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8th - 10th September 2010

EDITORIAL



Roberto Ciambetti
REGIONAL MINISTER
OF BUDGET,
LOCAL AUTHORITIES
AND ERDF PROGRAMS

Dear readers,

It is a great pleasure for me to introduce you to the first newsletter of OSAIS project. The newsletter is directed primarily to European Public Authorities who are interested in all the issues connected to the impact of state aids in Europe and who wish to follow closely the work that we all are carrying out to succeed in our objectives.

The OSAIS partners held their kick-off meeting in Lower Austria in March 2010 and the project was launched officially with the inauguration conference in the wonderful surroundings of the Island of San Servolo in Venice in May 2010.

Thanks to partners' enthusiasm, the project is performing well so far, and all the activities have been implemented as scheduled, including the communication activities with the diffusion of good practices and of the project results.

In fact around OSAIS there is a vast curiosity which we will try to satisfy by keeping updated our readers four times a year.

As everyone knows in the EU countries, there is currently an open debate on the efficiency of the subsidy policies towards SMEs growth.

This debate is related to the cutting of public expenditure at national, regional and local level due to the necessity of lowering the deficit and consequently the public debt.

Each public authority should know the exact amount of the aid granted and, at the same time, be able to observe the impact on the area of the regional subsidy policy. That is even more important since the present economic crisis calls for evaluation of policies supporting the SMEs sector to be implemented in 2009/2010 by local authorities.

The debate is not limited to the scientific and academic area but has important repercussions in political terms. Indeed the possibility to take a reliable picture on the effectiveness of the regional policies towards SMEs gives the legislators and the regional/local governments tools to manage rationally these policies.

The OSAIS project goes towards an effective improvement of the regional/local policy in the domain of state aid by trying to collect relevant economic information through an analysis of the macroeconomic impact of the regional subsidy policy in terms of effectiveness.

In this first issue you'll find what the OSAIS project is, the objectives we want to achieve and the partners presentation.

The newsletter will be useful for all of you if you wish to be informed on the activities realized in the previous months and the activities in agenda for the months to come.

I hope that this first issue will arouse your interest on our activity and encourage you to follow us along the 3-years path in front of us.

I hope you will enjoy your reading.

OSAI PROJECT



OSAI (OBSERVATORY ON STATE AID IMPACT) IS A PROJECT CO-FINANCED IN THE FRAMEWORK OF THE OPERATIONAL PROGRAMME INTERREG IVC, WHICH IS RUNNING FROM THE BEGINNING OF 2010 UNTIL THE 1ST TRIMESTER OF 2013.

SUMMARY AND OBJECTIVES

The overall objective of the project is to improve the effectiveness and efficiency of regional and local policies in the field of economic modernisation and to increase the competitiveness of the business sector by identifying, exchanging and sharing good practices and knowledge on the financial assistance to SMEs.

The aid granted to SMEs through various forms (grants, interest rate rebates, guarantees, capital injections, accelerated depreciation allowances etc.) represents an important part of the public resources allocated to the regional development.

Therefore, it is a necessity for each Public Authority to get a clearer picture on the exact amounts involved and its micro- and macroeconomic impacts.

Besides the evaluation of long term (structural) policies, the short period (contingent) policies, to face the current economic crisis, will also be taken into consideration.

MAIN ACTIVITIES

- 1) Identification of good practices through:
 - a) Implementing of an interregional Data-Base on regional State Aids

- b) Participation in joint-thematic seminars organised by the partners

- 2) Development and running of a survey on regional State Aids in cooperation with the scientific sector (Universities, Academic bodies), in order to analyse the performance of aid-receiving SMEs.
- 3) Benchmarking between the different partners, in order to highlight the main strengths and weaknesses of the developed economic policies and the related State Aids.

EXPECTED OUTPUTS AND RESULTS

- 1) Evaluation and benchmarking of the impact of State Aid policies in terms of efficiency and effectiveness.
- 2) Enabling the partner regions with increased abilities in the field of State Aid (through training seminars, study visits, staff exchanges).
- 3) Development of a new legislative approach concerning subsidy policies (development of Action Plans and elaboration of draft bills, which will be presented to the legislative assemblies).
- 4) Diffusion of the best practices and project results at European level.

