PORTUGAL
Alentejo will need more workers than it can provide

FRANZ SCHAUSBERGER
National governments declining in importance

FINLAND
Bringing high-speed internet to the middle of nowhere

BRUSSELS
An EU capital in the making

Johannes Hahn:
EU WILL ‘NOT ACCEPT’ WASTEFUL PROJECTS
It is October 2013 and the eve of a new long-term budget for the European Union. The past years have been marked by record unemployment and stagnant growth. The dominant political theme in the EU has been budget-slashing austerity and a focus on being more efficient with fewer resources.

This has seriously affected Cohesion Policy for the coming years (2014-2020). While still representing a third of the EU budget, the cohesion pot is €22 billion smaller when compared to the current budget cycle. How the new money (€325bn) is to be spent will also change. Regional affairs commissioner Johannes Hahn tells these pages that projects which lack strategic thinking will "no longer be acceptable."

Meanwhile, regional authorities need to keep in mind the EU's long-term economic goals and run the risk of being punished if central governments fall foul of EU budget rules. One academic says the revamp is absolutely "not business as usual."

And so, regional representatives have much to talk about as they gather for this year’s Open Days week.

This magazine looks at the issues in an interview with Hahn, reviews the changes to cohesion spending and explores some past successes and failures of EU regional aid.
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**Beja, emerging region**

**Beja Declaration**

**September 2013 | Launching of CoEER network**

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An unusual business model has seen super-fast internet brought to a region in Finland where, in some places, there are more bears than people.

By: Honor Mahony
Anne-Mari Leppinen tells it, her British colleague simply could not believe that cables allowing high speed access to the internet had been laid in the middle of a forest in remote western Finland.

“He asked me: ‘Do you actually have your fibre optic cable in the ditch?’ I replied: ‘Yes’.”

A few kilometres later, the man, who was being driven to an IT conference in the area, felt the need for further inquiry: “Is it still there?”

People still find it very strange that we build the networks in the forest and the woods,” says Leppinen, who is ICT project manager in the Economic Development Agency of the Suupohja Region, and a self-confessed “preacher” about the benefits of open access fibre optic networks.

It was not always that way. She applied for her current post in 2005 knowing “nothing, literally nothing, about fibre. I thought it was something to eat.”

Now, the Suupohja Region, as part of an EU project established last year, is working with 11 different partners from nine member states to brainstorm on the best way to get fibre optic networks to the countryside.

“It was a nice surprise to see that everyone wanted to come to us,” says Leppinen of the staff exchanges funded by the programme. She has just seen off two Portuguese and two Slovenian colleagues.

She puts it down to the region’s unusual business model.

“The network is owned by the local municipalities. It is still very unusual to have a municipality acting as an entity, building networks all the way to the final customer in the middle of nowhere,” she said.

It is also the first place in Europe to allow service providers to use the network for free.

The fibre to the home (FTTH) network paid for the initiative through a combination of a bank loan (guaranteed by the municipalities), some national funding, and a one-time connection fee of €1,500.

The population density is three to 10 people per square kilometre [the EU average is 117], so we have more bears than people in some places. Still, we have been able to build connections to farms and households basically in the middle of nowhere,” says Leppinen.

She says the move allowing people and businesses to remain in the area. And bringing others back.

She mentions a young couple who, hearing about the network, quit their jobs in Tampere, Finland’s third largest city, and set up their bookkeeping business in the region: “All their files are on the cloud, so it is totally dependent on the network.”

Next steps are to get all households connected and start pitching the region as a secure and climate-wise logical place for data centres.

As for Leppinen herself, she has lived in Helsinki, the US, Singapore and Vietnam.

“Now I am back in Kauhajoki,” she says of the small town in Suupohja, “with my 150 megabit symmetrical connection.”
As more key powers are transferred to Brussels, it poses an existential question for central governments. But regions are anxious to step into the breach.

By: Honor Mahony

A recent study on public finances by the European Commission found that member states, even traditionally centralised ones, have “generally increased” their decentralisation in recent decades.

This is true not only for policies such as local infrastructure, but also for education, social protection, housing and health care.

Meanwhile, regional and local public spending has increased in most member states and local authorities are broadly accounting for a larger share of the general government deficit.

