CETREGIO
Chinese - European Training in Regional Policy
Regional Policy Dialogue with China

A project of the Directorate General for Regional and Urban Policy (DG REGIO) of the European Commission in the framework of the European Parliament’s preparatory action to enhance regional and local co-operation by promoting EU regional policy on a global scale

Follow-Up Seminar Nº1
Integrated Urban-Rural Territorial Development
24 – 28 June 2013

An event prepared for delegates of the National Development and Reform Commission (NDRC), People’s Republic of China and Delegates from European Regions and Cities involved in former CETREGIO activities

TECHNICAL REPORT

Implemented by:
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

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Preface

China’s economic reforms since nearly three decades have resulted in enormous successes and the drastic reduction of absolute poverty. Nevertheless, reforms have also increasingly led to an uneven distribution of income. Cities are affected by enormous economic and social contrasts due to rapid economic development and a high influx of people from rural areas. Spatial development disparities are evident in many ways. Prosperous metropolitan regions and cities contrast with underdeveloped rural areas. Cities - particularly in the east and south of the country - continue to grow while rural areas in the west and north are increasingly being left aside. Whereas some metropolitan areas are becoming more attractive, some urban centres have to cope with emigration and brain-drain problems. China’s unique urbanisation momentum increases the need to develop and implement strategies for sustainable development of cities and regions. From 1949 to 2012, the number of cities with more than 500,000 inhabitants increased from 11 to 141, and the urbanisation level rose from 7.3% to 52.67% (NDRC 2013). Forecasts show that urban centres in China will keep on growing at a high rhythm, particularly to so-called ‘second-tier’ and ‘third-tier’ cities. This dynamic growth increases pressure on social services, water, energy, transportation and housing infrastructure.

In order to tackle these problems, China’s administration needs to develop a systematic and efficient regional development and land use policy at national, provincial and local level. Providing a sound institutional management is the basis for implementing sustainable development policies. The 12th Five-Year (2011 – 2015) further elaborates the concepts of balanced regional development and calls for the implementation of the functional classification. Efforts on making Chinese cities more “sustainable” increased remarkably from year to year. China is actively seeking effective solutions and the coordination system among various sectors concerning an integrated approach to urban and rural development.

In the EU, strengthening urban-rural linkages stands at the core of its regional policy towards achieving sustainable development in Europe. In this context, the seven-year financial framework provides a stable basis for developing long-term capacities. The EU has not developed a one-size-fits-all strategy for regional development but on contrary, it puts specific regional strengths and preferences at the centre of its efforts. Regions of different countries are encouraged to cooperate with each other in order to contribute to a larger European identity and to solve cross-border challenges like transportation and environment. Strengthening urban-rural linkages is a key element for achieving a sustainable development which tackles urban problems like congestion, pollution and concentration. A truly polycentric development which centres on the functionalities of mid-size towns paves the way for promoting integration and economies of scale. A sound and coordinated institutional framework is a key prerequisite for delivering solutions which are social inclusive, environmentally desirable and economically feasible.

Throughout the last decades, Europe has learned crucial lessons on regional policy development. Developing a long-term vision and setting up a financial allocation system based on technical criteria and transparency rather than on political necessities. By requiring co-financing in all regional policy projects, Europe has been able to enhance co-ownership and improve local managing capacity. Finally, by continuing monitoring and evaluating its regional policy tools, Europe aims at learning from mistakes and successes from past experiences.
1. Summary

The programme was designed for four European and 20 Chinese experts from several provinces that were supported by the project coordinator, a project assistant and local interpreters. The training session consisted of five days of lectures, field visits and a final workshop. European regional policy experts from Germany, the United Kingdom and the Netherlands delivered lectures based on their practical experiences on integrated territorial development. The event was primarily conceived as a follow-up event to the information session that took place in Germany and the UK in May/June 2013 and supported the establishment of direct linkages between European and Chinese regions.