**REGIONE DEL VENETO**

Veneto Region - Regional Council (IT)

The Regional Council is the Region's executive body of the regional government. It shall perform such functions as to promote and implement policies and take initiatives in compliance with the political and administrative guidelines defined by the Regional Assembly. The Regional President, Luca Zaia, presides the Regional Council and coordinates its administrative action. The Regional Assembly is the Region's legislative body: it defines the political and administrative course of the Region's actions, and has powers of control over their implementation.



University Enterprise Training Partnership of the Region of Murcia - FUERM (ES)

The University Enterprise Training Partnership of the Region of Murcia (FUERM) has the primary objective of encouraging communication, dialogue and joint activity between the University and business in order to promote and carry out all sorts of projects, studies and research of interest to both parties and contribute to the growth and development of the Region of Murcia. The activities implemented can be divided in four main areas: Business School, Research and Innovation, Employment and Training, Partner Services.



Lacama Distric Development Agency (CY)

The Larnaca District Development Agency was formed, based on the models of the developmental structures and mechanisms that function in the E.U. It is a non-Profit organization and has been accredited as a Public Equivalent Body. The main objective of the Agency, established on 16 October 2003, is the rendering of services to its shareholders regarding the exploitation of E.U. funds and the implementation of their aims and visions, through their participation in E.U. funded programmes.



ADETIM - Economic and Social Development Agency of Timis County (RO)

The Economic and Social Development Agency of Timis County is a Public Service subordinated to Timis County Council. The agency is one of the most important organizational instruments created by the Timis County Council for the economic development of the County, acting as an interface between the local public administration and the private sector and a centre for promoting the best politics, methods and practices for the economic development.



Lisboa Tagus Valley Region (PT)

The Lisbon and Tagus Valley Regional Development Commission (CCDR-LVT) is a public organism endowed with financial and administrative autonomy. CCDR-LVT has competences in the field of territorial planning and management; environment evaluation, monitoring and licensing; support to Local Government; management of the ERFD Regional Operational Programme; strategic planning, with the creation and implementation of the “Lisboa 2020 Regional Development Plan”; transnational and inter-regional cooperation.



Technologie- und Gründerzentrum
Bautzen GmbH

Bautzen Innovation Centre (DE)

Bautzen Innovation Centre was established in 1995 on an old industrial site. TGZ Bautzen is a not-for-profit organisation, the shareholders being the town of Bautzen, the district of Bautzen and Bautzen Savings Bank. We work with our own management to run the innovation centre and to carry out projects promoting regional economic development including local networks. Bautzen Innovation Centre has essentially three key strategic objectives: Support of start-ups and incubation; technology transfer and innovation support; and regional economic development.



MUNICIPALITY OF
HERAKLION

Heraklion Municipality (GR)

Heraklion is the capital of Crete and the commercial and technological centre of the island. It has a strategic geopolitical position, since it connects three continents. The Municipality of Heraklion first operated in the beginning of 1900, after the liberation of our island from the Turks. It presents a startling development, especially during the last 50 years, in servicing the needs of its citizens and visitors. The organisation of the Municipality Departments is responsible for delivering a wide range of services such as Housing, Cleansing, Planning and Social Services.



Regional Development Agency of Trenčín Self-Governing Region (SK)

RA TSK n.o. is non-governmental, non-profit, independent organization founded on 22.10.2003 by Trenčín Self-Governing region. The aims of RA TSK n.o. are: development of the region; attracting of foreign investment and initiation of business incubators and industrial parks; support of technical and economical studies creation, consultancy and monitoring of development projects and acquiring of development funding; public presentation of regional projects and initiatives; coordination of activities and cooperation with domestic regional and European development actors; educational services...

Opolskie Region (PL)



Opolskie Region is governed by Marshal's Office - self-government, which is responsible for the economic and social development of the Opolskie Region. The Office is supervised by the board, the president of which is Marshal of the Opolskie Region. The Marshal's Office is divided into 17 departments, among which there are departments responsible for culture, public health, structural funds, foreign relations and promotion. The body responsible for economy in the region is Opolskie Centre for Economy Development, which was created in February 2007 by the Self-Government of Opolskie Region.

