

"Promoting innovation in the next generation of cohesion policy programmes"

New horizons in Graz - Best practice IV conference

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Introductory remarks

by

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Sehr verehrte Damen und Herren,

Ich freue mich, heute hier bei Ihnen in der Steiermark zu sein. Das ist mein erster Besuch als Kommissarin in der Steiermark und ich bin überzeugt, dass unsere Konferenz in dieser Vorzeige-Region ein grosser Erfolg sein wird.

Firstly, let me say what a great pleasure it is for me to be here in Graz at the "New Horizons in Graz" conference. As you may know, this is the fourth best practice conference (following similar events in Sheffield in 2003, Rovaniemi in 2004 and Magdeburg in 2005) that has been organized, although this is the first that has been open to programme managers and project promoters from all EU member States. I am especially pleased to see representatives from Bulgaria and Romania which will join the Union on 1 January 2007.

This conference takes place at a time when all of you in your regions are making important decisions on the strategic priorities and actions you will pursue over the next programming period. The current year has seen

very significant progress made in putting in place the framework for the new programming period. Financial perspectives have been agreed, new regulations governing the new period have been adopted in July, and most recently in October the Community Strategic Guidelines on cohesion have been approved. In mid-December the Commission will adopt the detailed implementing rules so that the legislative process will finally be completed.

Now it is over to you! Much has already been done on the development of National Strategic Reference Frameworks (NSRFs) and Operational Programmes for the period to 2013. Austria and Latvia have already transmitted their NSRFs officially to the Commission (in electronic format). All other Member States have sent more or less complete drafts of the NSRF as a basis for informal discussion with the Commission's services. I expect the first agreements to be reached on the strategic elements by the end of the year and on the first operational programmes in the early months of 2007.

In defining strategic priorities for your regions, you will have many competing demands for resources and action. Clearly programmes should address the specific needs of your region and resources should be targeted at ensuring that the most acute and strategically important

issues are addressed. If real progress is to be achieved in the medium to longer term, there is a need to be ambitious and to focus on innovation, on our capacity to produce new ideas and to convert them into material reality.

My services have prepared a first analysis of the role of innovation in the Draft National Strategic Reference Frameworks (NSRFs). The conclusion is positive. Our first analysis shows that innovation features prominently in all NSRFs. In most cases of Objective 2, it is the first priority. Member States are not restricting the notion of innovation to strengthening RTD but incorporate it into support schemes for enterprises, propose financial instruments available for innovation, promote the Information Society and investment in the human capital.

On innovation we are not starting from scratch. In 2000-2006, innovation already represents a significant part of Cohesion policy as it amounted roughly to 21% of the forecast expenditure. The funds allocated to innovation for 2007-2013 are rarely indicated at this stage. Where they are (12 draft NSRFs currently provide a figure for innovation allocations), early indications are that the percentage allocation will increase compared to the last programming period. For the new Member States,

given the increase in funding available, the absolute amounts will increase very significantly.

Most Member States (20) have decided to implement innovation policies at the regional level. I welcome this approach because the regional level is most appropriate for the design and implementation of innovation policies.

This is because most of the resources essential for innovation – research centres, innovative SMEs and bodies providing for its financing – can be found within the region. The Union's regional policy is therefore particularly suited to promoting an economic model for Europe based on innovation. One of the key advantages of our policy is its culture of governance and partnership which implies the enforcement of institutional capacity and the transfer of good practice. It also mobilizes the best of the local knowledge potential and stimulates innovative ideas for projects which otherwise would not have materialized.

Over the next days, we will see and hear practitioners from across the EU sharing with us their experiences of developing projects that represent "best practice". I think all of them are success stories. In concert with the conference themes, speakers will describe how they have approached the generation and development of innovative projects.

They will also outline how the use of Knowledge Society can make a real difference, not just to regional economies, but also to the living and working conditions of our citizens. Finally, they will describe how the innovative use of financial engineering can create the circumstances in which new entrepreneurs are born.

