

“Regions for Economic Change: Networking for results”

Brussels, 16 February 2009

Opening Speech of Commissioner Danuta Hübner

Dear Vice President Schneider, Director General Horcicka, Ladies and Gentlemen,

I am delighted to welcome such a large participation from regions, cities and municipalities and business, universities and civil society to this Conference 'Regions for Economic Change: Networking for results'.

This is an important event, in fact the key annual event, of the Regions for Economic Change initiative. It aims to highlight the contributions regions and cities are making to the modernisation of Europe's economy, the Lisbon objectives and to the challenges facing Europe. This is more relevant than ever in the context of the financial and economic crisis.

Last year, in my speech at the opening plenary, I pointed out that the challenges Europe is facing do not stop at national borders. The challenges we face affect all Member States and impact directly on regional and local communities. These challenges require integrated responses.

The financial and economic crisis can make addressing long term challenges the EU is facing more difficult.

But I believe strongly that Cohesion Policy can provide a powerful instrument for investment stability and security during the economic downturn. The focus we have agreed in cohesion programmes must be maintained as it means investing in new growth opportunities and addressing long term challenges. The European Commission's message

– presented in the European Economic Recovery Plan - has been that we must accelerate “smart investments” – and I am convinced that with your efforts we can do that. This is exactly the type of investment cohesion policy has been focussed on.

I am sure that we will be coming back to this theme during the Conference. In my opening remarks I want to focus on two themes:

- I want to put our discussions into the wider context of the need to promote creativity and innovation
- And I will talk about the continued relevance and added value of the Regions for Economic Change initiative.

II

[European Year of creativity and innovation]

2009 is the 'European Year of Innovation and Creativity'. It aims to raise awareness of the importance of creativity and innovation as key drivers of personal, social and economic development.

By emphasising creativity and innovation, the Union aims to shape Europe's future by fostering the creative and innovative potential. To stay ahead in a globalised economy Europe needs to constantly innovate and learn.

The “European Year” offers a framework for raising awareness of the issues concerned. Throughout 2009 the Commission will promote debate on how to increase Europe's creative and innovative potential.

Creativity is one of the basic characteristics of being human. We are all born with creative potential. It is not the preserve of some few "lonely geniuses". The attitudes, skills and knowledge related to *creativity can be encouraged and cultivated* – as well as weakened and suffocated.

Creativity can be regarded as the ultimate source of innovation - that is turning creative ideas into products or services. In this sense creativity is always involved when innovation leads to economic results.

Of course, there can be creativity which is not based on “technical” innovation. Those forms of creativity can also bring significant social and economic benefit, for instance in arts and entertainment. Indeed, we are aware that European cities and regions are building their development strategies on cultural and creative industries. They promote growth-generating and job-creating projects by supporting clusters of creative businesses and participating in related networks

Apart from education and culture, creativity is relevant for enterprises, regional and research policies, social and employment policies, infrastructure policies and exploiting the potential of the information society. Creativity therefore concerns all sectors and is relevant for all of us.

Many of you, I am certain, are aware that the Commission produces the European Innovation Scoreboard and Inno-Policy Trendchart. The data at Member State level for 2008 has been recently published. In the near future the Commission will produce updated data at region level.

The 2008 analysis assesses progress for the EU 27 but also gives a good insight into what is happening in each country. And in the recent EU and national reports we have witnessed the decrease of the innovation gap between Europe, the United States and Japan.

The reports also show that the range of actors and their interactions in Europe is intensifying and that national and regional strategies are flourishing and improving.

The role of the public sector as an actor in the innovation process is also changing. Public administrations at regional and national level are modernising and providing more effective services aiming at social needs, climate change and resource productivity, increasingly include societal needs and user-driven approaches.

Cohesion policy has been supporting these processes and has helped to create the conditions to encourage their emergence in the old and **in the new Member States**.

But even more importantly, is that the analysis shows that the lower performing Member States are improving fastest in their innovation performance. The countries that are catching-up rely heavily on leverage from the structural funds and on their governance bodies, such as the Managing Authorities, as they are the catalysts to start innovation systems.

I hope that designating 2009 as the Year of Innovation and Creativity will act as a constant reminder to us, in the context of the current economic slowdown, of the need to persist with our efforts to modernise and innovate.