Lower Austrian Government, Dept. Economic Affairs, Tourism and Technology (AT)



The Government of Lower Austria is the managing authority of the Regional Operational Programme. The department for economy, tourism and technology (WST3) is responsible for coordination and implementation of Lower Austria's economic strategy and the Regional Innovation System. Fostering the economic activities and regional innovation is of utmost importance for the competitiveness of the whole region of Lower Austria.

Champagne-Ardenne Region (FR)



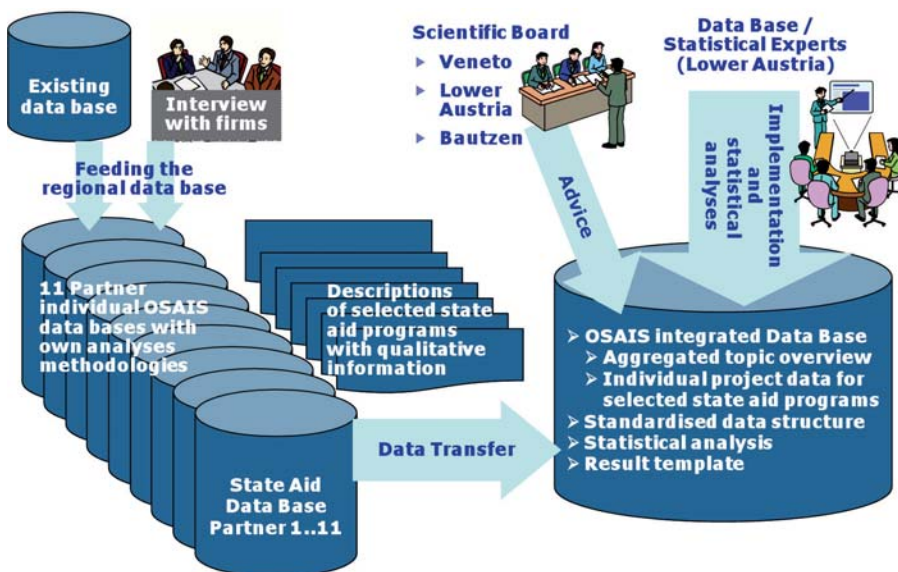
Region Champagne-Ardenne is one of the 26 regional authorities (regional level above cities and departmental levels). 49 elected representatives vote on the budget and decide on major regional policies. The Regional Authority has legally defined coordinating role in the field of economic development. Its major skills & missions in other sectors include: professional training, territorial planning, infrastructures & transports, culture, etc.

OS AIS SURVEY METHODOLOGY

The aid granted to SMEs through various forms, represent an important part of the public resources allocated to regional development. According to EC "State Aid Scoreboard" 2008, the total state aid granted by the Member States for industry and services stood at € 49 billion in 2007 corresponding to 0,40% of GDP 2007 in EU27. In various EU Countries and in the European Commission as well, there is an open debate on the efficiency of the subsidy policies towards SMEs growth. The debate is neither limited to the scientific and academic area nor to the national level but has important repercussions on regional level because a better knowledge of the impact of state aids for SMEs will give also regional politicians and regional public authorities the opportunity to improve their state aids programs and their regional policies towards SMEs.

Therefore the survey methodology to gain in-depth insight into the effectiveness and efficiency of the regional state aids for SMEs, provided by the 11 OSAIS partner regions, is of utmost importance for the overall OSAIS project objectives. Under the coordination of the government of Lower Austria, which has already considerable experiences in evaluation and statistical analyses of regional state aids, the projects partners are currently developing the methodology concept.

Accompanied by experts for data base implementation and statistical analyses appropriate indicators for measuring the impact of state aids for SMEs are being identified and the individual framework in every partner region is being analysed to ensure the feasibility of the intended data survey by all partners.



OS AIS SURVEY METHODOLOGY

The survey methodology will be finalised within the second half of this year.

A Scientific Board will reflect the developed methodology to ensure that the pragmatic and feasible concept will lead to reliable and meaningful results.

The data gathering by completing already existing data bases with missing information or by setting up complete new data bases will start in the second half of this year and will run for approximately 9 months. Pilot activities have already been carried out by OS AIS partners in order to check the feasibility of the envisaged survey methodology.