Amid this trend comes the transfer of core state activities, such as budget planning and spending, to the EU level.

“In my opinion national central governments will become less important and will lose more power. They will become more and more impotent,” says Franz Schausberger, founder of the Austria-based Institute of the Regions of Europe.

To compensate, he notes, “regions have to become stronger, so that citizens can strengthen their identity and participate in regional and local democracy.”

But Schausberger, who is also a professor of modern history at Salzburg University, says calls for decentralisation are not to be confused with the “separatist” movements of Flanders, Scotland and Catalonia.

The independence movements in these countries have different historical, political, economic and mostly nationalistic causes. “If people in the regions are satisfied then the common Europe will be strong. If not, then we will have the contrary development. I always say that decentralisation is the contrary of separatism.”

To the criticism that regionalism, particularly in richer areas, can seem like a call to close the door to less well-off regions, Schausberger answers that solidarity “must exist in Europe.”

That richer regions such as Salzburg pay a bigger contribution to the common Austrian pot than poorer regions is clear to a “certain limit”

"In economically good times, it is no problem that the regions are paying into a common pool for the whole state, but if there is an economic crisis, then they also feel it,” he says, in reference to Catalonia, where there is a strong independence movement and anger at the level of transfers it makes to the rest of Spain.

In my opinion national central governments will become less important and will lose more power.

“They say: it is no longer so easy for regions to pay and they look for something in return – such as own taxes and fiscal decentralisation. Then the central government has to discuss with them. If they don’t, they will look for a radical solution.”

The other danger the current economic crisis brings with it, according to Schausberger, is the “general trend” across Europe of central governments cutting back on regional spending.

NEW EU TREATY

In Austria, which along with Belgium and Germany, is considered to be a fully federalised state, “there are a lot of discussions, as well as concrete moves, to reduce local and regional democracy.”

“But you need to offset national governments losing power. People should have the possibility to identify more and more with their regions as a counterpart to the not-very-transparent, but more powerful, Europe.”

His answer is a new treaty convention with a “major focus” on decentralisation. Brussels should stick to “major issues” such as economic governance and stop trying to regulate on minutiae.

“The national level will never disappear but there should be an equal importance between Brussels, national and regional levels” he said.
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The hydroelectric Al-Queva dam in Portugal looks mighty impressive. The dam was initially opened in 2002 with the help of €203 million of EU funding, and currently has a capacity of 259 megawatts.

The second stage of development, with an additional 259 megawatts, was commissioned earlier this year.

In the process, the dam also created the largest artificial lake in Europe, providing enough water supply for the region’s farming communities to survive three years of drought.

Such projects are the “anchor of development,” says Jorge Pulido Valente, the mayor of nearby Beja, a city of around 50,000, which sits in the Alentejo region of Portugal, just under 200 kilometres south-east of Lisbon.

The city played host to the Congress of European Emerging Regions (CoEER) in September, with the underlying theme the role of infrastructure projects in driving regional economic growth.

The Al-Queva dam, together with the development of Sines harbour just over 50km away, and Beja international airport, a converted military airbase, are the jewels in the region’s crown.

With Portugal in recession as it struggles to cope with an economic crisis which forced it into a €90 billion bailout programme in 2011, getting the most out of the country’s EU structural funds is now a political priority. It is also an issue which unites local politicians. Government-created regional assemblies bring together local mayors who then draft a programme on how the largesse from Brussels should be spent.

The next big project is likely to be an irrigation system capable of treating water and sewage for 21 municipalities in the region.

A strong case can be made that big public investment projects can act as stimulus measures, giving a shot in the arm to the region affected.

Hundreds of jobs are created at the construction phase and, barring very poor planning, the economic gains will see a relatively speedy return on the investment.

A study to analyse the effects on population growth and jobs estimates that 20,000 people will come to Beja and its surrounding area due to the new job prospects, particularly in the agriculture sector.

Unemployment in the Alentejo region stands at 11 percent and falling, much lower than the national jobless rate of 17 percent and rising.

“We will need more workers than the region can provide,” the mayor says.

Portugal will get a total of €19.6 billion in EU structural and cohesion funds in the 2014-2020 budget cycle, much lower than the €21.5 billion available to it between 2007-2013. One billion euros has been specifically allocated to help with the country’s economic difficulties.

