



European Association of Development Agencies
Association Européenne des Agences de Développement

EURADA 2005 Activity Report

EURADA is the professional association of regional development agencies operating in Europe formally created in 1991. EURADA's mission statement is to promote regional economic development through :

- dialogue with the European Commission services and other Community institutions;
- interchange of good practice among members;
- transnational co-operation among members;
- regional development agencies as a concept
- implementation of new ideas.

The President's word

In 2005, EURADA confirmed its leadership in terms of lobbying issues with the European Institutions concerning the implementation at regional level of Community policies including the Structural Funds, entrepreneurship, innovation, regional aid and RTD.

EURADA furthered its international commitments, developing partnerships with CADZ (China Association of Development Zones), Hosei University in Tokyo (Japan), SMRJ (Small & Medium Enterprises and Regional Innovation Japan) and the Development Bank of Japan. Our organisation also jointly organised the First World Forum of RDAs with ADERAM (Madeira, P) and collaborated with the organisers of the World Investment Conference in La Baule (F). In addition, the Secretariat co-organised with Agence de Développement de l'Aisne (F) the First European Congress on PPPs in Support of Regional Economic Development.

The year 2006 will be momentous for EURADA members, as it will see the finalisation of the definition of the regional programmes that will receive EU support over programming period 2007-2013. In late 2005, for the purpose of supporting our membership in this effort, the Secretariat published a Compendium of EU Commission Proposals Affecting the Structural Funds, CIP, RTD-FP7 and the education policy. This document will undoubtedly constitute a useful reference and resource for all members throughout the year.

2006 will also be a busy time for the Secretariat, which will be actively involved both in reflecting upon the stimulation of regional innovation and entrepreneurship and evaluating RDA performance from the perspective of the need to stay in tune with EU priorities.

It is our hope that as a concept, the EURADA Partnership Forum will further feed activities within EURADA, promoting fruitful discussions among all practitioners in economic development.

To conclude, I would like to sincerely thank all EURADA members who supported the Association's work throughout the two years of my term as your President and to express wishes of success for my successor, Mr Jacques Evrard.

David Walburn
President of Eurada 2004-2005

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The contents of this year's activity report is presented against EURADA's main objectives, which are — for the record — the following:

- Promotion of the association
- Dialogue with the European Commission
- Exchange of experiences among members
- Promotion of joint projects
- Dissemination of development agencies as a concept
- Discussion around new regional development methodologies.

These objectives were pursued via the publication of a newsletter and reports, the adoption of position papers forwarded to the European Commission, as well as the organisation of a series of members' meetings.

I. Statutory Bodies of the Association

Further to the statutory election held in December 2005, EURADA's Board of Directors and Executive Committee is composed as follows on 1 January 2006 :

A	• ECOPLUS Niederösterreichs Entwicklungsagentur	Christoph GANTAR
B	• Agence Bruxelloise pour l'Entreprise	Jacques EVRARD
D	• AGIT – Aachener Gesellschaft für Innovation und Technologie Transfer mbH	Victoria APPELBE
DK	• Storstrøm International Sekretariat	Kristian PRIMDAL
E	• ADE Inversiones y Servicios	Miguel Angel GARRIDO
	• Agencia de Innovación y Desarrollo de Andalucía	Miguel LUCENA
	• Instituto de Fomento de la Región de Murcia	Mariano JIMENEZ
	• IMADE – Instituto Madrileño de Desarrollo	Felix BELLIDO

	<ul style="list-style-type: none">• IMPIVA – Instituto de la Mediana y Pequeña Industria Valenciana• SPRI – Sociedad para la Promocin y Reconversión Industrial	Rafael ESCAMILLA Juan OLABARRI
F	<ul style="list-style-type: none">• Agence de Développement de l'Aisne• ADEC – Agence de Développement Economique de la Corse• Agence Régionale de Développement du Limousin• CEBANOR – Comité d'Expansion Economique de Basse-Normandie• Comité d'Expansion Economique du Val d'Oise• Ouest Atlantique	Gérard MORANGE Jean-Charles VALLÉE Michel DELAU Jack BRETON Jean-François BENON Jacques de CHILLY
FIN	<ul style="list-style-type: none">• Jyväskylä Regional Development Company Jykes• Kainuun Etu Oy• Regional Council of Etelä-Savo• Turku Area Development Centre	Ritva NIRKKONEN Antti TOIVANEN Riitta KOSKINEN Patricia HONGISTO
GB	<ul style="list-style-type: none">• Greater London Enterprise• Highlands & Islands Enterprise• London Development Agency• Scottish Enterprise• Welsh Development Agency	Delphine MICHEL Frank GASKELL Jennefer HOLMES Kirsty MACDONALD Paul O'DONOVAN
H	<ul style="list-style-type: none">• South Great Plain Regional Development Agency	Tamás GYULAI
I	<ul style="list-style-type: none">• ASTER - Agenzia per lo Sviluppo Tecnologico dell Emilia Romagna• BIC Sardegna• Centro Sviluppo Valle d'Aosta• ERVET – Politiche per Imprese• Milano Metropoli• Società Consortile Langhe Monferrato e Roero• SOPRIP – Servizi per lo Sviluppo	Valeria BANDINI Paolo CHERCHI Paolo ANSELMO Roberta DALL'OLIO Renato GALLIANO Umberto FAVA Maria Laura LODOLA
IRL	<ul style="list-style-type: none">• Enterprise Ireland• Údarás na Gaeltachta	Pat MAHER John BENNETT
NL	<ul style="list-style-type: none">• Industriebank LIOF• NV NOM – Noordelijke Ontwikkelingsmaatschappij	Antoine PLATEN Theun WIJBENGA
P	<ul style="list-style-type: none">• ADERAM – Agência de Desenvolvimento da Madeira• ADRAL – Agência de Desenvolvimento Regional do Alentejo	Carlos ESTUDANTE Luis CAVACO
PL	<ul style="list-style-type: none">• Lublin Development Foundation• Malopolska Agency for Regional Development• Regional Development Agency Bielso-Biala• Regional Development Agency in Konin	Andrzej KIDYBA Marzena PISZCZEK Stanislaw GINDA Dariusz KALUZNY
S	<ul style="list-style-type: none">• ALMI Företagspartner AB	Göran EKSTRÖM
SK	<ul style="list-style-type: none">• RDA Zilina	Miroslav TVAROZEK