In this context, I am very happy to tell you that programme authorities in Member States and regions have shown considerable interest in our new JEREMIE initiative, which will provide enhanced access to finance for micro, small and medium size enterprises for the strengthening of their capacity to innovate. By the end of 2006, the European Investment Fund and the European Commission will present 15 evaluation reports at Member State level and 10 reports at regional level which will provide an analysis of gaps in the provision of financial products to support SMEs. These are being finalized now.

The next step will be the selection of holding funds, which will take on the task of managing JEREMIE on behalf of the programme managing authorities. At this very early stage, no agreements have been yet signed by management authorities and holding funds. However, some ten Member States and regions have already taken a first step in this direction by drawing up Memoranda of Understanding for JEREMIE

including the possibility for the EIF to act as holding fund (Greece, Cyprus, Bulgaria, Romania, Czech Republic, Slovakia, regions in Poland, Slovenia, Denmark, and regions in France). I would like to encourage you to make maximum use of this new instrument.

One of the most important aspects of this conference is to provide an opportunity for each of you, as key players in the development and implementation of regional policy, to build and maintain contacts with each other. Networking will be our buzzword for the years to come. It is a crucial means of building on individual strengths and enabling the effective transfer of best practice between regions. Many of you will be involved already in a range of projects and initiatives which build upon cooperation between regions.

We need more of this cooperation. It is a central part of my initiative "Regions for Economic Change", adopted by the European Commission on 8 November 2006, which is intended to boost networking between EU regions and cities and create an open framework for the dissemination of best practice in innovation.

"Regions for Economic Change" will refocus two existing instruments of European Regional Policy – the Inter-regional Co-operation programme (INTERREG IIIC) and the Urban development network programme

(URBACT) under the new Territorial Co-operation Objective with a total budget of €375 million.

The new initiative will entail four new features:

First, we will ask regions and cities to conceive and structure their own networks around priority themes for economic modernization in line with the Community Strategic Guidelines. We will work on themes such as improving the capacity of regions for research and innovation; bringing e-governments to regions and businesses; managing migration and facilitating social integration; promoting a healthy workforce in healthy workplaces; and moving to a low carbon economy. These are few examples of themes the Commission is proposing to the regions.

Second, I would like to build a strong and well functioning “two-way bridge” between the best practice developed in the networks and the mainstream programmes which are the major source of funding. We will be asking the participating regions and cities for a commitment to introduce best practice ideas shared within the networks into their mainstream programmes.

Third, there will be better communication and dissemination of results. I have always been worrying about lack of visibility of existing networks. In

March, annual "Regions for Economic Change" conferences will be held in Brussels with awards for the best project ideas in different categories of economic modernization. The website is under preparation and publications are envisaged.

Within the proposed scheme there will be also a "fast track option" (FTO). This will give the Commission the lead role in testing selected ideas with a view to disseminate them rapidly through the mainstream programmes. Volunteer networks will be established around the selected themes and the Commission will animate them and collate results. The themes will be chosen and the programmes animated through a coordinated effort by Commission services. Many of directorates of the European Commission have expressed their interest in working with us.

The first network under the fast track option will be dedicated to the priority theme "Bringing innovative ideas faster to the market". Under this theme we will be working on ways to facilitate knowledge transfer from research to innovative products and services, including the possibilities which might flow from projects like GALILEO. We intend to invite the selected regions to a kick-off meeting in Brussels before Christmas. We will subsequently set up other networks in the course of 2007. Of course within the initiative on "Regions for Economic Change", cities and regions

will be able to create and propose their own networks in order to pursue any one of the priority themes for economic modernization. I encourage you to participate fully in this new initiative.

I trust you will find this best practice conference here in Graz informative, provocative, and a good basis for further contact with each other in future. I wish you every success in the important period that you are about to embark upon and assure you as always of the support and assistance of my services.

Vielen Dank für Ihre Aufmerksamkeit.