But one of the consequences of the crisis is a greater number of applicant projects competing for a smaller pot of money.

“We now have three important projects that are candidates for EU funds but only one will be selected,” Pulido Valente comments, adding that “the problem is not the amount of funds but the national and regional priorities.”

It seems that the Alentejo experience is, to paraphrase a famous line from the Hollywood film Field of Dreams: “if you build it, they will come”.

It is not quite that simple, however.

Agriculture, and in particular, olives and grapes, is the main source of income in the region, and the sector is growing. However, projects such as Al-Queva and Sines harbour offer job opportunities that encourage migration from rural communities.

But EU resources are needed for rural communities, says Pulido Valente, noting that over 60 percent of the Portuguese population live outside the country’s cities.

EU regional policy is “almost exclusively aimed at competitiveness in urban areas, but we need funds to support projects in rural areas.”

By: Benjamin Fox
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EU regional aid commissioner Johannes Hahn has said billions of euros of EU taxpayers’ money has been spent with no clear strategy or benchmarks on whether it does any good.

By: Honor Mahony

Earlier this year, there was a corruption scandal surrounding Polish motorways partially funded by EU money.

Italy last year was asked to pay back millions to Brussels after some of the money meant for road projects in the south of the country went into the pockets of the mafia.

Meanwhile, a 2013 assessment by the Court of Auditors on investment in road projects as part of the Cohesion Policy found that their impact on economic development could not be assessed and that most delivered less than the predicted return on investment.

The report was illustrative of two key problems of Cohesion Policy to date - a lack of clear-cut results and an overly heavy focus on road-building.

Over the coming years, projects will need to be either innovative, boosting competitiveness, pursuing a digital goal or be green.

There will also be spending-efficiency checks before any EU aid is disbursed and checks on ongoing projects. Part of the funding will be contingent on performance.

“Member states and regions have to establish clear and measurable targets on the impact of the investments,” Hahn said.

He also said there will be no more fuzzy language to the public about what is hoped to be achieved and when.

“The progress has to be measured and, crucially, communicated,” said the commissioner.

Calabria region - Southern Italy has received millions of euros in EU aid, but not all of it has gone where it should
Some general facts about the Republic of Srpska (year 2012):

<table>
<thead>
<tr>
<th>Population: 1,429,290</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area: 25,053 km²</td>
</tr>
<tr>
<td>Capital: Banja Luka (population approx. 250,000)</td>
</tr>
<tr>
<td>GDP: 4,394,188,000 EUR</td>
</tr>
<tr>
<td>GDP per capita: 3,074 EUR</td>
</tr>
<tr>
<td>Time zone: GMT+1 (CET)</td>
</tr>
<tr>
<td>Currency: Convertible Mark (BAM)</td>
</tr>
<tr>
<td>Average salary: 418 EUR</td>
</tr>
<tr>
<td>Income tax rate: 10 %</td>
</tr>
<tr>
<td>Profit tax rate: 10 %</td>
</tr>
<tr>
<td>VAT: 17 %</td>
</tr>
</tbody>
</table>

Why?

- Electricity price is among the lowest in the region (0.044 EUR/kWh)
- Tax policy is among the most stimulating in the region (VAT-17%, Profit tax-10%, Income tax-10%)
- The export market of 600 million inhabitants is exempt from customs duties. Bosnia and has signed free trade agreements with CEFTA countries, EFTA countries, EU countries and with
- Favorable labor quality-price ratio
- Ideally located – in the heart of the Balkans, at the very border with the EU
- Stable macroeconomic ambiance, domestic currency pegged to Euro (1 BAM = 0.51129 EUR) and inflation within limits of price fluctuations in the world markets
- Continuous activities on improvement of business environment:
  - The first in the region to start and complete a regulatory guillotine,  
  - The first to introduce regulatory impact assessment into its legal system,  
  - Banja Luka is one of this year’s leading reformers in improving business regulations, according to the “Doing Business in South East Europe 2011”,  
  - Implementation of a business registration reform is ongoing - “one-stop” shop established

Did you know?!