The seminar took place in Guangxi Zhuang Autonomous Region in southern China. Guangxi has 46 million inhabitants and Nanning is the political and economic centre (population of 6.6 million inhabitants). The training commenced with a one day conference about different aspects of integrated territorial development at the headquarters of the Guangxi Development and Reform Commission in Nanning. The second day was devoted to field visits in the Nanning area. On the afternoon, delegates were transferred to Port of Beihai, located 200km southeast from Nanning. Here, European and Chinese experts held a half-day workshop with local authorities and visited two urban development projects in Yintan area of Beihai City. On the next day, participants visited the Fangcheng Port, a harbour close to Vietnam. On the evening, experts flew to Guilin, the second largest city of Guangxi. Here, a closing half-day workshop was held, in which experts from the European countries and China reflected about gained experiences and the implications for future cooperation.

The programme was designed to deliver the basic knowledge on EU and Chinese experiences in integrated urban-rural territorial development. In order to achieve a truly exchange of knowledge on regional policy, local DRC delegates were asked to deliver lectures of national, regional and local integrated territorial development approaches. After the training session, participants were able to compare European and Chinese strategies and instruments towards integrated territorial development. Training also provided interesting references for European regional policy makers.

The programme is specified in the following pages.
2. **Objective of the information session**

The information session was designed to achieve the following immediate objectives:

1. To raise awareness of the participants on the key principles of European regional policy;
2. To enable participants to understand the new concepts provided by the specific policy instruments aimed at achieving sustainable urban development in Europe;
3. To discuss with participants the problems that may arise in the implementation of specific provisions in the light of European and Chinese realities.

In addition to that, the overall project is designed to contribute to disseminating the experience gained during the information sessions (multiplier-effect).

3. **Methodology**

The information session was based on a sound mix of lectures and study visits. The approach included three phases:

1. During the preparatory phase, interests and preferences of DG REGIO were actively requested by GIZ. Once the schedule had been approved by DG REGIO, participants received preparatory information 4 weeks before training, including an overview of the programme.

2. The implementation phase started already in Nanning with a one-day briefing seminar. A particular feature of the implementation phase was to promote dialogue and reflection among participants through a workshop on the last day. During this session participants were asked to compare acquired knowledge on the European situation with their own realities.

3. The reporting and dissemination phase ends with this technical report aimed at communicating the results of the session to a wider community.

With regard to the methods applied during the information sessions, these included class-room sessions with enough time for presentations, (consecutive) interpretation and discussion between participants and speakers. Field visits allowed participants to see on the spot the diversity and complexity of regional policy in China, as well as to understand the implementation and management of projects co-funded by the local, provincial or national level. Interactive participation was ensured through the half-day closing workshop allowing participants to apply the contents of the course to their own regional development challenges.

Through the practice-oriented wider capacity building approach combining lectures, discussion rounds and field visits, the event promoted active commitment of participants during its entire duration. This was achieved by a sound coordination with speakers to deliver concise presentations and lectures, leaving enough room for reflection and facilitating the mutual exchange of experience between European and Chinese regional policy experts.
4. Programme

Saturday, 22 June 2013 - Travel Day

European experts flight from several European cities to Amsterdam

Departure flight from Amsterdam to Hangzhou: KLM 881 (15:05 – 07:30 + 1 day)

Sunday, 23 June 2013

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<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>07:30</td>
<td>Arrival in Hangzhou Airport</td>
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<tr>
<td>08:30</td>
<td>Transfer by Shuttle to Hangzhou City</td>
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<td>09:00 – 12:00</td>
<td>City Tour in Hangzhou</td>
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<tr>
<td>15:10</td>
<td>Transfer flight to Nanning (China Southern, CZ 3758)</td>
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<tr>
<td>17:30</td>
<td>Arrival in Nanning</td>
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Check-in and dinner

Accommodation in Nanning Wodun International Hotel

Monday, 24 June 2013 – Workshop in Nanning

Venue: Headquarter of NDRC Guangxi

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<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>09:00 – 09:30</td>
<td>Welcoming words by Mr Huang Fangfang, Chairman of Guangxi NDRC</td>
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<tr>
<td>09:30 – 10:30</td>
<td>Introduction to EU Regional Policy and to the CETREGIO Programme</td>
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</table>

Description: The coordinator will also give an overview of the European regional policy, providing participants with the key background information on its political, economic and social dimension as well as on future priorities.

