

EU News Bulletin

The latest news, funding and events from the EU for local and regional government

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Irish Regions Office



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Services for Businesses & Innovation

The European Commission has published a call for proposals under the new Competitiveness & Innovation Programme (CIP). The aim of the call is to support the establishment of networks providing integrated services to support business and innovation, building on the achievements of the existing Euro Info Centres and Innovation Relay Centres. It is expected that there will be one network for each NUTS I area (i.e. one for Ireland). However, responsibility for serving smaller areas within these geographical areas could be assigned to designated host organisations (NUTS II level). Each network would be expected to provide the following services: information, feedback, business cooperation and internationalisation services; services for innovation and transfer of technology and knowledge; services encouraging the participation of SMEs in the FP7. The budget for the period 2008-13 is €320 million, with EU co-financing of up to 60%. Deadline for applications: 2 April 2007. Further details at:

http://ec.europa.eu/enterprise/funding/grants/themes_2006/eic_irc/calls_prop_2006_eic_irc_d2.htm

Lifelong Learning

The European Commission has published a call for proposals under the new Lifelong Learning Programme. The aim of the programme is to foster interaction, cooperation and mobility between education and training systems within the EU. It comprises four sectoral programmes, which target primary and secondary school education (Comenius), higher education (Erasmus), vocational training (Leonardo da Vinci) and adult education (Grundtvig), as well as a transversal programme focusing on policy cooperation, languages, information and

communication technology and dissemination and exploitation of results. The total budget for this call is €784 million. The deadlines for applications are: 30 March 2007 and 30 April 2007 for the Transversal Programme and Accompanying Measures. Further details at: http://ec.europa.eu/dgs/education_culture/newprog/index_en.html

Town Twinning

The European Commission has published a call for proposals in the framework of the new Europe for Citizens Programme, for Town Twinning Citizens' Meetings (TTCM). TTCMs bring together citizens and citizens' groups from twinned towns and aim to reinforce the participants' commitment to European integration through, for example discussing the future of the EU; sharing experience of the benefits of European integration, etc... The provisional annual deadlines for applications are; 10 January, 1 April, 1 June, and 1 September. From 2008, events taking place from 1 Jan will also be fundable. Further details at: http://eaceacec.eu.int/static/en/citizenship/programmes2004_2006.htm
Contact point in Ireland: Imogen Sudbery, IPA: tel: 01 240 3702, e-mail: isudbery@ipa.ie

New Research Programme

The first call for proposals under the EU's new 7th Framework Programme for Research and Technological Development (FP7) is to be published in the Official Journal on December 22. (details of the FP7 are outlined on page 2). The Official Journal can be accessed online at: <http://eur-lex.europa.eu/JOMonth.do?year=2006&month=12> The Commission has also published a call for experts to assist with the evaluation and monitoring of projects and proposals under the FP7. Further details at: <http://eur-lex.europa.eu/JOHtml.do?uri=OJ:C:2006:305:SOM:EN:HTML>

NEWS & POLICY

New EU Research Programme Adopted

The EU's 7th Framework Programme for Research and Technological Development (FP7), covering the period 2007-2013, was finally adopted on December 5. The new programme will be officially launched, as expected, on 1 January 2007, with the first calls for proposals expected on 22 December 2006. The FP7 will have a total budget of €50.5 billion, which represents a 60% increase on the current FP6 (2000-2006). The programme will be organised into four sub-programmes: **1. Cooperation** (€32.3bn): will support co-operation between universities, industry, research centres and public authorities across the EU and with the rest of the world in ten different thematic areas: Information and communication technologies; Health; Transport; Nanoproduction; Energy; Food, agriculture and biotechnology; Environment (including climate change); Security; Space; and Socio-economic sciences and the humanities. **2. Ideas** (€7.5bn): will support the establishment of an autonomous European Research Council (ERC), which will support and stimulate basic research carried out by individual teams competing at European level. **3. People** (€4.7bn): refers to the so-called 'Marie Curie' actions, which strengthen training, the career prospects and mobility of European researchers. And **4. Capacities** (€4.2bn): will support the development and exploitation of the EU's research capacities through large-scale research infrastructure, regional cooperation and innovating SMEs. Capacities also includes the Regions of Knowledge initiative (see EU News Bulletin no. 28), which will support the development of "research partnerships" at regional level. *Further details at:* <http://www.fp7-Ireland.com>

