



ECRN Inside News

2010

June Edition

Dear members and friends of the ECRN,

After our last permanent working group meeting in Magdeburg it is clear that the ECRN reinvented itself — and reestablished processes from its INTERREG past.

This means concretely: the exchange of best-practices, the sharing of solutions and common position finding is the core of our activities.

In our next meetings we will continue on presenting excellent initiatives which already exist in our regions in order to share this knowledge within our membership.

This gives more value and also more practical input to our association – as we give our regions equally the opportunity to use the results.

Another part of the ECRN is the development of further projects. Our spin-off projects ChemClust and ChemLog develop promis-

ingly. The ChemClust meeting in Leuna contained an overview of cluster initiatives of 9 ECRN member regions and promoted the regions' own unique strengths. ECRN members are invited to join the dissemination meetings - no matter if they are members of the consortia or not.

For all of our stakeholders the next event will be the national HLG-Follow-Up conference on the 1st July in Berlin in which our German members show their efforts in implementing the HLG recommendations.

We would be pleased to welcome you to this event.

Until then, I remain

Sincerely yours,

Michael Hack

Director of the ECRN Network Secretariat



ECRN Team in June 2010!

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News**

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Permanent Working Group meeting in Magdeburg on 7th June 2010

In the afternoon of 7th June 2010, the second PWG meeting of the year took place in Magdeburg and was hosted by member region Saxony-Anhalt. As usual, ECRN Director Michael Hack opened the meeting with his report of activities in order to inform ECRN members on recent developments and events. Coming to some specific issues, he then pointed to the recent European Commission request to the ECRN member regions to fill in a questionnaire on the implementation of the HLG recommendations, the results of which will be used by the Commission for its official HLG implementation report which will be published by the end of this year. The questionnaire has been sent to the members on 27th May via email by the ECRN. The Commission kindly asks for feedback until the end of June. Michael Hack stressed once again that this is a great opportunity for the ECRN members to get directly involved in the implementation report and to inform the European institutions on their individual experiences. He therefore vividly asked the members to actively participate and to send the completed questionnaires directly to the European Commission, but for information also to the ECRN Secretariat.

After a short update on the ChemClust project whose participants were supposed to meet on the two following days after the PWG

meeting in Magdeburg, participants were also informed on the current state concerning the German national HLG implementation conference which will take place on 1st July in the representation of North Rhine-Westphalia in Berlin. It was stressed by the German ECRN members that even though of course everyone is warmly invited to this conference, the conference language will be German. After some discussions concerning similar events in other member states and topics of specific interests for the different regions, Michael Hack stressed that a thematic specialization of some members within the ECRN would indeed be highly positive and rewarding for the whole network, and he warmly invited the members to get back to him with any areas of interest for potential presentations for future PWG meetings and for future initiatives. In this context, he warmly thanked member region Tees Valley for their good initiative on the topic "chemical cocktails" for which a paper has been produced. The PWG meeting ended with an overview on upcoming ECRN meetings in the second half of the year and some practical arrangements.

The minutes of the PWG meeting will be sent out to the ECRN members in the coming days. In case of any questions, please get back to the ECRN Secretariat.



This year's second PWG meeting was hosted by Saxony-Anhalt and took place in Magdeburg on 7 June



SACHSEN-ANHALT

Energy Ministers discuss new Energy Strategy, national efficiency targets and regulation on the security of gas supply



The new European Energy Strategy shall combine sustainable energy goals with economic growth.

As reported by EurActiv on 2 June, at the meeting of the EU energy ministers on 31 May in Brussels a first exchange of views took place concerning the new European Energy Strategy. The ministers decided that the strategy shall be finally agreed on at the European Council Summit in March 2011. Contrary to earlier intentions, the new Energy Strategy will cover the period from 2011 to 2020. This way it can be better aligned with the 'Europe 2020' strategy and will present a more stable framework. At the Energy Council it was stressed that the new strategy should also be in line with the EU's climate targets and that existing legislation to this end should be implemented fully.

Several shortcomings of the current energy policy have been identified by the European Commission. They include poor implementation of energy legislation, lack of interconnected and smart grids, underachievement of energy-efficiency potential, weak coordination of external energy policy, and relatively low levels of the R&D spending that is required for innovation. The priorities of the Commission are therefore the implementation of the third internal energy market package and the Strategic Energy Technology Plan (SET). The latter is backed by the European Energy Ministers but there are concerns over heavy administrative burdens attached to it. As to the topic of grid development, the Commission pointed to

its proposal for an Energy Infrastructure Package that will be presented at the end of the year.

