

Regions for economic change: 'Fostering competitiveness through innovative technologies, products and healthy communities'

CLOSING SESSION

8 March 2007: 17.00H

Speech of Commissioner Danuta Hübner

Dear President, Ladies and Gentlemen

The two thematic conferences under the banner of Regions for Economic Change in June 2006 and January 2007 were well attended and their evaluations showed high levels of satisfaction. Hence it was no surprise that when we opened the call for expressions of interest for this Conference we received 150 project applications in 10 days! And we were forced, due to the lack of space, to turn down requests for participation from some 350 people. This shows the potential of creativity which is still to be discovered in our regions and cities. It also shows their willingness to share knowledge and learn from the experience of others.

My duty now is to report to the plenary on our discussion. During these two days we have discussed different subjects. But the cross-cutting theme was innovation. We looked at different approaches and strategies fostering the shifting of resources towards new strategies, technologies and products and tailoring innovation within a variety of themes and territories.

The workshops during the first session debated how regional governance and the business environment can have an impact on public private partnership, technology transfer and the emerging of innovative SMEs. A large number of presentations showed that the partnership between public authorities, universities and business is today not an option, nor a pipe dream, but it is an absolute necessity. And that innovation does not depend only or mainly on money. Projects like “*Be SMART*” in Leipzig demonstrate that, with good ideas, capable people and modest financial support, SMEs can produce new market-ready products and registered patents.

Expert speakers suggested also that successful innovation needs interregional and international cooperation as well as competition. “*Mateo*”, a 4-region cooperation project under Interreg III C, presented to us how to develop new knowledge-intensive industrial activities through a series of targeted cooperation projects.

The second session highlighted the link between the adoption of new technologies and products and expansion onto new markets and the capacity to commercialize the results of new ideas. Debates focused on technologies and products and the pathways to support their introduction in markets. The themes we selected were 'Low carbon economy', 'Efficient, secure and renewable energies for housing' and 'Integrated policies on sustainable urban transport'. All of them come from the list of themes of the Regions for Economic Change.

Here I have to mention successful projects such as 'the self sufficient city of Güssing', which invested in the production of renewable energy based on local resources. The strategy has created 1000 new jobs and 50 new companies and managed to turn a small city, that was watching its young people leave, into an attractive and knowledge driven area. And an energy exporter! With the European Council today and tomorrow discussing the EU climate change strategy these are excellent examples of the contribution and leadership shown by Europe's regions and localities.

The third, today's session focused on the different territories in Europe, and sought to identify the means to address their problems and use their assets. Regions and cities are diverse and they must look at their own strengths and weaknesses. Attractive regions and cities are a magnet for investors and high-skilled workers that are apt to innovate.

The first workshop in this session further developed one of the themes of our January conference - the challenge posed by the Union's ageing population and declining labour force. Part of the response to ageing must be to increase the number of healthy life years of the population through measures to prevent health risks, fill gaps in health infrastructure and promote e-health systems. In Norrbotten in Sweden a Network Based Information Platform for health care produces a seamless exchange of health information independent of operational or administrative boundaries or geographical distance. What can be more useful for a sparsely populated area with an ageing population?

The second workshop today addressed the investment options open to cities that seek to endorse change based on innovation, entrepreneurship and economic growth. This is important, because Europe has a polycentric structure of small, medium-size and large towns with significant differences in economic and social conditions. Some are affected by social exclusion, deterioration of the environment, wastelands and urban sprawl. But they are also the location of most jobs, firms and institutes of higher education.

Finally, the third workshop debated how Europe's rural areas - a rich source of biodiversity, agricultural and traditional know-how - need to be, on one side, nurtured but, on the other, turned, into a valuable economic asset through innovation. For this to happen, the economy has to diversify. We must bring innovation to current activities to create new areas of attraction to investment and mobilise the endogenous development potential of rural areas.

How can Cohesion policy support such economic diversification? In Wales, the project "*Regenerating and developing rural communities*" has changed the profile of a declining dairy, beef and sheep grassland based economy by using the expertise of food technologists from a partner university. Innovative local value added products were developed such as organic meat and organic yogurts. The research is continuing in order to produce blight resistant organic potatoes.

We had also new events organised with the valuable support of our partners, the Committee of the Regions and the PACA region. The 'Forum for exchanging ideas and experiences' was a valuable addition to Conference format. It offered us a space where participants had more opportunities to communicate in an informal way, to network, and create partnerships.

Finally, I would like to extend my thanks to PACA region for organising two Round Tables around the topic "Innovation as driver for economic change". The Committee of Regions gathered representatives of the "Lisbon Monitoring Platform" that forms a close community of already more than 65 regions to support the partnership for growth and jobs. Both events were well attended and I hear appreciated by the participants.

Ladies and gentlemen,

You have had two long and intense days and I want to conclude our Conference with three brief messages that will guide us in the tasks ahead, with a particular view to the preparation of the 2008 Conference.

Firstly, on the practical next steps. In the coming months we will exploit the wealth of ideas already available under the themes listed in the Regions for Economic Change initiative. As soon as possible, in co-operation with the interregional networking programme authorities, we will make the detailed implementing arrangements for these new network programmes clear. This we should do long before the formal adoption of the new programmes during the summer. In that way we will allow all your regions and cities to choose

their priority themes – linked to their operational programs. I strongly encourage you to begin the preparation of your network proposals with partners. By the end of the year, following the first open calls, we should create together a first set of new networks.

In parallel the Commission will continue our work to expand the list of 40 innovation case studies presented today. Please do not forget to present the nominee of your region for the RegioStars 2008 by 29 June this year.

My second message is that the Annual Conference of the Regions for Economic Change initiative should constitute a crucial milestone. Every Conference must communicate to our leaders gathered for Spring Summit that regions work on new innovative approaches, design and test them. And, as I strongly believe, every year this experience will be more relevant to the Union's economic and social agenda. Let me quote here Michael Porter, who pioneered regional approach to growth in the United States: "Paradoxically, the most enduring competitive advantage in a global economy seem to be local".

Finally, I expect that our two days meeting will help you to rethink and improve your strategies for growth. And not only in those regions which are well advanced in the building of their innovative economies. I would like people from all regions, including those less developed, to leave Brussels with a conviction that everybody has to and, more importantly, can innovate.

And that the richness and creativity you heard of during different workshops can be discovered also at home.

Thank you for your attention.