Higher De-Minimis Aid Rate

The European Commission has adopted a Regulation which doubles the level of public subsidies that small businesses can receive without breaking EU rules on State Aid. According to the new Regulation on De Minimis State Aid, financial support to SMEs of up to €200,000 (up from €100,000 currently) over a period of three years is deemed to have "no substantial effect on competition and trade between Member States", and therefore not to constitute

State Aid. The Regulation, adopted by the Commission on 12 December 2006, will come into effect on 1 January 2007, as part of a wider package of State Aid reforms, known as the State Aid Action Plan. This five-year plan aims to simplify State Aid rules in order to reduce bureaucracy, but also to reduce the amount of aid that Member States provide, and better target such aid towards measures that contribute to the Lisbon objectives of boosting economic growth and creating jobs. *Further details at:*

http://europa.eu.int/comm/competition/state_aid/others/action_plan/

New EU Fund to Address Major Redundancies

On December 13, the new European Globalisation Adjustment Fund was approved by the European Parliament, which means it should now be operational in 2007 (following the formality of final approval by the Council). The new Fund is designed to assist regions affected by large scale redundancies due to the effects of globalisation. It will be triggered above a threshold of 1,000 job losses, either within a single enterprise (including its sub-contractors) or in a specific sector. Job losses will be gauged at the level of one or two 'NUTS II' regions over a period of nine months. A safeguard clause also allows for the fund to intervene "in exceptional circumstances duly justified by the Member States," even if the conditions are not fully met, where redundancies (without a minimum figure) have a serious impact on employment or the local economy. The budget dedicated to this clause amounts to 15% of the total annual budget of €500 million. The measures financed through the fund will focus on active measures for workers such as help with job hunting, training, promoting entrepreneurship and micro-credits. There will also be "financial incentives directed specifically at older workers to enable them to remain on the labour market" (wage top-ups). The Fund will provide a maximum of 50% co-financing. *Further details at:* http://www.europarl.europa.eu/news/expert/infopress_page/048-1380-345-12-50-908-20061208IPR01263-11-12-2006-2006-false/default_en.htm

Structural Funds Implementation Rules

On December 8, Danuta Hübner, European Commissioner for Regional Policy presented the new Implementing

Regulation for the Structural Funds for the period 2007-13. The Implementing Regulation sets out detailed rules on how to manage Structural and Cohesion Funds in the 2007-13 programming period. It replaces the 9 Commission Regulations currently in force regarding the management of the Funds, thus simplifying the regulatory framework. Increased decentralisation will also help Member States in project management. To this end, eligibility rules are no longer fixed at Community level for most operational programmes: national eligibility rules (set at national level only) will now apply, rather than two sets (one for Community co-financed projects and one for nationally-funded projects) as in the past. The Regulation also provides for greater proportionality in the area of auditing: audit verifications for certain operational programmes will now be carried out by national bodies according to national rules. These audit verifications are applicable for programmes where total eligible public expenditure is less than €750 million and Community co-financing is under 40% of total public expenditure. There is also a new element of transparency in that the Regulation requires publication at national level of information on the beneficiaries and operations being co-financed by the Funds. *Further details at:*

http://ec.europa.eu/regional_policy/newsroom/index_en.htm

Ireland In Breach of Rules on VAT and Public Bodies

The European Commission has decided to refer Ireland to the European Court of Justice on its treatment of public bodies as non taxable persons for VAT purposes (see EU Policy Review no. 4/06 for further background information). According to the EU's Sixth VAT Directive, there are a number of cases where public bodies should be treated as taxable persons. However, under Irish VAT legislation public bodies are not deemed to be taxable persons, even where the relevant criteria to this effect are fulfilled. Accordingly, when they engage in the supply of goods and services they neither charge VAT nor are they entitled to deduct the VAT incurred on their costs. The Commission previously issued a Reasoned Opinion requesting that Ireland amend its legislation. However, since this has not happened, the Commission has now decided to refer the matter to the European Court of Justice. The Court recently confirmed that the relevant provisions on public bodies in the Directive have "direct effect"; i.e. taxable

persons in competition with public bodies which are not being treated as taxable persons are entitled to rely on those provisions of the Directive. In its annual work programme, the European Commission has also indicated that it intends to publish a working paper on VAT and public bodies in the second half of 2007, which, among other things, will look at a Community approach to the treatment of VAT by public bodies. *Further details at:* http://ec.europa.eu/community_law/eula/w/index_en.htm

