

2nd International Conference on managing urban land
"Promoting urban development in cohesion policy in 2007-2013"

Speech given by
Danuta Hübner - European Commissioner for Regional Policy

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Dear Lord Mayor, Dear Minister, Ladies and Gentlemen,

Thank you for your invitation. It is always a pleasure to be in this great city of Stuttgart which is a home to most innovative ideas and a city which has contributed over years to European's prosperity and to Europe's global relevance.

The European Union since its day one has been a grand and unique project, but I know that the best is still to come.

Benefits and challenges of global economy

I belong to those who consider that globalisation brings tremendous benefits to our citizens – provision of new products, new markets and

more economic growth, just to name a few. The European Union is the biggest world trader so we benefit greatly from global markets. I am sure you agree with me since the region of Stuttgart is home to some of Germany's most innovative and globally acting companies.

On the other hand, we are facing a pace of economic change faster than ever before which has created feelings of uncertainty and insecurity in some parts of our society. It is also true that the benefits of globalisation are not spread equally across our economies. We therefore need policies to manage globalisation. We must ensure that benefits of globalisation are widely shared, and that those who are negatively affected are given support. We cannot accept a fracture in our society which excludes whole sections from productive employment.

Globalisation cannot be switched off and we will not benefit by trying to shield Europe against the forces of globalisation. We have to face this challenge against a background where, even as the European Union, we are a small part of the globe representing only 7% of the world population and 30% of its GDP. Our weight will further shrink

in the years to come as our competitors enjoy high growth rates both in terms of population and economic growth.

One thing is clear: we must remain open; our strategies must ensure that we have the flexibility to adapt to the changing world around us. We need policies that enhance technological change, growth and durable job creation, policies that reinforce Europe's competitiveness, and that provide our citizens with the skills and opportunities to benefit from these changes.

Important role of the Union to address new challenges

And that is why to face the challenges of the 21st century, to be better equipped to address successfully what globalisation, demographic and climate change bring to enhance solidarity and to guarantee security for our citizens, we need a Union with common policies in all those areas where there is clear European value added, a Union of involved and empowered citizens, a Union which is open to global world, efficient and competitive.

In Berlin, last month, our leaders agreed on a Declaration which calls for agreement on new common foundations for the Union before the

end of 2009. Now, to prove that Europe is united not only through declarations, Member States will have to find a common solution. I believe that the Constitutional Treaty is a good basis on which consensus could be built. And I am convinced we will succeed.

Added value of cohesion policy

All European policies must be harnessed to achieving European goals. This is also true for Europe's cohesion policy and this is true with regard to the role of Europe's urban development policy in making the Union better equipped to benefit from opportunities generated by globalisation and to respond to aspirations and expectations of EU citizens. The integrated character of the cohesion policy allows it to tackle complex problems of climate change, of social challenges posed by demographic trends, of access of SMEs to newest technologies and of many others. Within the framework of this policy we can address those issues in an integrated manner. Through this integrated approach, tested over years through urban initiative, cohesion policy can improve the overall impact of sectoral interventions by exploiting synergies between policy domains and

controlling for their side effects, by favouring dialogue between administrations and social and economic partners, and by better adapting interventions to the socio-economic characteristics of regions and cities.

On the basis of this integrated approach, cohesion policy has become the major instrument at Community level for delivering the renewed Lisbon agenda for growth and jobs. In the period 2007-2013, it will invest about EUR 200 billion out of a total EU funding of EUR 350 billion in areas such as R&D and innovation, efforts to promote entrepreneurship, transport infrastructures of European importance as well human resources development. These are issues which are at the heart of the Lisbon Agenda.

This policy is based on partnership and multi-level governance which brings involvement of all relevant decision-makers at European, national, regional and local level and which includes the economic and social partners and other bodies representing civil society. By involving cities and regions in the design and implementation of development strategies and projects, we are taking Lisbon down to its territories. European reality is increasingly created on the ground, so

we need to draw on the capacities of all those on the ground able and willing to get involved in creating European public value. This policy generates also the chance for all regions and cities to contribute to Europe's prosperity.

Enhanced role of cities

In the renewed cohesion policy for 2007-2013 cities will play a key role since they are crucial in shaping the European economy. Cities and urban areas are home to most jobs, businesses and higher education institutions (60% of EU population is living in cities with more than 5000 inhabitants). So no wonder that cities have been the motors for regional, national and European economic growth. Their role will further grow because the major drivers for growth and competitiveness are located within cities.

This is the reason why we have reinforced the urban dimension in our new generation of cohesion programmes. We need cities and entire urban areas in good shape, wisely using their resources, especially land and caring for them in innovative and sustainable way. Your experience is essential. We are negotiating National Strategic

Framework References and Operational Programmes and can already see that the new generation of cohesion policy programmes will address many challenges cities face and reinforce the prominent role of cities in generating innovation and new jobs. On the basis of the programmes which we have received so far for examination (329 out of 444 which cover more than 90% of the entire allocation, financial investments in urban development feature prominently. Around EUR 3.3 billion is foreseen for the rehabilitation of industrial sites and contaminated land. Another EUR 8.3 billion is earmarked for projects for urban regeneration as well as EUR 4.4 billion for the promotion of clean urban transport.

Of course, these programmes are still under discussion and many matters still have to be agreed with the Commission. We pay particular attention to the question of partnership. Our evaluations show that programmes perform better when they reach out to the local community. Local partnerships in design, decision-making and implementation ensure the smooth running and sustainability of urban projects.

We also emphasise the need to adopt an integrated approach which would address the problems affecting distressed urban areas in an integrated way covering different policies – economic growth, employment, environment, infrastructures, social policy – and requiring participation at all levels of governance (from citizens to political stakeholders).

Invitation to participate in new generation of networks

For the new generation of the policy we have proposed a new initiative prepared by the European Commission with the aim to further stimulate investment in innovation. I am speaking of our new initiative called "Regions for Economic Change" which will be networks of regions and cities focusing on exchange of best practice in innovation.

I know that learning from the others is an art in itself. I am often told that regions and cities are very different from each other and "what works here, does not work there." This is true. Our experience is that despite many differences between territories, regional authorities identify similar challenges and, at the same time, the critical success

factors for innovation projects are similar across different contexts. The solution is to be innovative, when reaching out to the experience of others. This is the idea behind "Regions for economic change".

We want to spread the knowledge and experiences accumulated across the EU. They are a very rich European resource that can provide an important and necessary stimulus to Europe's growth.

"Regions for Economic Change" will cover many themes of direct relevance for cities such as "*Re-using brownfield and waste disposal sites*" where cities will be able to develop projects to re-use abandoned urban industrial, military or port sites or "*Integrated policies on urban transport*" where cities will aim to improve quality of life of citizens through providing high quality public transport and better management of traffic.

I would like to encourage you to get involved in these new networks. Work together with other regions and cities, identify the themes relevant for your respective programmes and start to prepare partnerships ready to submit project applications.

Let me also use this opportunity to express my great appreciation for the work of all those of you who contributed to the success of the Revit project. I hope that experience of the North-west Europe Interreg program will contribute further to our new generation of our policy.

Working together is essential because much remains to be done.

I wish you every success at this conference.

Thank you for your attention.