The Council conclusions on the new Energy Strategy are at some points cautious, which - according to EurActiv - mirrors the difficult economic situation in some European countries at the moment. The Energy Ministers stress the need for a balance between sustainable energy goals and economic growth. Adapting policies while guaranteeing member state governments freedom in their energy choices will require cost-efficient reporting, monitoring requirements and review mechanisms. A public consultation on the Energy Strategy is being held until the beginning of July. As stated by EurActiv on 2 June, criticism directed at the approach of the European Commission comes for example from Europe's combined heat and power and district heating industries. According to industry representatives, the role of heat and the integration of heat and power generation for saving energy is overlooked in European policy.

At their meeting on 31 May, the Energy Ministers were also briefed by the Spanish Presidency about progress concerning the planned regulation on the Security of Gas Supply. As stated by Agence Europe on 2 June, the Ministers agreed to give priority to market-based measures to counter shortages in gas supply. Furthermore, the need for investments in supply infrastructure and the importance

All stakeholders are invited to present their views on the future of European Energy Policy until 2 July. Details and documents of this consultation can be found at http://ec.europa.eu/energy/strategies/consultations/2010_07_02_energy_strategy_en.htm



The regulation on the security of gas supply was also a topic at the Energy Council of 31 May

of regional cooperation was emphasized. Points that require further discussion are the definition of 'protected customers' and the exact roles of the member states and the European Commission.

A third topic to be talked about at the Energy Council was the setting of national targets for energy efficiency in order to accomplish the European target of 20% energy savings by 2020. According to Agence Europe (2 June), most countries favour national indicative targets "which reflect the various needs and specific situations of the different member states, to ensure that member states choose the most appropriate means of calculation". The method for calculating the individual targets is still

subject to discussion. The topic will be addressed again at the European Council in June.

For further information on the Energy Council, please consult EurActiv (<http://www.euractiv.com/en/energy/eu-starts-defining-energy-action-plan-for-next-decade-news-494747> and <http://www.euractiv.com/en/energy-efficiency/eu-energy-strategies-overlook-heat-losses-news-494718>) and Agence Europe (www.agenceurope.com). The documents for the public consultation on the Energy Strategy can be found at http://ec.europa.eu/energy/strategies?consultations/2010_07_02_energy_strategy_en.htm.



Update on European Gas Pipeline Projects

As stated by EurActiv on 8 June, a deal was concluded between Azerbaijan and Turkey on 7 June to ship 11 billion cubic meters of gas from the Azeri Shah Deniz developments to Turkey. According to Turkey, some of the gas could be fed into the planned Nabucco pipeline when the shipments start in 2017. The Nabucco consortium welcomed the agreement. Also Northern Iraq is showing an interest in providing Nabucco with natural gas. EurActiv further reports that Greece has agreed with Russia to found a joint company that will be building the Greek part of Gazprom's planned South Stream pipeline.

According to an article of Agence Europe on 19 May, Greece and Turkey have signed an agreement to realize the ITGI (Italy, Turkey, Greece Interconnection) pipeline project. The pipeline is supposed

to carry gas from Azerbaijan to Italy, via Turkey and Greece.

As reported by Agence Europe on 26 May, the President of the European Commission, José Manuel Barroso, emphasized the importance of a new gas pipeline between Lithuania and Poland. Welcoming the support of both countries for the pipeline, he indicated that the joint project will be financed under the trans-European network programme (TEN-E), and that its coordination will be supervised by a high level group, closely followed by Energy Commissioner Günther Oettinger.

For further information on these topics, please visit EurActiv (<http://www.euractiv.com/en/energy/turkey-brokers-key-gas-supply-deals-nabucco-news-494988>) and Agence Europe (www.agenceurope.com).



Several pipeline deals by European states or of European interest have been concluded recently

Press Clippings

Commission presents analysis on moving towards a 30% cut of greenhouse gas emissions

As reported in a press release, the European Commission on 26 May presented a communication in which it analyses the costs, benefits and options for moving from the EU's greenhouse gas reduction target of 20% by 2020 towards a 30% cut. From 2007 onwards the EU has been committing itself to such a 30% cut on the condition that other developed countries make a similar contribution. Because this condition is not met yet, the European Commission does not suggest moving to the 30% target soon but wants to inform upcoming debates in the European institutions.