The new Executive Committee is composed of :

President	Jacques EVRARD
1 st Vice-President	Renato GALLIANO
Vice-Presidents	Victoria APPELBE Michel DELAU Carlos ESTUDANTE Miguel LUCENA Ritva NIRKKONEN Antoine PLATEN
Past President	David WALBURN

II. Promotion of the Association

On 1.1.2006, Eurada was 143 members strong, as against 134 members on 1.1.2005.

The geographical distribution of our membership on 1.1.2006 is, and compares to the situation between 1.1.1998 and 1.1.2006 as follows :

Country	1.1.98	1.1.00	1.1.01	1.1.02	1.1.03	1.1.04	1.1.05	1.1.06
<u>EU15</u>								
A	3	3	3	3	3	3	3	2
B	12	11	12	12	13	11	12	13
D	4	3	4	5	5	3	3	3
DK	5	4	4	3	3	2	2	2
E	11	10	10	11	12	12	14	15
F	29	28	28	31	30	21	21	26
FIN	4	7	8	9	9	10	11	9
GR	5	2	2	1	1	-	-	1
I	7	12	13	12	10	11	13	12
IRL	3	3	3	3	2	4	4	4
L	-	-	-	-	-	-	-	-
NL	4	4	4	2	2	2	2	2
P	4	12	4	2	2	2	2	2
S	4	7	8	8	8	9	7	5
UK	20	19	21	20	19	17	15	16
Miscell.	1	-	-	-	-	-	-	-
TOTAL	116	125	124	122	119	107	109	112
<u>EU10</u>								
CZ	3	3	3	3	3	3	3	4
EE	1	1	1	1	1	1	1	1
H	6	4	4	5	4	4	3	2
LT	-	1	-	1	1	-	-	-
MT	-	-	-	-	-	-	-	1
PL	13	9	8	8	5	5	5	6
SK	2	2	2	2	2	3	3	2
SLO	-	1	-	-	1	1	1	2
Total	25	21	18	20	17	17	16	18
<u>Others</u>								
AL	1	-	-	-	-	-	-	-
BA	-	-	-	1	-	-	-	-
BR	-	-	-	-	-	-	1	-
BG	2	-	1	1	1	-	-	-
CH	-	-	-	1	1	1	1	1
HR	-	-	-	-	-	-	1	1
RO	2	-	1	-	-	3	4	7
TR	-	-	-	-	1	1	1	1
UA	-	2	2	-	-	-	1	1
YU	-	-	-	-	1	-	-	-
Total	5	2	4	3	4	5	9	11
<u>Partnership Forum*</u>								
Consultant	-	-	-	-	-	-	-	1
University	-	-	-	-	-	-	-	1
Total	-	-	-	-	-	-	-	2
TOTAL	146	148	146	145	140	129	134	143

* Promotion started in the second half of 2005

The following member changes were recorded in 2005 :

New members

ADEI – Agencia de Desarrollo Económico e Innovación – Albacete (E)
Agence de Développement de la Réunion (F)
Agence de Développement du Val de Marne (F)
Agence pour le Développement Economique et Touristique du Doubs (F)
Agentia pentru Dezvoltare Regionala Sud Muntenia (RO)
Association of Regional Development Agencies of Slovenia (SLO)
Association for the Development and Progress of the Dodecanese (GR)
BIC Lazio (I)
Boulogne-Développement Côte d'Opale (F)
Bucharest-IIfov Regional Development Agency (RO)
Instituto Tecnológico de Canarias S.A. (E)
Czechinvest – Czech Investment and Business Development Agency (CZ)
Employment and Economic Development Centre for Ostrobothnia (FIN)
INFYDE – Información y Desarrollo (E)
London South Bank University – Local Economy Policy Unit (UK)
Malta Enterprise (MT)
Market Clusters (UK)
Odessa Oblast Regional Development Agency (UA)
One NorthEast RDA (UK)
Rzeszow Regional Development Agency (PL)
Sociedad Canaria de Fomento Económico – PROEXCA (E)
Sociedad de Desarrollo de Santa Cruz de Tenerife (E)
VIZO – Vlaams Instituut voor het Zelfstandig Ondernemen (B)
Zagreb County Regional Development Agency (HR)