- The area of agricultural land in the Republic of Srpska is approximately one hectare per capita, which is above the global average (0.24 ha per capita) and European average (0.40 ha per capita).
- By relative forest cover (50%), total wood stock and increment, RS occupies a significant position in.
- National Park Sutjeska accommodates the only virgin forest – Perucica, with 8 glacial lakes in the mountain Zelengora, and a high number of endemic plant species and varied animal world.
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This publication is financed with the support of the European Parliament (EP).
A groundbreaking trip by a container ship from China to Rotterdam was yet another reminder that the Arctic region is slowly being opened up.

By: Honor Mahony

In September this year, a container ship for the first time completed a trip from China to Rotterdam through the Russian Arctic.

The captain docked in the Dutch port after a month of sailing and in the knowledge that his journey was around 5,000km shorter than if he had gone the traditional Suez Canal route.

The groundbreaking trip was yet another reminder that the Arctic region, due to melting ice, is slowly being opened up.

The effects of this can be seen geopolitically as the nations in and touching the Arctic circle increasingly seek to regulate, monitor and measure the growing economic interest in the region.

The EU has been seeking for several years to get onto the Arctic Council, the intergovernmental body which oversees the region. China, which was recently accepted onto the Council, has become a major investor in the area.

But interest in the Arctic is manifesting itself at smaller, regional levels too.

EU AID
The Northern Periphery Programme (NPP), a group of EU and non-EU member states which have clubbed together to get EU regional aid, is for the first time seeking to include the Arctic region in the already large territory which it covers.

Jim Millard, steering reflections on possible programmes to benefit from EU aid in 2014-2020, said the “wilderness of the Arctic has not remained intact this long due to strong legislation, but rather because of its remoteness, inaccessibility and harsh climatic conditions of this region.”

“These conditions are now changing,” he told an audience at an “Arctic Dimension” seminar hosted by the Norwegian authorities in September.

The issue now is “how best to accommodate the emerging Arctic dimension and challenges affecting the programme area,” said Millard.

Involving indigenous people, tackling the effects of climate change and growth in economic development are considered among the most important priorities.

But Millard noted that because it is sparsely populated and dominated by microbusinesses, the area faces the extra barrier of lacking the “critical mass” for EU-funded programmes.

There is also a more general problem - a lack of knowledge about the Arctic.

AN ARCTIC THINK TANK?
Countries and regions already involved in the NPP are considering setting up an Arctic think tank or observation body to collate studies and expertise.

Jose Palma Andres, from the regional unit in the European Commission, said he “welcomed” the emphasis on the Arctic.

He also indicated that projects involving the Arctic region will have a sympathetic ear in the commission, as the region’s problems are in line with the thematic goals (such as on renewable energy) which projects have to aim for in order to get the green light from Brussels.

But while the emphasis at the Norwegian seminar was on regional co-operation, an official from the foreign ministry of Russia - which jealously guards its role in the Arctic - reminded participants that, politically, the buck stops with member states.

The proposal for a think tank was “a very interesting point,” said Igor Kapyrin. But it is something that should first be proposed to the Arctic Council, he added.
It is possible to go to the European quarter in Brussels and think: how on earth did this happen? Why are there two motorways running between the European Commission headquarters and the European Parliament? Did city planners set out to make such a utilitarian, soulless place? And, at the weekend, where is everyone? Finally, after some reflection: how did Brussels become the EU capital anyway?

The brief answer to the last question is: by accident. And, as is the nature with uncertainty, short-termism thrived. Old town houses were torn down to make place for the mushrooming EU buildings. Property speculators bought up neighbourhoods expressly to let them fall into disrepair. Town planners turned a blind eye. Nobody had a grand plan.

The result gave architects a new term: “Brusselisation.”

“BRUSSELISATION
‘It means: ‘exactly what not to do.’ It means you have a nice Art Nouveau building but you need to build another building so you just knock it down,” says Carlo Luyckx, head of the Brussels-Europe liaison office.

Marco Schmitt of the Association du Quartier Leopold, a residents’ group from the EU quarter, said “the EU buildings are very badly integrated into the district. And very removed from the public.”

Unfortunately they reflect the impressions citizens have of the EU being distant and incomprehensible,” he added.

He noted that locals from the quarter filed official complaints when the European Parliament, or, more recently, the adjacent “House of History,” were being built, in order to “change the mentality, and the way decisions were taken in European quarter.”