Ireland Makes Progress on Lisbon Reforms

On December 12, the European Commission presented a first assessment of the relaunched Lisbon Strategy for Growth and Jobs. Commission President José Manuel Barroso described the situation as "more or less positive," depending on the Member State. The Commission concluded that Ireland is making very good progress in implementing its National Reform Programme (NRP) for growth and jobs. In particular, it commends the recently adopted Science, Technology and Innovation Strategy 2007-2013 and the substantial increase of public investment in R&D; recognition of the need to prioritise public investment in infrastructure and other growth-promoting expenditure; measures to address early school leaving and enhance skills, such as the commitment to develop by 2007 a long-term national skills strategy. No formal recommendations were made in relation to Ireland in the report, but the Commission did encourage greater emphasis on the reform of the pension system, on emissions reduction measures, and also on developing a cohesive policy towards inward migration and on supporting older and low-skilled workers. The majority of Member States received a less glowing report, however, and in general much still remains to be done to achieve the EU's objectives in areas such as employment, investment in R&D and the management of public finances. *Further details at:* http://ec.europa.eu/growthandjobs/annual-report-1206_en.htm

Open Days 2007 Launched

On December 13, the Committee of the Regions (CoR) and the Directorate General for Regional Policy (European Commission) presented proposals for Open Days 2007, which will take place

from October 8 to 11. Next year's event will focus on the theme, "Making it Happen: Regions Delivering Growth & Jobs," with seminars and workshops focusing on issues around the implementation and delivery of Structural Funds programmes. Five key areas in particular will be addressed: 1. Attracting investment; 2. Clusters; 3. Spending wisely; 4. Territorial cooperation and networking; and 5. Efficient delivery. The Investors Café concept (exhibition and workshops involving private partners), first introduced in 2006, will also be repeated in 2007, but with a greater emphasis on specific themes, such as transport, education, sustainable energy, R&D and health. Finally, 2007 will also see a greater emphasis on decentralised events (events linked to Open Days but taking place in the regions), which could take place anytime during the month of October. As in 2006, it is expected that over 100 Brussels based regional offices, organised into conglomerates, will co-organise the event. Potential conglomerates have been invited to present proposals to the CoR by January 29. *Further details at:* http://ec.europa.eu/regional_policy/conferences/od2006/index.cfm

Regions for Economic Change: Call for Papers

The first annual conference of the Regions for Economic Change initiative (see EU News Bulletin no. 32) will take place on 7 and 8 March 2007, and will focus on the theme, Fostering Competitiveness through Innovative Technologies, Products and Healthy Communities. The event is being organised by the European Commission's Regional Policy Directorate-General and during the event, Commissioner Danuta Hübner will also launch the "Regional Innovation Awards" for best innovation practice in European regional policy. The event is expected to attract over 500 participants from regions all over Europe to discuss how European regional policy and its instruments contribute to competitive regions and cities through innovation and exchange of best practice. The event will showcase strategies, experiences and projects and is intended to provide learning and networking opportunities. A call for papers for this event has been published with a deadline of 15 January 2007. *Further details at:* http://ec.europa.eu/regional_policy/conferences/competitiveness/papers_en.cfm?nmenu=3

Appointments to EU Enterprise Policy Group

On 23 November 2006, the European Commission published a call for applications to appoint the future members of the Business Chamber of the Enterprise Policy Group. The Enterprise Policy Group (EPG) advises the Commission on enterprise policy issues. The Group is composed of two different sections, one for representatives from the Member States administrations and the other - the Business Chamber - for high-level experts from the enterprise community. Members of the EPG Business Chamber are appointed in a personal capacity, in principle for a renewable period of three years. The group meets with the Commission twice a year in Brussels. Anyone interested in applying to become a member of the EPG Business Chamber is invited to complete and submit the official application form. Members of the Business Chamber are not remunerated, but are entitled to receive reimbursement of their travel and subsistence expenses. It is expected that the final membership list will be established in the spring of 2007, with a first meeting of the new Business Chamber likely to take place in June or July 2007. The deadline for applications is 15 January 2007. *Further details at:* http://ec.europa.eu/enterprise/enterprise_policy/epg/index_en.htm