Resignations (on 1.1.06)

ALMI Företagspartner Jönköping AB (S)
ALMI Företagspartner Värmland AB (S)
FINNVERA plc (FIN)
Kemi-Tornio Regional Development Agency (FIN)

Withdrawals

Business Arena Stockholm (S)
CIDEM – Centro de Innovación y Desarrollo Empresarial (E)
ÖAR Regionalberatung (A)
Promofirenze (I)

Members which have not paid their 2005 membership fees (excluded)

Agence pour le Développement Economique et Touristique de la Martinique (F)
Agencia de Desenvolvimento Economico do Grande ABC (BR)
Associaton for the Development of the Gemer-Malohont Region (SK)
Market Clusters (UK)
Regional Council of Northern Ostrobothnia (FIN)
Szabolcs-Szatmar-Bereg County RDA (H)
Sviluppo Lazio (I)

New members having applied for membership in 2005 with effect on 1.1.2006

APITSIAR – Association of Industrial, Technological, Scientific Parks and Business Incubators of Romania (RO)
Conférence Régionale des Comités d'Expansion des Pays de la Loire (F)
Združenje Regionalnih Razvojnih Agencij (SLO)

III. Dialogue with the European Commission

Dialogue with the European Commission was both varied and successful, as emerges from the following:

- The Secretariat promoted dialogue with European Commission services on specific issues including:
 - the multiannual programme in favour of SMEs;
 - regional aids;
 - the future of the cohesion policy;
 - innovation and research;
 - Knowledge Regions programme;
 - access to finance by SMEs;
 - competitiveness of SME support services.
- Position papers were adopted, circulated to and discussed with the relevant European Commission services in fields such as the Structural Funds, the research policy and the regional State aids.
- The Secretariat was invited to contribute as an "expert" organisation to the European Commission's work on issues including:
 - the competitiveness of business support services;
 - the content of a regional strategy based on innovation, research and entrepreneurship within the framework of the future ERDF objective "Growth and Employment";
 - the knowledge regions;
 - the Mutual Learning Platform created by DG Enterprise, DG Research and DG Regio in the field of foresight, benchmarking and growth poles.
- DG Enterprise invited EURADA to attend the meetings it organises with Business Organisations.

Below is a short description of the main issues discussed with the various European Commission services in 2005.

DG Enterprise

- ◆ Innovation action plan
- ◆ Multiannual programme in favour of SMEs (CIP)
- ◆ Seed finance

- ◆ Business angels
- ◆ Competitiveness of SME support services

DG Competition

- ◆ Regional State aids
- ◆ State aids and the Structural Funds beyond 2006.
- ◆ Monitoring regional aid by sector, of which innovation.

DG Regio—Regional Policy

- ◆ The Structural Funds beyond 2006;
- ◆ Financial engineering and the Structural Funds;

DG Research

- ◆ Implementation of the 6th RTD Framework Programme and mainly SME-related issues;
- ◆ Place of the regions in the future 7th RTD Framework programme;
- ◆ Content of the future "Knowledge Regions" programme within the "Capacity" strand of the 7th RTD Framework Programme

European Investment Fund

- ◆ Services and financial products available from the European Investment Fund (EIF).



IV. Round Table of Practitioners in Economic Development

EURADA has created in 2004 and since then is coordinating the work of the Round Table of Practitioners in Economic Development whose objective is to adopt, discuss with European Commission representatives and disseminate position papers relating to subjects having a major impact on the life of RDAs.

The three meetings organised in 2005 concerned the following topics :

- The role of RDAs and Regions
- Regional State Aid
- The evaluation of regional development policies.

V. Contacts with National Administrations and Other International Organisations

5.1 USA and Canada

Thanks to good relations between EURADA and its two sister organisations in North America, it was possible to secure the presence of top-quality speakers from across the Atlantic at **Agorada 2005** and at the Madeira Forum.

The relations enabled to envisage new cooperation tracks, i.e. the publication of a joint information letter by the two organisations and a staff exchange programme.

5.2 China and Japan

In 2005, a Memorandum of Understanding was signed by EURADA, CADZ (China Association of Development Zones), Shanghai Minlian Lingang United Development Co. and Jyväskylä Regional Development Company (FIN) with the aim of eventually promoting the relations between the respective members of the signatories.

With regard to the cooperation between European and Chinese RDAs, the relations between Jykes Ltd. and Shanghai Minlian Lingang United Development Co. can be considered as a model which might be developed within the framework of a pilot project.

Relations were also struck up with the following Japanese organisations :

- SMRJ – Organisation for Small and Medium Size Enterprises and Regional Innovation
- Development Bank of Japan
- Tokyo Hosei University

5.3 Others

The EU Policy Update seminar was attended by more than 20 Regional Development Masters students of "SupDeCo" (business school) in Caen (F) and the Università Cattolica di Piacenza (I).