In the communication it is stated that the absolute cost for meeting the target of a 20% emissions cut have since 2008 decreased from €70 billion to €48 billion per year, due to lower economic growth, higher energy prices and falling carbon prices. Moving towards a 30% cut by 2020 has therefore become realistic and is estimated to cost €81 billion per year. The European Environmental Agency (EEA) meanwhile reported on 2 June that European greenhouse gas emissions have been falling for the 5th year in 2008, and are now 11.3% below the level of 1990. As stated by Agence Europe on 3 June, Climate Commissioner Connie Hedegaard sees this as an increase in credibility for the EU in international climate talks.

According to the Commission, the EU would benefit from pursuing the 30% target in several ways. New incentives for innovation would be created and European competitiveness would be fostered. Furthermore, the EU's energy security and

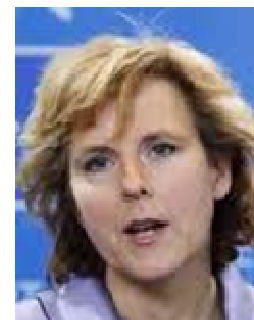
the reduction of air pollution would be strengthened.

Regarding the options of how a 30% reduction of greenhouse gas emissions could be achieved, the Commission sees the greatest reduction potential in the sectors covered by the Emissions Trading System (ETS). Possible measures are reducing the number of auctioned allowances, regulation to promote greater energy efficiency, the smart use of fiscal instruments, directing EU cohesion policy finding towards green investments, and improving the environmental integrity of the international carbon credits recognized in the EU ETS.

Concerning the problem of carbon leakage, the European Commission states that its risk is lower than expected and that the measures in place – free allowances and access to international credits – are justified. If these measures were continued, moving from 20% to 30% of greenhouse gas reduction would not significantly increase the risk of carbon leakage. According to Agence Europe, Climate Commissioner Connie Hedegaard said that chemical products would be most at risk of leakage.

The Commission communication has been well received by all kinds of stakeholders, as observed by Agence Europe on 28 May. It will be discussed by the Environment Council on 11 June and the European Council on 17-18 June. The UK and France are favouring a unilateral European move towards a 30% emissions cut while France and Germany are rather cautious, wrote NewEurope on 30 May.

For further information on this issue, please visit the European



Climate Action Commissioner Connie Hedegaard presented a communication on the possibility of a 30% cut in European greenhouse gas emissions until 2020



Overall Greenhouse gas emissions have fallen in Europe for the 5th year in 2008, being 11.3% below the level of 1990

Press Clippings

Commission (http://ec.europa.eu/environment/climat/future_action_com.htm), Agence Europe (www.agenceurope.com) New Europe (<http://www.neurope.eu/articles/Hedegaard-outlines-cost-of-making-deeper-CO2-cuts/101084.php>) and the EEA (<http://www.eea.europa.eu/pressroom/newsreleases/eu-greenhouse-gas-emissions-more>).

New rules proposed for better access to EU funds

As stated in a press release, the European Commission on 28 May has adopted changes to the Financial Regulation and its implementing rules with the aim of facilitating access and saving costs for the beneficiaries of EU funds. The regulation sets the principles of the EU budget and governs the way the budget appropriations are spent.

In the area of cutting red tape and shifting the focus from paperwork to performance the European Commission proposes to let more recipients of EU funds – those applying for up to €50,000 - benefit from lighter administrative requirements. The obligation to open separate bank accounts and returning the interest on 'pre-financing' to the Commission will be abolished. The Commission also suggests allowing beneficiaries to use the grants to involve other project partners with specialized expertise. Furthermore, the Commission wants to pay its beneficiaries for the delivery of results. Instead of reimbursing the actual cost for projects increased use should be made of lump sum payments and flat rates, with adapted rules for these instruments.

By 'making the control systems of EU funds more effective and efficient' the Commission wants the EU member states to take more responsibility for their management of EU funds. The national paying agencies should issue a statement of assurance that would

then be subject to independent audit. Additionally, the Commission suggests introducing the concept of tolerable risk of error.