Europe should not react to the crisis by cutting back on its investment in skills and innovation. We must have the confidence to rely on the quality of our ideas and our human capacity to adapt. At the same time we must of course make the available public financing work harder and deliver better results.

You will find that particular attention is paid in our conference workshops to the role of creativity and innovation as drivers for urban and regional development.

III

[Regions for Economic Change]

This leads me to the Regions for Economic Change initiative.

This initiative was launched precisely to foster and promote creativity in the broadest sense in the context of Cohesion Policy. In particular we seek together to apply creative ideas more widely through the many investment programmes at national or regional level.

Since the launch of the Regions for Economic Change communication in 2006 good progress has been made in delivering on those proposals.

I will not give you a detailed update here - you can find such information in the conference brochure and on our website. However, please allow me to recall the main headlines linked to the key features of the Regions for Economic Change initiative.

At the core of the initiative is the promotion of innovation across a range of **important socio-economic themes**. Those themes include highly relevant issues for today's circumstances - such as adapting to industrial change and the promotion of entrepreneurship. While such themes have a heightened relevance in recessionary times we must still keep a focus on the different long term challenges and prepare for new growth opportunities.

Since 2006, the **thirty priority themes** for economic modernisation set out in the Communication have been reflected in the objectives of the INTERREG IVC and Urbact II programmes. Following the first round of calls 60 networks were approved during 2008 under a wide range of themes relevant for the two programmes.

Where the Commission feels it can most add value, it offers its expertise to a number of networks working on these priority themes as **'Fast**

Track' networks. The result of the first calls decided under the two programmes in 2008 is that 12 fully fledged fast track networks are active and making progress to accelerate the transfer of good practice. These 12 Networks have representatives from 20 Member States and over 100 regions. We estimated that by mid 2010 these networks will deliver around 100 regional specific action plans.

An important second aspect of the initiative is building a **stronger bridge between the networks and the mainstream programmes.** Managing authorities of the mainstream programmes should be informed of and be involved in the activities of the networks from the outset. In this way they can influence the work of the networks and ensure that the lessons learned are taken on board and implemented. Through the Fast track networks managing authorities in the more than 100 regions covered by the Networks are either directly involved or now informed of the direct relevance of the network to their investment programmes.

Finally, through the initiative the Commission has played its part in working for **better communication and dissemination of results.** We have raised awareness through the organisation of events – such as today's conference. These events offer regions a forum to meet and discuss. We also maintain a comprehensive website – containing 180 presentation and 120 detailed case studies - and tonight we will present the second annual RegioStars Awards.

Through the initiative we have raised awareness and reinforced the work of the networking programmes INTERREG IVC and URBACT II. I am happy to say that these two programmes have incorporated the key underlying principles of the initiative into their programme strategy. The recent response to the second Interreg IVC call for proposals – where over 470 applications have been received – demonstrates that there is clear need for this type of initiative.

As a process, creativity and innovation involve the ability to synthesize and combine data and information. Albert Einstein recognised this when he said that “*Innovation is not the product of logical thought, although the result is tied to logical structure.*” Through our initiative we are contributing to the structuring of good practice exchanges and reinforcing the transfer of these ideas.

Europe's Member States and regions are without doubt diverse. Each is striving to improve its level of development from its own specific basis. As a result there is a huge stock of expertise, good practices, and experiences in the regions. It is very likely that the policies planned in a particular region can be informed, reinforced or improved by experience already implemented in another region.

Regions can therefore benefit from networking with one another. They should share knowledge in order to save time and resources and to find the optimum solution for their circumstances.

I hope that your attendance here today in such force reflects the strong interest of your organisations and agencies in working towards our mutual aims - as expressed in the Regions for Economic Change initiative.

IV

[Concluding remarks]

Ladies and Gentlemen,

I believe that Europe and its people contain a wealth of untapped creative potential.

Intensified, better targeted inter-regional contacts and the efficient exchange of good practices can be an important facilitator to help realise the potential of our public authorities and their partners at every level.

Identifying good practice remains only theory if this knowledge is not applied. Networking and sharing knowledge is one thing, putting it into action another.

Our aim is to provide you with a forum to discuss, to present your experiences and to network. I therefore conclude by encouraging you to actively participate. We hope to hear your views on the various themes and issues covered. We also want to learn from your experiences and to network with you for results.

I look forward to seeing many of you again during the RegioStars ceremony this evening and during the closing session tomorrow.

Thank you very much for your attention.