On several occasions in 2005, the Secretariat received visitors from Asian countries (Japan) and from Africa interested in the European RDA model and regional development.

5.4 Relations with private companies

The following companies have been in touch with EURADA to share knowledge or ideas:

- Ernst & Young : competitiveness of territories
- Barclays Bank & Banca Intesa : participation in the PPP Conference
- Meta Group : participation in the "Innovation Coach" programme

5.5 Ouest-Atlantique / AFII (F) – WIC 2005-2006

EURADA participated in the third edition of the World Investment Conference which was held in La Baule in June 2005. EURADA appeared there as a sponsor and as a workshops' moderator. In the future, EURADA will continue the partnership with the WIC La Baule in order to strengthen the visibility of its involvement in this event.

Several members took part in the competition relating to the best territory promotion action. The Brussels Enterprise Agency (B), the ARD Paris Ile-de-France (F), Ecoplus (A), BOM Noord-Brabant Ontwikkelingsmaatschappij (NL) and Czech Invest (CZ) were rewarded.

David Walburn, the President of EURADA, was coopted to be part of the "think tank" and of the Strategic Committee.

This event offers the RDAs a unique opportunity to meet with managers of large enterprises and so to compare their knowledge in the field of the strategy of large industrial groups.

VI. Outline of the Seminars organised in 2005

6.1. Dialogue Seminars and Exchanges of Experiences among Members, Sometimes with the Participation of European Commission Representatives

27/28.1.05	Round Table of Practitioners in Economic Development : The Role of Regions and RDAs in the 7 th RTD Framework programme
7.2.05	W.G. on Culture and Regional Development
24/25.2.05	CEEC Workshop : The Role of RDAs in implementing the Structural Funds (Bielsko-Biala, PL)
10/11.3.05	The Role of Regions and RDAs in the 7 th RTD Framework programme (Valencia, E)
14/16.3.05	EU Policy Update – Training seminar : Introduction to the Community policies
21/22.3.05	First World Forum on Economic Development (Madeira, P)
7.4.05	Steering Committee WIC La Baule 2005 (Paris, F)
14/15.4.05	5 th CEEC Congress (Timisoara, RO)
19/20.5.05	Round Table of Practitioners in Economic Development – Regional State Aid
30/6-1/7.05	WIC La Baule 2005
20/21.10.05	First European Congress on PPP (Saint-Quentin, F)
7/8.11.05	Round Table of Practitioners in Economic Development – Evaluation of RDA Intervention
8.11.05	Steering Committee WIC La Baule 2005

6.2 Statutory meetings

14.1.05	Executive Committee
8/9.2.05	Board of Directors
22.7.05	Executive Committee
16/17.9.05	Board of Directors in Cordoba (E)
1.12.05	2005 General Assembly

6.3 Specific meetings with the European Commission

6.4.05	Meeting with Philip Lowe, Director General of DG Competition
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6.4 Meetings organised by the Community authorities and attended by EURADA

9.3.05	MLP Strategic Committee meeting
18.4.05	MLP Strategic Committee meeting
6.6.05	MLP Strategic Committee meeting (Ljubljana, SLO)
4/5.10.05	Risk Capital Summit (London, UK)
6/7.10.05	PAXIS annual meeting (Edinburgh, UK)
24.11.05	The Future of the Structural Funds
25.11.05	MLP Benchmarking Seminar
9.12.05	MLP Growth Pole Seminar

6.5 EBAN meetings

3/4.3.05	Annual Congress (Paris, F)
11.3.05	I ³
19.5.05	I ³
6/7.6.05	BBAA Annual Congress
24/25.10.05	Afibio
7.11.05	OECD
9.11.05	Portugal Day for Business Angels
14.11.05	Deutsche Business Angels Day (Baden-Baden, D)
15/16.11.05	Winter University
24.11.05	Lituania Day for Business Angels

6.6 Meetings within the framework of implementing Community programmes

17/18.1.05	Kick-off meeting Fit for Europe (Wien, A)
20/21.1.05	DQE (Berlin, D)
10/11.2.05	FinNetSME (Vilnius, LT)
17.3.05	Sun&Sup (Paris, F)
28/29.4.05	Sun&Sup (Barcelona, E)
13/14.6.05	DQE (Patras, GR)
22/23.6.05	EURBEST (Birmingham, UK)
28.6.05	Automotive Regions
26.7.05	Innocoach Steering Committee
29.8.05	Automotive Regions
9.9.05	Fit for Europe Steering Committee (Bruxelles, B)
13.9.05	Sun&Sup (Bruxelles, B)
20.9.05	Automotive Regions
29/30.9.05	FinNetSME (Thessaloniki, GR)
6/7.10.05	Kick-off meeting Eurodite (Bruxelles, B)
11.10.05	Kick-off meeting Innocoach (Bruxelles, B)
12.10.05	Automotive Regions
20/21.10	Sun&Sup (Dublin, IRL)
28/29.11.05	Automotive Regions (Valladolid, E)
2.12.05	Fit for Europe Steering Committee (Bruxelles, B)
5.12.05	Automotive Regions (Genk, B)
7/10.12.05	DQE Peer Review (Shannon, IRL)
12.12.05	Automotive Regions

