

**Speech of Commissioner Danuta Hübner on**

**"The European Programme launch for East England – focusing our efforts on Innovation "**

**Lowestoft 28 January 2008**

Ladies and Gentlemen,

I am delighted to be here in Lowestoft today, in my first official visit, to participate in the launch of the European Structural Fund Programme in the East of England for the 2007- 2013 period. I have spent most of the day visiting various projects and I must say that the projects reflect the variety of problems and opportunities that this region encounters.

The European Regional Development Fund programme was adopted on 13 December 2007 and I would like to thank our partners at the East of England Development Agency and Government Office for the East of England for their excellent input and cooperation during the drafting, negotiation and adoption of the programme.

- **The programme and projects visited today**

Today I have had the opportunity to see several projects that are excellent examples of regional economic development and regeneration in Lowestoft supported by the European Union. Through the Waveney Sunrise Scheme, we have supported tourism, business and heritage related projects. The scheme has transformed the infrastructure and environmental image of the Lowestoft seafront area by supporting increased economic activity, encouraging inward investment and creating more jobs for the benefit of local people. The Astral Centre itself is a good practice example of a management training centre focusing on

support for SMEs to develop the managerial and leadership skills needed to adapt to changing market forces and to maximise survival and growth. My understanding is that the support from the EU is very appreciated in the region but, in the end, it is the local people who will make the difference.

As I mentioned, the projects I have seen today show that cohesion policy investments adds value and can make a difference and act as a catalyst or leverage to unlock financial support from other sources. The projects also demonstrate a second European added value in terms of partnership development, capacity building and also the advancement of multi-level governance. Programmes and projects in your region are delivered by a whole variety of national, regional and local actors working together in broad and inclusive partnerships which I'm certain will deliver benefits for the people and economy of East of England. On a more general level, it is increasingly evident that the successful development of the Union's territories requires the mobilisation of a wide range of actors at different levels and the development of systems of multi-level governance, including European, national and sub-national levels. Indeed, an inclusive partnership is not only an added value of the European support but it also raises the intrinsic value of the projects that are funded. It is perhaps worth reminding ourselves here that the new Treaty also introduces a new definition of subsidiarity, which clearly refers to local and regional powers.

- **The East English programme and the Lisbon agenda**

I would like to talk a little about how the new programme will contribute to the Lisbon agenda in a visible way. With the re-launch of the Lisbon Strategy in 2005, the European Union and its Member States committed

themselves to a new partnership aimed at securing sustainable growth and jobs. It is essential for the Member States to focus their efforts in key action areas of the Lisbon agenda - investing more in knowledge and innovation, unlocking the business potential, especially of SMEs, greater adaptability of labour markets and to respond actively to energy and climate change challenges.

In 2006 member states across the Union agreed to “ earmark ” a certain proportion of their cohesion policy resources to the renewed growth and jobs agenda. 60% of cohesion funding in the convergence regions and 75% in the competitiveness regions like East of England should be concentrated on investments in key drivers of the Lisbon agenda. These two targets at the European level have been reached. The average proportion of the resources earmarked for key Lisbon investments is 65% under the “ Convergence ” objective and 82% under the “ Regional Competitiveness and employment ” objective. Indeed, some 226 billion euros plus national co-financing and leveraged private capital will be spent overall on the Lisbon activities in the 2007-2013 period.

I am pleased to see that East of England is not only contributing its share to the Lisbon targets, its programme is almost entirely earmarked for "Lisbon". Indeed, The East of England Competitiveness programme is nearly all (96%) earmarked for Lisbon related activities. The programme recognises the need to drive forward the competitiveness and employment agenda by focussing on innovation, knowledge transfer, innovative advice to businesses, improved productivity, resource efficiency, entrepreneurship, environmental sustainability and job creation. An additional important element is that the programme puts strong emphasis on delivering economic growth that recognises the region's carbon footprint. Your programme is, in this, quite unique so I

would like to congratulate you on this commitment which clearly shows that you are at the forefront of the political agenda.

- **The focus on innovation and R&D in the EU**

Let me also take this opportunity to congratulate the region on the very strong commitment "Towards low carbon economic growth". This is an underlying theme of your Competitiveness and employment programme. This commitment signals the vital importance of achieving the economic growth in a manner that recognises the region's carbon footprint and the economic and environmental imperatives for doing this.

The East of England has a potential to be at the forefront of innovation and design in the development of new, economically significant ways of responding to this agenda from specific low carbon initiatives through to measures that reduce carbon emissions or which help to stimulate relevant sectors such as clean technology and renewable energy.

In this regard I will have a good story to tell from my visit. I was impressed with the OrbisEnergy - the enterprise hub for renewable energy. I am convinced that it will stimulate the development of the offshore renewables industry for Lowestoft and the East of England, helping businesses seize new opportunities in the sector and aiding the development of the supply chain in relation to the impact of climate change in the region. I insist that you share this practice with others!

I am sure the programme will create jobs and growth in the area and will leave a lasting legacy for the East of England. The programme's outputs are impressive. It is expected to create 4,600 new jobs and to assist 7,300 businesses and some 500 businesses should see their environmental performance improved. The programme will encourage innovation and knowledge transfer including "clean" technologies to

increase efficiency and productivity and it will result in 1162 successful innovation related initiatives in SME's.

In all, this is not a small feat and is in fact even more commendable when you consider that all of this will be created with an investment of 275 million euros. This involves not only ERDF but also co-financing from East of England which is essential for the success of the programme. The new programme is financed from the EU over seven years – and East of England must provide and guarantee its share throughout the same period. The region has a challenging task ahead to demonstrate the achievement of the high level objectives/vision by effective and efficient use of limited resources. It is vital to streamline and coordinate resources and effort through partnerships while building on the existing achievements.

Cohesion policy is not about funds but about new ideas, innovative thinking and creativity. Costly investments in infrastructure are not necessarily the most effective. The improvement in the performance of businesses, the increased innovation activity and the search for technologies and ideas that can reduce carbon usage are vital characteristics of the programme. Good ideas can create a legacy for the future. They can originate from many sources – one of the advantages of the wide partnership that you have in the East of England.

- **The future of the cohesion policy**

Coming now to my conclusion, the Fourth Cohesion Report provides strong evidence of how the 2000-2006 programmes contributed to greater cohesion as regional disparities in economic development and employment across the European Union have narrowed. However, we have to admit that there are future challenges we are going to face in the

context of regional development in the next 20-30 years which include – demography, climate change, industrial patterns and restructuring. These challenges must also be addressed at the local and regional levels. The report highlights demographic and climate changes as challenges for the future and I am sure that you will agree that these priorities are of particular relevance to the East of England. The 4<sup>th</sup> Cohesion Forum last Autumn launched a public consultation on the future of our policy. Therefore, I would like to invite you to contribute to the consultation before the end of this month. Your views and proposals will be highly appreciated.

To conclude, the new period is a period of ambition and I hope it will be converted to achievement. The East of England is leading the field in terms of the development of renewable energy and is keen to play a prominent role with the "Moving to a low carbon economy" theme in Regions for Economic Change. We can see the effects that the Structural Funds have had in the East of England in the past and I am convinced that the future ERDF programme will build on these achievements. In this context, the Greater South East region is an interesting idea that should be strengthened and built further but I would like to encourage East of England to continue delivering economic growth and sharing its success also with other member states.

Thank you for your attention and good luck with the new programme.