Ireland's GDP 139% of EU25 Average

The latest figures from Eurostat show that Ireland had a GDP of 139% of the EU25 average in 2005, up from 136% in 2004 and 134% in 2003. Ireland was second only to Luxembourg, which had a GDP of 251%. The Netherlands, Austria, Denmark, Belgium, the UK and Sweden were between 15% and 25% above the average. Finland, Germany and France recorded figures of around 10% above the average, while Italy and Spain were around the average. Cyprus was about 10% below the EU25 average, while Greece and Slovenia were around 20% below. The Czech Republic, Portugal and Malta were around 30% below the average, while Hungary, Estonia and Slovakia were all about 40% below. Lithuania, Poland and Latvia were around half of the EU25 average. *Further details at:* <http://europa.eu/rapid/pressReleasesAction.do?reference=STAT/06/166&format=HTML&aged=0&language=EN&quiLanguage=en>

EVENTS

24-26 January 2007, Oslo (Norway)

The Airport Regions Conference (ARC) and Oslo Airport Region (ØRU) are organising a conference on "Creating Airport Capacity." The aim of the conference is to consider the growing demand for capacity in European airports and the implications for regional airports. In particular, the conference will address the issue of infrastructure development at regional airports, which can take up to 10-20 years to plan and implement. *Further details at:* <http://www.airportregions.org/>

29-31 January 2007, Brussels

The European Renewable Energy Council is co-organising the 2007 European Renewable Energy Policy Conference, together with the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety. The conference will take place in the context of the German Presidency of the EU and aims to: present and evaluate the most important renewable energy policy developments and bring forward new initiatives; and facilitate networking between key decision makers and industry players. *Further details at:* <http://www.erec-renewables.org/events/2007PolicyConference/default.htm>

7 February 2007, Namur (Belgium)

TOCEMA Europe, an Interreg IIC project on town centre management is organising a conference entitled, "How to Successfully Develop Your Town Centre." The conference will be divided into four workshops, focusing on: Creating sustainable partnerships – getting the funding right; Developing visions and strategies – can bottom-up and top-down approaches both work? Promoting vitality and viability – delivering effective actions in European town centres; Town centre managers' forum – what can be done at a European level to promote their effectiveness? *Further detail at:* <http://www.tocema-europe.com/>

7-8 February 2007, Brussels

To encourage participation in European Mobility Week 2007, DG Environment of the European Commission and the Committee of the Regions are hosting an introductory workshop entitled, 'A Change for the Better!'. More than 1300 cities from 38 countries participated in the 2006 European Mobility Week Campaign, which focused on climate change and promoting sustainable transport. *Further details at:* http://www.mobilityweek-europe.org/cities/page.php?page=information_news&lang=en&action=fullnews&id=18

7-9 June 2007, Paris

The Third European Research and Innovation Exhibition will focus on "Collaboration between Public Research and Private Research." It will specifically look at the example of competitiveness clusters in the French regions. The event is expected to attract industrial groups, entrepreneurs, investors, as well as universities, research centres, public institutions and other organisations with an interest in research and innovation. *Further details at:* <http://www.european-research-exhibition.com/>

NETWORKS

New Innovation Network

A new European Network of Living Labs was launched in Helsinki on November 20 by the Finnish EU Presidency. The Network is a collaboration of businesses, public authorities and citizens working together to create, prototype, validate and test new services, businesses, markets and technologies in real-life contexts (cities, regions, rural areas..). The network will initially involve 20 cities or regions from 16 different EU countries, all of which have been designated as 'living laboratories'. The activities of the Network are being funded from public and private sources, including around €45 million to date from the EU. *Further details at:* http://www.tietoyhteiskuntaohjelma.fi/ajankohtaista/news/en_GB/100116_en_1_0/

PUBLICATIONS

Structural Funds 2007-2013: Cost-Benefit Analysis

The European Commission's Regional Policy Directorate has published a working document presenting the general principles of cost-benefit analysis (CBA) for future Structural Funds projects. The document is intended for use by Managing Authorities who commission cost-benefit analyses or undertake them internally. Article 40(e) of the Structural Funds Regulation stipulates that the presentation to the Commission of major projects for financial support under the Structural Funds or the Cohesion Fund must be accompanied by information concerning the CBA. The paper also clarifies the calculation method that will be used to determine the level of Community assistance for all projects under the new programming period, 2007-2013. *Further details at:* http://ec.europa.eu/regional_policy/sources/docoffic/working/sf2000_en.htm

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