On top of this urban mismanagement comes Brussels’ thoroughly complex position in the Belgian political landscape.

It is both a distinct region and a capital city. It is situated in Dutch-speaking Flanders, but is a predominantly French-speaking city.

And then there is its almost incomprehensible governance structure. The small metropolis of around 1 million people is divided into 19 municipalities - essentially, one-time villages which see no compelling reason to co-operate with one another. The city has a mayor and 10 deputy mayors. The municipalities also have mayors. And deputy mayors.

The fragile nature of the Belgian state lends yet another layer of complexity.

It is often said that the only thing that is keeping the French-speaking south and the Dutch-speaking north of the country together, despite a strong separatist movement in Flanders, is that no one can figure out what to do with Brussels.

“FUELLING THE IMAGINATION
Professor Eric Corijn, from the Free University of Brussels, believes that Brussels’ lack of self-identity could help it to become the capital of the EU, not just in the de facto way that it is now, but also in a more fundamental way.

“The city is very multi-lingual and very diverse. In that sense it has a unique position in regards to other world cities,” he said.

He notes that whereas London, Paris and Amsterdam are great, multicultural cities they are rooted in being the central city in a national state. So, Brussels’ “weakness” as a national city could make it easier to become a “city of European-ness.”

It still needs to work on “fuelling the imagination.”

What is missing, for Corijn, is a “great university, a great museum, the parades, the concentration of artists. In that sense, Brussels is not the capital of Europe.”
But urban planners are working - albeit slowly - on this aspect. In 2008, they and the EU authorities agreed the Urban Project Loi.

A new European Commission headquarters is to be built by 2022 that is more pleasant to look at, greener and with more open spaces than the current one.

Past mistakes are being, if not fixed, then softened. The notorious Rue de la Loi, one of the pair of urban motorways in the quarter, which delivers a snarling, beeping cacophony of commuters into Brussels every morning, has since been reduced to slightly more bearable four lanes. Cyclists now have their own path.

The 250,000 square metre European Parliament, which saw dozens of local buildings destroyed to make way for its opening and which was nicknamed the “Caprice of the Gods” for the way it came about, is now more integrated.

The unattractive concrete space in front of it is being used for cultural events. The “parlementarium” and the forthcoming “House of Europe” give the interested something to look at other than just the outside of the parliament.

Meanwhile, buildings in the EU quarter are more likely to be bought for residential use than to be made into office blocs.

By 2015, a train link is supposed to join the EU quarter to the airport, while the Rond point Schuman, a busy round-about that marks the heart of the district, is to get a face-lift.

“It is all about thinking about the quarter in a less functional way,” says Ann de Canniere, from ADT, the agency in charge of developing the area.

She notes that the EU institutions are much more involved than they were before, having realised that their image in Brussels itself is tied up with their building policy.

But part of turning Brussels into a vibrant capital of the EU is making sure the around 40,000 EU staff are also integrated.

Since 2008, Corijn has been teaching a special master class to explain all things Belgian to eurocrats. About 300 people have been through the courses which cover multi-lingualism, governance and decision-making.

“One of the elements is to mobilise the Europeans living in Brussels to make them feel more affinity with Brussels,” he said. “Most of the expats think they are only here for a few months or a few years. But in reality, most of them stay in Brussels even after their pension,” he added.

A CITY FOR THE AGES?

Corijn admits it is an uphill struggle to turn Brussels into the real capital of Europe because the EU itself has an image problem.

It is associated with being untransparent and bureaucratic. National ministers go home and blame Brussels for unpopular decisions, affecting the city’s international reputation.

Nevertheless, Luyckx, whose office’s remit is partly about making Bruxellois have a sense of belonging to the EU capital, feels that the city’s residents are “much more positive” about having the EU in their midst.

And this even though it happened only by default, after the six founding members could not agree on a capital and decided Brussels would do for the time being. This ambivalent situation continued until 1992 when the EU leaders for the first time formally said Brussels should be a seat of the European parliament.

But such non-committal beginnings need not dictate the future. At least according to some.

“If you look at history of the planets, the cities that people continue to talk about for thousands of years afterwards have always been cities where people of many different cultures came together,” said Luyckx.

