some new features will also be tested. One of these is to increase the number of decentralised events or seminars that take place at local level; from 95 this year to 200 or even 300 throughout the month of October 2008. Regions and cities have until 5 March 2008 to apply to be OPEN DAYS 2008 partners.

http://ec.europa.eu/regional_policy/conferences/od2007/index.cfm

Contributions about the future of EU cohesion policy

81 contributions to the public consultation on the future of EU cohesion policy are available on the Inforegio website. These contributions were sent to the European Commission by public authorities, economic and social partners, interest organisations as well as citizens between 27 September 2007 and 31 January 2008. A report on this consultation will be presented in spring 2008, along with the Fifth Progress Report on Economic and Social Cohesion.

http://ec.europa.eu/regional_policy/conferences/od2007/index.cfm

Regions and health

EUREGHA (European Local and Regional Health Authorities Network) acts as a platform for any regional or local authorities who have responsibilities in health or in areas related to health. The network recently organised a conference on "Health Inequalities in the Regions of Europe". Presentations at the conference included those of officials from DG REGIO and DG SANCO of the European Commission, the Slovenian Health Ministry, Eurohealthnet and four regional examples of good practice in addressing health inequalities (North West England, Aquitaine, Central Denmark and Kent). The presentations are available online (http://www.northwesthealth.eu/cms/default2.asp?active_page_id=109) and the EUREGHA Network will be collating other good practice examples from across Europe for publication in a comprehensive booklet in the coming months. Anybody who is interested in contributing an example of a successful health inequalities project or strategy from their region should contact the network.

health@nwhbo.org

Cross-border cooperation Atlas

The MOT (Mission Opérationnelle Transfrontalière) has updated its cross-border cooperation Atlas, five years after the first edition was published. The atlas consists of nearly 100 maps presenting all the cross-border areas between France and its nine neighbouring countries. The atlas is divided into four parts: 1) cross-border geographical situation (worker flows, employment, sea crossings, etc.); 2) sectorial themes of cross-border cooperation (health, culture, public transport, rivers, etc.); 3) territorial dimension of cross-border cooperation (cross-border territory projects and national planning, urban areas, cross-border rural and natural areas, etc.); 4) political and legal framework as well as instruments for planning and funding. The maps are accompanied by in-depth comments on the issues illustrated and include close-ups of specific territories.

www.espaces-transfrontaliers.eu

REGIO agenda

Dates	Event	Place
7-8 April 2008	Conference on the Future Cohesion policy http://www.eu2008.si	Maribor (SLO)
12-14 May 2008	Second International Convention for a territorial approach to development http://www.crpm.org/en/index.php?act=6,1,2,71	Tangier-Tetouan (MA)
27-29 May 2008	Regional Studies Association Annual International Conference "Regions: The Dilemmas of Integration and Competition" http://www.regional-studies-assoc.ac.uk/events/future.asp	Prague (CZ)
19 June	Creating EGTCs	Brussels (B)
06-09 October 2008	OPEN DAYS 2008 – European Week of Regions and Cities http://ec.europa.eu/regional_policy/conferences/od2007/index.cfm	Brussels (B)

Latest publications

Working for the Regions - EU Regional Policy 2007-13



http://ec.europa.eu/regional_policy/sources/docgener/presenta/working2008/work_en.pdf
The ins and outs of European regional policy. Available in 22 languages.

Cohesion Policy 2007-13 National Strategic Reference Frameworks



http://ec.europa.eu/regional_policy/atlas2007/fiche/nsrf.pdf
An overview of the national investment priorities, beneficiary regions, financial allocations and expected impacts of the operational programmes in each Member State. Available in English, French and German.

Regions for economic change – Sharing excellence



http://ec.europa.eu/regional_policy/conferences/excellence/doc/pdf/excellence_en.pdf
Available in English, French and German.

Cohesion policy 2007-13 Commentaries and official texts



http://ec.europa.eu/regional_policy/sources/docoffi/c/official/regulation/pdf/2007/publications/guide2007_en.pdf
Available in 21 languages.

The complete text of EU laws, proposals and official documents are available online at eur-lex.europa.eu/en/index.htm

www.env-health.org

The Health and Environment Alliance (HEAL) is an international non-governmental organisation advocating greater protection of the environment as a means to improve the health and well-being of European citizens. The HEAL website disseminates information on climate change and health related issues (mainly related to policy developments, new studies and reports, the progress of policies in the EU decision-making process including key dates for action, consultation etc.). A newly published HEAL briefing entitled "Climate change and health: Protecting the most vulnerable", presents a review of the latest scientific evidence on climate change and health as well as key findings from selected European countries and policy recommendations.



<http://www.acrplus.org/index.asp?page=25>

The Association of Cities and Regions for Recycling and sustainable Resource management (ACR+) is an international network of experts in waste management. The members share the aim of promoting the sustainable consumption of resources and management of waste through prevention at source, reuse and recycling. ACR+ currently has about 90 members, mainly local and regional authorities as well as national networks of local authorities representing around 750 municipalities. Accessible in three languages (EN, ES, FR), the ACR+ website provides some very useful information (studies, bulletins, reports of seminars, etc.) in the field of waste management.



<http://www.environment-agency.gov.uk/grdp/>

"Greening Regional Development Programmes" (GRDP) is an EU-wide network formed in 2004 to help regions create jobs and growth in a way that protects the environment. GRDP partners wanted to demonstrate to organisations involved in regional development that there are clear benefits in integrating the environment in their development policies, strategies, programmes and activities. The network has developed a 40-page toolkit to assist organisations with the inclusion of green issues and the environment into regional development. The GRDP charter presents the key principles for environmental integration. Organisations are invited to use the toolkit and sign the charter to show their commitment to sustainable development.



<http://www.europanostra.org/index.html>

Europa Nostra is a representative platform of over 220 heritage NGOs active throughout Europe. Europa Nostra's specific objectives are to promote, at a European level, high standards of quality in heritage conservation, architecture, urban and rural planning and to advocate the balanced and sustainable development of the urban, rural, built and natural environment. The platform encourages best practices in heritage conservation on a European level, in particular through the running of the European Union Prize for Cultural Heritage/Europa Nostra Awards.



"Working for the Regions – EU Regional Policy 2007-13"

The new brochure "Working for the Regions. EU Regional Policy 2007-13" is available in all Community languages. The 36-page publication explains how EU regional policy works and how it supports, for example, transport, innovation, environmental and urban development in Europe's regions and cities. Cooperation between regions, the evaluation of programmes, as well as audit, control and publicity requirements are other aspects covered in the publication. Figures show how much money (from the EU funds) will be spent in the 27 EU Member States and on what in the years to come.

http://ec.europa.eu/regional_policy/sources/docgener/presenta/pres_en.htm

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