6.7 Other meetings

13.1.05	W.G. Leonardo Project : Competencies of RDA staff
16/21.2.05	Meeting with CADZ and Chinese RDAs (Shanghai, CN)

6/10.5.05	Preparation of the ECDA Project (Beijing, CN)
4.4.05	NUTEK meeting "Business Angels in Sweden"
27/28.4.05	Risk Capital meeting (Lisboa, P)
2.6.05	Europabio annual meeting
10/11.05	Risk Capital meeting (Istanbul, TR)
3/5.8.05	Meeting with CADZ (Jyväskylä, FIN)
25/27.9.05	IEDC annual congress (Chicago, USA)
24/28.10.05	The role of RDAs : Hosei University Tokyo (JPN)
31.10.05	Working meeting with SMRJ and the Development Bank of Japan (Tokyo)
10.11.05	Seminar on the relations between enterprises and territories organised by Michelin
12/13.12.05	INSME Conference – Access to Finance (Tunis, TN)
14.12.05	Defense of Economic Development Master's thesis at the University of Saint-Etienne (F)

VII. Major Members' Meetings

Four major meetings of the members took place in 2005. For memory, these were :

- ✓ First World Forum on Regional Economic Development on the topic "Knowledge, Entrepreneurship and Networks : The key factors of Regional Competitiveness" organised in cooperation with ADERAM, the RDA of Madere (P)
- ✓ 5th CEEC RDA Congress on the topic "Integration vs Enlargement – Europe viewed from two Perspectives" organised with ADR Vest in Timisoara (RO)
- ✓ First European Congress on Private-Public Partnership and Regional Economic Development, organised in cooperation with the Agence de Développement de l'Aisne (F)
- ✓ **Agorada 2005** on the subject "One year and one month before 1st January 2007 – Challenges for RDAs : Social & Economic Balance of their Interventions".

These are important events for both the association and its members, in the sense that they are attended (a) by many members; (b) by European Commission officials, not only as speakers but as observers too; and (c) by non-members for whom they are an opportunity to understand the nature of EURADA's work. Moreover, these events are networking opportunities and an occasion to learn more about knowledge and practices available both inside and outside the association.

The rate of participation in **Agorada** is stable with some 130 persons originating in more than 25 countries. Furthermore, this year approximately 20 representatives of the European Commission services intervened in one way or the other in the work of this annual event.

The Madera World Forum was of a very high level and enabled the participants to learn about the world trends concerning the territories' strengths and weaknesses as well as the support measures implemented by RDAs and public authorities in several countries.

VIII. Promotion of Joint Projects

EURADA supports the implementation of projects cofinanced by Interreg III C in the field of:

- benchmarking (EURBEST), jointly initiated by Advantage West Midlands (UK) and SPRI (E)
- automotive industry regions, coordinated by GOM Limburg (B)
- regional supply chain for SME access to finance (FinNetSME)

Following the publication of several calls for proposals by the European Commission, EURADA acted as a go-between on behalf of members looking for potential partners.

In 2005, EURADA started the implementation of the Fit for Europe, Innocoach, Eurodite and SeemSeed projects and pursued the one of the SURE, DOE and Sun&SUP projects.

IX. EBAN Network

EURADA reinforced its support as secretariat of EBAN (European Business Angel Network). This network aims at promoting the business angel concept in Europe and at strengthening the management capacities of the regional business angel networks.

There are currently nearly 200 networks active in Europe, as against approximately fifty in 1995. EBAN counts 50 members and has obtained, in addition to EURADA's support, the sponsorship of the British consultancy company PERA.

The Secretariat was closely associated to the following activities proposed by EBAN :

- The organisation of the annual congress
- The organisation of the summer university
- Assistance in the on-going dialogue with DG Enterprise;
- Economic intelligence and the dissemination of information relating to this activity;
- The dissemination of reference documents concerning this segment of the SME finance market : Methodological guide, statistics and directory of the networks
- The working out of a White paper on the informal risk capital industry.

X. Publications

The major publications issued by the Secretariat in 2005 were :

- Eurada-News : 12 issues
- Eurada Magazine : the fourth issue : Spring 2005
- Preparatory document for **Agorada 2005** on the evaluation of intervention in the regional development field
- Electronic magazine eReminder : 13 issues
- Electronic magazine Euradaflash : 2 issues
- Electronic magazine Fit for Europe : 5 issues
- Quarterly barometer of the Community policies : 4 issues
- Stimulating the internationalisation of SMEs – January 2005
- Compendium of the Community Legislation affecting the Regional Development Policies – October 2005
- All Money is not the Same – December 2005

The following documents were also issued within the framework of the Round Table of Practitioners in Economic Development :

- Regions, Regional Development and Research : The Contribution of Regions and Regional Development Agencies to Research
- Regional Development and State Aid Policy

Furthermore, the position papers mentioned below were forwarded to the services of the European Commission :

- Regions of Knowledge 3 (RoK3)
- Cohesion Policy in Support of Growth and Jobs
- State Aid for Innovation

The full texts of these position papers are reproduced in the annexes below.