Images
1) Renovations to make way for the European Parliament around 10 years ago 2) The European Parliament today 3) The notorious Rue de la Loi
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EU COHESION POLICY: ‘NO MORE BUSINESS AS USUAL’

The EU has revamped its regional aid policy, leaving national programmers nervous about the more rigorous rules. Experts say they are right to worry.

By: Honor Mahony

The EU has revamped its regional aid policy, leaving national programmers nervous about the more rigorous rules designed to put a halt to the redundant motorways and superfluous airports of previous years.

Very much influenced by the economic crisis, now in its sixth year, the cohesion policy (2014-2020) has a new, more stringent, feel.

The new policy - which, at €325 billion, accounts for a third of the seven-year EU budget - is due to be agreed by the European Parliament on 24 October.

"It is absolutely not business as usual. The whole design of the policy is different," said Magdalena Sapala, an expert on Cohesion Policy at the Brussels-based Institute for European Studies, with the focus no longer on removing economic disparities between rich and poor regions.

"We cannot think of this policy as just a charity aid for poorer regions any more. It is about growth for all territories and has become an instrument for the implementation of the EU 2020 strategy," she added, referring to the EU’s long-term economic goals.

Sapala notes that the focus on growth will shift the past “fixation” with how much a region can spend towards strategic planning.

Among its most controversial changes are macroeconomic conditionality and a plan to withhold a percentage of aid until a project is successfully completed.

Critics say withholding aid money from those member states not obeying EU budget rules risks punishing regions for policies over which they have no control. They say the second criterion could lead to unambitious projects.

Meanwhile, projects will now also be subject to “ex-ante conditionality,” assessing whether they are in line with overall EU policies.

The general aim is to improve how money is spent and the strategic thinking behind the spending.

EU regional commissioner Johannes Hahn promised his institution will tread lightly when it comes to potentially withholding regional aid.

The use of the macroeconomic stick will be "ultima ratio in case of persistent misbehaviour of a country."

"The system proposed by the commission gives time to member states to introduce the necessary reforms before suspension of funds is activated," he told this website.

But while the macroeconomic criteria are stealing the most headlines, some suggest the other changes could prove more difficult for regional authorities.

GAP IN EXPECTATIONS

"There is a big gap between the expectations of the commission and the ability in some quarters to be able to deliver on that. Because it implies quite a substantial change in the logic of programming," said John Bachtler, an expert on Cohesion Policy at Scotland’s Strathclyde University.

He questioned, at a recent conference in Brussels, whether programmers have "resolved the very real problems of identifying a clear causal chain between allocation of resources, setting of particular objectives, to the outcomes expressed in terms of results."

A commission official, meanwhile, underlined the extent to which the economic crisis is affecting the approach to the policy.

"Be strategic. What result do you want to achieve, by, let’s say, 2020. And try to choose indicators which are explainable to the common citizen," said Jose Palma Andres from the commission’s regional department.

"Even if you can’t quantify the result you can at least qualify it. And explain it. This is the new approach. Otherwise it is very difficult to explain in this very tough period of financial resources everywhere that we are spending the money but we don’t know for what," he added.

Marko Ruokangas, programme director for the Finnish region of Oulu, admitted that strategic thinking may have been missing in the past: “We were not so good in that in existing programmes.”

“And now is the time to discuss that,” he said, referring to the preliminary stage of programme preparation with the European Commission that is due to go on until at least the end of the year.

TIME PRESSURE

Once the regulation is finally signed off by the parliament, operational programmes outlining how money will be spent have to be drawn up and agreed with the commission.

But, adding to the challenge of navigating the new policy, is time pressure.

"Negotiations were very late. This means local and regional authorities have to race against time. Everyone is under pressure," said Pierluigi Boda, spokesperson at the committee of the regions.

The contracts are meant to be signed off before the European Commission stops works ahead of the EU elections in May 2014.
BEJA INTERNATIONAL AIRPORT - TWO FLIGHTS PER WEEK

From the outside, Beja international airport looks clean and snazzy. Inside, the six check-in desks, car rental services and tourist information office are all ready to serve you.

By: Benjamin Fox

From the outside, Beja international airport looks clean and snazzy. Inside, the six check-in desks, car rental services and tourist information office are all ready to serve you.

However, there is one problem. For the moment, few people fly there. The runway, an impressive 3.4 kilometres long, stands empty most of the time.