For every partner the respective regional State Aid Data Base will consist of

- Aggregated budget data over all relevant state aid programs for the four topics investment in economy, investment in tourism, Research & Development & Innovation and SME consultancy & participation in fairs
- Data from individual projects of selected state aid programs (incl. the expected / achieved results)

These 11 data bases will be merged into one integrated data base in order to run a thorough statistical analysis and to carry out inter-regional benchmarking in order to identify Good Practices among different financial tools (grants, interest rate rebates, guarantees, capital injections, accelerated depreciation allowances etc.) for further exchange among the OS AIS partners. The idea is also to get new insights into the macroeconomic impact of the partners' regional subsidy policy.

These statistical analyses will be accompanied by additional thematic seminars (like temporary crisis schemes, state aid legislation or state aids as part of the regional innovation strategy).

Based on the analyses results, the in-depth exchange and the additional thematic seminars partners will develop measures and action plans with the aim to improve their current state aid programs for SMEs.

OS AIS EVENTS

Kick off meeting 18th - 19th March 2010

On 18th and 19th March 2010 the OSAIS Project started in Wien with the Kick off Meeting, organized by the Regional Government of Lower Austria. All the 11 partners were present at this important appointment. During the meeting the Partners discussed about the three main components of the Project: Management (component 1), Communication (component 2) and, in particular about Exchange and transfer (Component 3) which is focused on the development of the survey methodology, the core of the first Thematic Seminar.

After the presentation by each partner regarding the organization to which they belong and the role they play in it, concerning State Aid, the works of the kick off meeting went to the heart of the matter.

First of all the Partners focused the attention on the **Component 1 (Management)**. Veneto Region, responsible for component 1, submitted to the Partners, for the approval, the “*Partnership Agreement*”, the “*Internal Steering Committee rules*” and the “*Project schedule and time planning*”.

The Partners fixed also the date for the Conference Launch and for the Second and Third Thematic Seminar on the 9th, 10th and 11th June 2010 in Venice and the date for the next Steering Committee (together with the Fourth thematic seminar) on the 8th and 9th September 2010 in Bautzen.

After that the partners discussed about the **Component 2 (Communication)**. Opolskie Region, responsible for Component 2, presented the draft version of Communication plan for the project OSAIS.

The Communication plan regards the publicity and information, which explains the project's partners obligations according to EU rules and procedures and the communication activities, which describes all communication activities planned within the framework of the project.

The partners choose the project gadgets and agreed about the website of the project will be finished by the end of June, the latest.

The partners agreed upon the common seminar within the framework of Open Days 2010 to be organised. Since 2003, the OPEN DAYS - European Week of Regions and Cities, has become an annual key event at which cities and regions to showcase their capacity for creating growth and jobs, implementing European Union cohesion policy, and proof the importance of the local level for good European governance.

Finally, during the first Thematic Seminar, the Partners have discussed about **Component 3 (Exchange and Transfer)**. Lower Austrian Government (partner responsible for the Component 3), presented to all partners the first draft of the objectives and the methodology of the survey.

The partners have mainly discussed about the identification of relevant state aids for firms by each and about the modality to create the Data Base.

The Partners have reached a first agreement in principle deciding to focus the analysis on the following State aids categories: Investment; R&D&I; SMEs, Consultancy & participation in fairs; Environment; Temporary Crises. Lower. Every partner will collect the aggregated data collection by end of May according to the Lower Austrian matrix for all relevant state aids:

- For each year between 2005 to 2009;
- With data from Annual reports / monitoring system of structural funds
- Check further available indicators. Furthermore each partner will indicate those state aids in which they have the highest interests in the project Osais

OSAIS EVENTS

Second and Third Seminar 8th - 11th June 2010



The 2nd thematic seminar, organized by Champagne-Ardenne in San Servolo Island on June 9 and 10, 2010 was focused on “Temporary crisis scheme: French regional experience and good practices”. Attended by the partners and the representative of European Commission-DG Competition Mr. AlmorÒ Rubin de Cervin, the seminar was dedicated to:

- the definition of the temporary crisis regulation,
- the crisis impact in Champagne-Ardenne,
- the definition of national & regional temporary measures: respectively the French state recovery plan and the Champagne-Ardenne financial restructuring (0% repayable advances).

The last part of the presentation focused on a case study of a local company producing copper-made alloys pieces for automotive, aeronautics and energy sectors.