Finally, in cooperation with ADERAM, EURADA has published the proceedings of the First World Forum on Regional Economic Development which was held in Madera in March 2005.

XI. Visibility

The website was updated. A new site relating to the Fit for Europe project has been created.

XII. Financial Resources

EURADA has a budget of €450,000.

The resources break down as follows :

- Membership fees 70 %
- Services, registration fees,
financial products 30 %

The major cost centres are as follows :

- Wages 56%
- Organisation of seminars and conferences 13%
- Communications 6%
- Office rent 5%
- Others 20%

The breakdown of the "revenue" and "expenses" headings has been relatively stable since 1995.

The General Assembly has adopted the membership fee scale for 2006 :

- Full members: €3,000
- Full members from the countries having joined the European Union on 1.5.2004: €2,050
- Associate and subscribing members: €1,875
- Partner members: €3,000
- Members from TACIS and other non-EU countries: €500
- Members of the Eurada Partnership Forum :
 - Private enterprises : €3,000
 - Universities : €1,000
 - Consultants (small and medium) : €2,000

REGIONS OF KNOWLEDGE 3 (ROK3)

An IMLP* Initiative to Grow Regional RTD Activities and Speed Up / Strengthen Transnational RTD Projects

1. The challenges facing regions in addressing the knowledge-based society

- Stimulating dormant or existing RTD and innovation potential;
- Building key stakeholder capacity by constantly improving their intervention methods;
- Increasing private and public investment in RTD (Objective: 3% of GDP);
- Leveraging research outcomes through commercialisation;
- Promoting the internationalisation of key players. The emergence of *Gazelles* requires a vision for growth that mainstreams internationalisation from the development stage.

2. The EU role in delivering the programme

- Providing an appropriate intervention methodology (educational role);
- Capitalising upon the outcomes of best practices (Community value added);
- Promoting interregional cooperation (*raison d'être* of Community intervention);
- Maximising the results of EU programmes—in this context, creating synergies among programmes may be a plus;
- Reaching beyond mere exchanges of experience to multiply action value added;
- Avoiding piecemeal funding and fragmented support provision.

3. “Regions of knowledge” as IMLP and project catalyst

“Regions of knowledge” could become an important catalyst programme for projects eligible under the “People” and “Capacity” strands as well as other programmes, by granting drawing rights on these initiatives to projects developed within the framework of RoK3 consortia.

4. The RoK methodology

In order to successfully take up the challenges listed above, the European Commission should adopt a common methodology for all projects supported under RoK3, including a Stage dedicated to RTD project implementation and a further two Stages to consolidate a strategy for knowledge-based regions. Guidelines for the RoK methodology are detailed below.

Stage 1 Inventory, strengths and weaknesses, regional demand and offer of knowledge;

* Interregional Mutual Learning Platform

Stage 2 Managerial capacity building;

Stage 3 Leveraging RTD potential in partner regions.

As part of Stage 1, project partners—with the support of a process consultant—will perform a detailed analysis of (i) regional public and private players operating in the field of RTD, (ii) regional demand and offer of knowledge, (iii) the strengths and weaknesses of involved regions with respect to the production of knowledge and the commercialisation of RTD activity outcomes, (iv) the protection of intangible business assets, and (v) schemes supporting RTD and innovation activities.

The tangible results of this Stage will include:

- a map of RTD infrastructure and of key “dormant” public and private stakeholders;
- a SWOT analysis of existing and potential technology clusters;
- a directory of RTD offer and demand;
- a graphical representation of the complementarity of the key stakeholders of general interest clusters.

This Stage will be carried out in six months at most; a maximum of 20% of total project funding would be earmarked for its completion. Community funding for this Stage will be considered a feasibility premium paid in the form of refundable advances—should the project fail or receive a negative evaluation. If the results of Stage 1 are considered inadequate, the project could be suspended.

As part of Stage 2, the partners will organise a series of thematic seminars for key stakeholders from all partner regions, aiming to:

- ✓ Compare their respective regional business models and strategies to stimulate RTD and innovation;
- ✓ Map their supply chains dedicated to stimulating technological excellence;
- ✓ Transfer innovative practices;
- ✓ Define areas of joint cooperation.

These seminars would address different aspects of regional RTD activity stimulation, i.e.:

- ✓ Strategic planning;
- ✓ Competence centre management;
- ✓ Support measure funding;
- ✓ Sector cluster coordination;
- ✓ Advanced SME support services;
- ✓ Schemes to strengthen the protection of intellectual property and other intangible assets.

This Stage will be implemented over a period of 12 to 18 months. It will lead to the development of a joint action plan setting objectives for cross-regional cooperation in the following fields:

- Researcher mobility;
- Cooperation among SMEs from individual or complementary technology clusters;
- Sharing RTD infrastructure;
- Common feasibility studies for the construction of new regional infrastructure (in bordering regions);
- International cooperation;
- Research potential;
- Leveraging RTD outcomes (intellectual property fairs).

40% of the budget would be earmarked for this Stage.

Stage 3 will be dedicated to the implementation of the action plan defined as part of Stage 2 above. The balance of the budget (30%) could be earmarked for support in drafting proposals involving at least three or four organisations from partner regions under the different calls for proposals launched elsewhere by EU Commission services.