Since the airport was opened in 2011, after over a year of delay, just over 5,000 passengers on fewer than 200 flights have passed through the arrival gates.

Airport director Pedro Neves told EUobserver that 90 flights are expected to come in and out of Beja in 2013 - equivalent to just under two per week.

Despite this lack of activity, as part of its operating license the airport has to be prepared to receive any kind of plane at three hours’ notice. It still employs 17 staff on the site.

The site, which was previously used as a military airbase, was converted at a cost of €33 million, co-financed by the Portuguese government and the EU.

It is not clear whether the economic crisis has been a contributing factor in the airport’s failure to secure regular flights from a single carrier.

Budget airline Ryanair had been touted as a possible customer, but chose instead to focus on increasing its Portuguese services to Faro in the Algarve, already a popular tourist destination.

For the sake of comparison, last year Lisbon airport saw more than 15 million passengers come through its doors, while Faro and Oporto saw 5.6 million and 6 million travellers, respectively.

If Neves is disappointed by the airport’s apparent failure to attract tourists, he is not showing it.

He says he expects “significant numbers of passengers” to use the airport by 2017-2018. Meanwhile, with the airport unlikely to get revenue from passenger flights any time soon, it has shifted its attention to transporting cargo and providing long-term parking facilities for aircraft.

Neves says that the €11 million cost of a new aircraft hangar, needed to enable the airport to fly cargo, is to be financed exclusively by aircraft maintenance firm Aeromec. However, this too has been delayed.

Construction of the hangar was originally expected to start in autumn 2012, only for the project, which is expected to create around 150 jobs, to be postponed because of funding delays. Work is not expected to begin before 2014.

An agreement has also been signed with Portuguese airline TAP to provide a maintenance and parking service for planes.

Local officials, including Beja’s mayor, Jorge Pulido Valente, do not see the airport as a failure, claiming that the cargo facilities will make it easier to transport the region’s rich array of agricultural produce.

It also forms part of a transport hub, they say, complementing the region’s recently built highways and the port at nearby Sines, 50km away.

But while visiting the deserted airport is a surreal experience, it is difficult to assess whether it has been a victim of Portugal’s economic troubles or is simply a ‘white elephant’ project that should never have been built.

That companies are prepared to invest in developing the site suggests that its long-term business model is viable.

For the moment, however, it offers a runway to nowhere.
The Regional Research and Innovation strategy of Puglia Region, launched in 2009, aims at five main objectives each pursuing several specific actions, mostly funded by the ERDF Operational Programme Puglia 2007-2013:

- **Promoting** the need for innovation of Apulian enterprises
- **Strengthening** the regional research system and its potential connections with the production system
- **Identifying** new type of partnerships between science and industry to satisfy collective needs
- **Promoting** innovative and technological oriented start-ups
- **Spreading** ICT technologies and experimenting new approaches to innovation
Europe’s regions and cities taking off for 2020
11th European Week of Regions and Cities-OPEN DAYS
Brussels, 7-10 October 2013

• The biggest annual event on the EU agenda: 6,000 people from more than 50 countries, 600 speakers and 250 journalists. Two thirds of participants represent national, regional and local authorities, the majority of which come from regions’ and cities’ administrations.

• At stake in 2013: 320 cohesion policy programmes worth EUR 325 billion of EU funding are currently being planned. OPEN DAYS bring officials at EU, national, regional and local level together to exchange information, experiences and new ideas and to make sure that the money will be well spent.

• Three themes and 101 workshops: Three themes - managing change 2014-2020; synergies and cooperation; challenges and solutions – will focus on regional and local solutions to create smart, sustainable and inclusive growth. For the first time, the OPEN DAYS University, the academic programme during the event, will be accompanied by a Master Class programme including 77 selected early career researchers from 30 countries.

• OPEN DAYS in the streets: This year, participants will be invited to discover “100 EURban solutions” presented by an exhibition route in the streets and premises hosting the event. The route is open to the general public on 8 October, 17:30-22:00.

• OPEN DAYS in 350 regions and cities of 34 countries: Between September and November, the local roll-out of the OPEN DAYS brings some 350 events home under the slogan “Europe in my city/region”.

Find out more: www.opendays.europa.eu