Some technical presentations were held in the context of the 3rd Thematic Seminar “Analysis of the aid connected to structural fund during the current and past programming period”. In particular, the organization involved other institutional bodies operating in the Veneto Region, such as Eurosportello Veneto (with a presentation focusing on the illustration of the cooperation projects), Veneto Innovazione (with a presentation focusing on “The RD system in Veneto”) and a speech about the “Regional incentives in the Financial Engineering perspective” by Veneto Sviluppo.

The Lead Partner presented a detailed overview about Veneto Region measures adopted in response to the financial/economic crisis (measures for SMEs, administrative procedure simplification, measures for workers and public works).

At the end, during a round table, each partner outlined the “anti-crisis” measures implemented in its own country.

OS AIS EVENTS

Veneto Launching Conference 8th June 2010



On 8th June 2010 the Veneto Region, Lead Partner of the OS AIS Project, organized the Launch Conference and the 2nd and 3rd Thematic Seminar in Venice, on the Island of San Servolo. This event had two objectives: the first was to disseminate the technical content of project and the structure of the partnership to the institutional and economic authorities of the Veneto Region; the second was to elaborate during the thematic seminars

the technical issues and work methodology of the 3 Components of the project, particularly focusing on the Component 3 “Exchange of experiences dedicated to the identification and analysis of good practices”.

The first of the three days was focused on the launching conference with the public presentation of the OS AIS project and certain institutional actors of the Veneto Region. The conference opened with greetings of welcome by Mr. Roberto Ciambetti (Regional Minister of Budget, Local Authorities and ERDF Programs by Veneto Region), followed by other important regional (Veneto Innovazione, Union of Chambers of Commerce, Confindustria Veneto, Unit cross border cooperation Veneto Region...) and European (European Commission - DG Competition) institutions. It was focused on state aid, EU programmes and methodologies and the OS AIS project, with the “Presentation of the Project's activities and objectives” by Mr Carlo Clini, Director of Veneto Region-Brussels Office followed by the contributions by the partners Opolskie Region, Lower Austria and Bautzen Innovation Centre.

Regarding Component 1, the Project Coordinator and the Project Financial Manager on behalf of the Veneto Region, presented all partners with the methodology for the coordination of project activities and financial guidelines. After this section, the meeting continued with the presentation of Opolskie Region (responsible for Component 2) concerning the dissemination activities focusing on the draft of the project's website. In order to complete the overview of the dissemination activities, the University in Murcia presented the structure and the methodology for the Newsletter.

Finally, Hans-Christian Jaeger, IDEUM on behalf of the Lower Austrian Government (partner responsible for the Component 3), presented all partners with the methodology for survey on the impact of state aids and an overview of the Component 3 situation.

Next Steering Committee 8th - 10th September 2010

2nd Steering Committee Meeting in Bautzen

The 2nd OSAIS Steering Committee Meeting (SCM) will be held in the town of Bautzen in Germany from 8th to 10th September 2010. The responsible project partner is the team of Bautzen Innovation Centre. In the 2nd SCM the activities done in the first half of 2010 will be monitored.

The SC will verify the presence of obstacles to the regular implementation of the project and decide about suggestions to overcome potential obstacles.

Bautzen is located in the eastern part of Saxony - one of the sixteen federal states in Germany. Bautzen is a dynamic German town with a growing economy, strategically situated at the heart of Europe. It is worthy of note that Bautzen ranks among the best reconstructed and most vital town centres in Germany.

The surrounding region is named Oberlausitz (Upper Lusatia), an area of 4,500 square kilometres with about 665,000 inhabitants. There is a long entrepreneurial tradition in the region. However, a strong transformation process took place when Germany was reunited 1989. Big industrial units were divided into Small or Medium-sized Enterprises and the new economy had to be rebuilt.



Forth Thematic Seminar in Bautzen 8th - 10th September 2010

4th Thematic Seminar of the OSAIS project

During the September meeting Bautzen Innovation Centre will organise the 4th Thematic Seminar. This seminar will focus on how the region of Saxony has implemented programs for SMEs financed by state aids. The state aids granted to SMEs in Saxony will be analysed

for selected support programs by regional experts. For instance, Mr Dr. Peter Baumann, the innovation expert of the Dresden Chamber of Commerce and Industry will give an overview about the impact of the subsidy policies for Saxon SMEs in technology- and innovation-related fields. The experience from Saxony will be discussed and compared with the regional subsidy policies in the other partner regions of the OSAIS project.