The European Commission will earmark a budget to fund projects emerging from consortia composed of RoK partners, in the form of drawing rights on the budget lines of RTD-FP7 subsidiary programmes and thematic priorities. The amounts of these drawing rights could for instance be equivalent to:

- 1.5% of the budget of the "People" subsidiary programme (±€105.5 million);
- 5% of the budget earmarked for the "SME" priority under the "Capacity" subsidiary programme;
- 33% of the budget earmarked for the "Research potential" priority (±€186 million);
- 2.5% of the budget earmarked for the "International Cooperation" priority (±€10 million).

This way, "Regions of Knowledge 3" could put together a budget of around €500 million for partner regions to carry out practical projects developed as part of a cooperative effort by RoK project partners.

Similar synergies should be implemented with other programmes including Interreg, PIC et Education.

The maximum planned duration of this Stage is 36 months. Its funding will represent 35% of total project budget.

Each RoK3 consortium should include 8 to 12 NUTS II regions from six different EU Member States.

5. Ongoing evaluation and capitalising upon experiences

Project delivery will be evaluated on an ongoing basis by a pool of experts selected by the European Commission on the basis of both a range of precise indicators defined *ex ante* in accordance with the Innovation Trendchart and an analysis of resources deployed to achieve the objectives of all three project Stages. Five percent of total RoK3 budget will be earmarked for this purpose.

Contribution of Eurada to

COMMUNITY STRATEGIC GUIDELINES (2007-2013) REGARDING THE COHESION POLICY IN SUPPORT OF GROWTH AND JOBS

EURADA, the European Association of Development Agencies representing 150 organisations from nearly 30 countries, is of the opinion that the European Structural Funds have to support measures and actions aiming at strengthening the regional capability to meet the Lisbon objectives.

Therefore, there is a clear need to review the current guidelines and draft regulations for the European Regional Development Fund and the European Social Fund in order :

- a) to concentrate the eligible measures and actions on fewer but better focused priorities;
- b) to require a real Community added value for every project funded under those EU programmes;
- c) to improve the assessment of each project. The assessment should demonstrate evidence of:
 - job creation
 - contribution to the increase in enterprise profits including through new products or services brought to the market
 - return on investment, i.e. viability of the project by 2013
 - opportunity costs
 - contribution to market failures and end users' needs and satisfaction
 - performance of the delivery mechanism.

The European Commission has already recognized a long time ago that geographical concentration increases efficiency. It should now also recognize that this is also true in terms of nature and number of eligible measures.

In order to improve the efficiency of their interventions, DG Regio and DG Employment are also urged to improve and innovate the way they capitalize successful experiences of implementing EU programmes as well as lessons drawn from pilot actions funded under the Innovative Actions and Community initiatives.

What is wrong today ?

1. The potential eligible measures, actions and projects mentioned in the current draft regulation are too numerous. A quick scan shows that there are at least seventy measures mentioned in the draft ERDF and ESF regulations ! This is not in line with any concentration objective.
2. Lots of measures or projects currently funded do not noticeably contribute to improving the competitiveness or the attractiveness of a region or a country and, as a consequence, of the European Union.
Are projects aiming at the rehabilitation of restrooms and presbyteries or at the environmental improvement of the sea shore through plants and wooden paths really providing a significant contribution to the Lisbon Agenda ?

How to improve the situation ?

EURADA strongly supports and advocates a "Big Bang" review of what can be funded under the new Structural Funds regulation adapted to meet the Lisbon challenges, and also a "New Deal" between the EU administration and the Member States regarding the subsidiarity principle applied to regional competitiveness in order to avoid the misuse of scarce EU financial resources.

The results of such expected changes should lead to concentrate Structural Funds interventions to 6 critical measures for all regions to be competitive in a global economy. Those measures are :

- a) support to enterprise creation including spin out/spin off enterprises;
- b) reinforcement of SME investment capability and access to finance as well as to innovation;
- c) support to enterprises, innovation, technology transfer and knowledge assets infrastructures (incubators, technology centres, laboratories, ...)
- d) provision of advanced support services to enterprises through dedicated enterprise networks;
- e) improvement of business real estate, transport, research, energy, telecommunication and health care infrastructures in lagging regions;
- f) investment in education and training related to the economic development potential of the regions and their entrepreneurship, innovation and research capability.

In this "New Deal", the responsibility of low scale impact projects and local development measures (tourism, culture, environmental protection, ...) should be transferred to the Member States and their regional authorities.

With regard to the interregional cooperation topics of the "cooperation" strand, the European Union should support the internationalisation of the management board of regional economic bodies such as RDAs, technoparks, technopoles, incubators, chambers of commerce, clusters, technology transfer agencies, regional seed and equity funds, etc... through a financial contribution for the managers' travels, accommodation, language facilities and expertise (directors' fees).

This would be far more efficient in terms of "transfer of knowledge" and "capacity building" than most of the current Interreg III C projects for which best practice or how-to-do-it guides drawn from the implemented projects have never been produced. Moreover, the EU should support manager excellence clubs in the different eligible fields of the Interreg initiative.