The third area of changes to the Financial Regulation relates to innovative financial mechanisms. The Commission wants to introduce trust funds so that resources from the member states can be pooled in the face of crisis and post-crisis situations. To make the use of public-private partnerships more attractive, this form of cooperation is suggested to operate under the legislation of the country where the private partner is based. Moreover, the Commission envisages a 'privileged partnership' with the European Investment Bank.

The changed rules of the Financial Regulation are meant to apply for the next period of EU funding programmes post 2013. The Commission proposal now needs to be approved by the Council and by the European Parliament. The Commission expects the legislative process to be completed by the end of 2011 so that the new rules can enter into force in 2012.

The press release and memo on this topic can be found at <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/629&format=HTML&aged=0&language=EN&guiLanguage=en>. The Commission proposal can be accessed at http://ec.europa.eu/budget/documents/financial_regulation_en.htm?qo=t2_2#table-2_2.



The European Commission proposed changes to the Financial Regulation to facilitate access to EU funding



Selection of Funding Calls

Below you will find for your information some recent calls for European Funding programs of potential relevance for the ECRN members. It is a selection and makes no claim to be complete. These are some calls and programs which could be worth to be looked at in more detail, depending on regional priorities. For more details on the different programs, please refer to the web-addresses given. In case of any suggestions or questions, please feel free to contact the ECRN Secretariat.

| Call Identifier | Call Title | Funding Scheme | Eligibility Conditions | Deadline | Website |
|--------------------|---|---|---|---|---|
| | Intelligent Energy Europe | Sub-programme of CIP (Competitiveness and Innovation Framework Programme) | All participants are private or public legal entities. | 24 June 2010 | http://ec.europa.eu/energy/intelligent/call_for_proposals/call_library_en.htm |
| SP1-JTI-CS-2010-02 | Clean Sky JTI 2010-02 | FP7— Cooperation (Joint Technology Initiative) | Only legal entities established in a Member State or in a country associated to the Seventh Framework Programme | 30 June 2010 | http://cordis.europa.eu/fp7/dc/index.cfm?function=UserSite.FP7.DetailsCallPage&call_id=306#infopack |
| | Support for European cooperation in Education and Training (ECET) | Part of the Lifelong Learning Programm (LLP) | National or regional ministries in charge of education and training, other public bodies and stakeholders' organisations active in the field of lifelong learning (pre-primary, schools, VET, higher education and adult learning) | 16 July 2010 | http://eacea.ec.europa.eu/lfp/funding/2010/call/ecet_2010_en.php |
| SP1-JTI-CS-2010-03 | Clean Sky JTI 2010-03 | FP7— Cooperation (Joint Technology Initiative) | Applicable under certain conditions to non-profit bodies, secondary and higher education establishments, research organisations and SMEs | 20 July 2010 | http://cordis.europa.eu/fp7/dc/index.cfm?function=UserSite.FP7.DetailsCallPage&call_id=308 |
| | Eco-innovation Projects | Sub-programme of CIP (Competitiveness and Innovation Framework Programme) | All legal persons that are based in eligible countries but priority to Small- and Medium-sized Enterprises (SMEs). Clusters of applicants and projects which demonstrate a European added value and have a high potential for market replication are strongly encouraged. | 9 September 2010 | http://ec.europa.eu/environment/ecoinnovation/application_en.htm |
| | Lifelong Learning Programme (LLP) | Erasmus Grundtvig Comenius Leonardo da Vinci | The Lifelong Learning Programme applies to all types and levels of education and vocational education and training, for details please check the different sub-programmes of interest | Deadlines differ for every sub-programme. | http://ec.europa.eu/education/lfp/doc848_en.htm |
| | Entrepreneurship and Innovation Programme (EIP) | Sub-programme of CIP (Competitiveness and Innovation Framework Programme) | Differs for the different parts of the programme; in general: companies, research organisations, NGOs and other organisations, public authorities | Deadlines differ for the different parts of the programme | http://ec.europa.eu/cip/documents/work-programmes/index_en.htm |

**European
Chemical Regions
Network**



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ECRN Secretariat
Boulevard St.Michel 80
B-1040 Bruxelles

Register:
Amtsgericht Magdeburg 1995

Phone: +32 (0) 2 7410 947
Fax: +32 (0) 2 7410 927
E-mail: office@ecrn.net
Web: www.ecrn.net



ECRN Office in Brussels