DG Regio and DG Employment should dedicate at least 3% of the ERDF and ESF financial resources to support innovative actions as stated in the Lisbon Strategy.

EURADA CONTRIBUTION TO THE CONSULTATION DOCUMENT ON STATE AID FOR INNOVATION

EURADA, the European Association of Regional Development Agencies, wishes to present the following contribution to the consultation document on State aid for innovation. This contribution is the summary of a meeting held on 8 November 2005.

Participants in the meeting have recognized that they were not able to answer all the 20 questions raised by the consultation document.

Question 6

Should the rules on State aid for innovation include regional bonuses for cohesion purposes? Should they differ according to the geographical situation of the region, irrespective of cohesion issues?

Yes, State aid rules on innovation need to include regional bonuses for cohesion purposes.

Yes, they should also differ according to the geographical situation of a region, irrespectively of cohesion issues. This differentiation can help solve specific structural problems encountered by a region outside the convergence objective of the ERDF regulation.

Question 7

Are some types of aid more suited to specific situations and specific innovation activities (ex: tax rebates, secured loans, repayable advances)?

No, regions need a large tool box to support innovation in enterprises and the promotion of an innovation system. Nevertheless, a State aid regulation might provide for an intensity modulation system according to the type of enterprises supported (large, medium and small-size and possibly between start-ups and existing firms).

Question 8

Do you agree with the proposed criteria to define innovative start-ups, with the approach of not defining eligible costs, with the amounts of aid and cumulation rules? Do you think that different eligibility criteria should be established for high-tech sectors like biotech and pharmaceuticals which have long time-to-market and product development cycles?

Five years of existence is a too short period of time because innovation is the fact either of high-tech start-ups or of existing traditional enterprises.

The ceiling of 50 employees should be raised to 250 in order to be in line with the European SME definition. Moreover, large enterprises encourage innovation through spin-off and spin-out. Those new enterprises should be able to benefit from public support if the management team becomes independent from the big enterprise which initiated the spin-off or spin-out.

Question 10

Do you think that other types of State aid apart from those currently granted in respect of risk capital are required in order to help European SMEs grow beyond the start-up phase? If so, which ones?

Yes, there are needs beyond those currently stated in the consultation document in respect of the risk capital guidelines. In some countries there are indeed :

- a) several equity gaps in the risk capital market determined by the amount of money required by entrepreneurs
- b) market failures in the provision of risk capital
- c) cultural bottlenecks in the acceptance of risk capital fund manager requirements of capital dilutions
- d) asymmetric information between entrepreneurs and investors.

Therefore, tools such as guarantees, repayable loans, grants, are needed. Moreover, hands-on supports and coaching must often be made available with any financial tools.

Question 11

Do you think that these provisions would produce the expected effects in terms of encouraging SMEs to launch innovative products in the market? If not, what changes should be made to these rules?

Proposed changes to the tools described in the consultation document are :

- The general level of aid intensity needs to be at least 30%, which is less than the intensity fixed for RTD activities;
- Expenses for certification and homologation should also be included in the list of eligible measures;
- Patenting costs should be granted a specific treatment as Europe failed for more than 20 years to adopt a favourable common framework in this field. Enterprises have not to be penalized twice.

Question 13

How would you regard specific support for innovation intermediaries which merge or develop a joint venture to reach critical mass in a technological field of specialisation? Should investment aid be permitted in this context? If so, on what conditions? What other measures could be envisaged?

Support to intermediaries is often critical to bring existing enterprises to invest in innovation. Therefore, they need to receive support in order to be able to provide the right type of services to foster innovation in a region. Activities such as awareness, first audit of the innovation potential, networking, and others helping to create a commercial market require public support to make a difference at regional level.

Question 14

Is there evidence that the recruitment by SMEs of other types of highly skilled personnel should be also aided?

Yes

Questions 16 to 20

What definition of cluster/clustering activities should be followed and what criteria should be used to distinguish clusters from the broader category of innovation intermediaries?

Do you think that State aid should be allowed to promote European centres of excellence? If so, what type of State aid, for what reasons, and subject to what conditions? What other, possibly better, measures could be envisaged?

Are additional criteria needed to avoid State aid being fragmented and to encourage the concentration of resources in a limited number of poles of excellence?

What are your views more generally about the need for additional provisions for infrastructure that supports innovation (e.g. in the field of energy, transport etc.)?

Do you think that large firms should be entitled to State aid, e.g. to establish research facilities in a European pole of excellence? Should the Commission try and develop specific criteria to control such State aid? What type of economic evidence should be requested to analyse the necessity of such State aid?

The consultation document raises more sub-questions than potential answers. Indeed, who will be entitled to define European centres of excellence, how many will be granted such a label, who will select them and on which bases ?

If it might be justified to avoid fragmentation of public support, this cannot prevent regions from investing in their indigenous assets or from attracting FDI which strengthen its innovation capability.

As for support to big enterprises, the State aid regulation should make a difference between the support provided to the building of excellence facilities and the one provided to soft measures.

Moreover, innovation efficiency needs a concentration of players, i.e. large firms, SMEs, intermediaries as well as universities.