Lecturer: Mr Pablo Gándara, CETREGIO Project Coordinator for GIZ

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<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>10:30 – 10:45</td>
<td>Coffee Break</td>
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<td>10:45 – 12:15</td>
<td>Introduction to Regional Policy in Guangxi Province and Nanning City, NDRC</td>
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Description: A vice-chairman of Guangxi NDRC will briefly introduce the regional economic development in Guangxi Province, stressing the different policy tools and the cooperation projects. After his presentation he will host a discussion among the Chinese and EU participants.

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<th>Time</th>
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<tr>
<td>12:00 – 14:00</td>
<td>Lunch Break</td>
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<td>14:00 – 15:00</td>
<td>Rural-Urban Partnerships in Europe – an Introduction</td>
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Description: Rural-urban partnerships have become an important topic for regional development throughout the last 10 to 15 years. Although the idea meets much acceptance, the experience has shown that rural-urban partnerships are sometimes regarded as a concept with lacking content, that sometimes the expectations about their outcome are exaggerated and that quite often different understandings exist. This session will introduce a study on partnerships for sustainable urban-rural development recently published by BBSR on behalf of DG REGIO.
Speaker: Dr Rupert Kawka, Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR), Bonn, Germany

15:00 – 16:00 Peri-Urban Development in the West Midlands
Description: Rural areas are largely semi-autonomous growth poles but depend on urban centres for specialised services and for accessing larger markets. There are 33 local authorities in the West Midlands region; 7 Metropolitan, 3 County, 4 Unitary and 19 District Councils. The West Midlands Councils (WMC) brings together these local authorities. This lecture will deliver an overview of the coordination and cooperation schemes between regional and local authorities.

Lecturer: Mr Andrew Evans, Head of Economic Growth and Prosperity, Shropshire Council, UK

16:00 – 17:00 Sustainable Urban Development and Rurban linkages: City Region Amsterdam
Description: The Stadsregio Amsterdam (‘City Region of Amsterdam’) is a partnership between 16 municipalities in the Amsterdam region. These municipalities work together in the sphere of spatial development, traffic and transport, economic affairs, housing and youth welfare. The Stadsregio focuses on direct results for participating municipalities in the form of improvements to quality of life, accessibility and economic development. The lecture will deliver an overview on its main tasks and particularly on the spatial and regional opportunities that the region of Amsterdam is facing.

Lecturer: Mr Anne Joustra, Director, City Region of Amsterdam, Netherlands

17:00 End of Seminar Day 1

18:00 Dinner

Accommodation in Nanning Wodun International Hotel

Tuesday, 25 May 2013 - Field Visits in Nanning Area

09:00 - 09:30 Transfer to Qingxiu Mountain

09:30 – 10:30 Field visit in Qingxiu Mountain – Industrial Park
Description: Guilin High-tech Industrial Development Zone
Nanning National Economic and Technological Development Zone (NNETDZ) adopts the management model of “Three Parks and Two Areas” including Jinkai Industrial Park in the east part is, Yinkai Industrial Park in the west part, Konggang Economic Zone in the south part, and Northern Wan Science and Technology Park and the Central Business District (CBD) in the middle part. All parks and areas have complementary functions.

10:30 – 11:00 Transfer to Medical Herbal Garden

11:00 – 12:00 Field visit in Medical Herbal Garden
Description: Guangxi Medicinal Botanical Garden is one of the biggest medicinal botanical gardens in China with a total plantation of over 2.100 varieties of plants. Similar as the field visit to Qingxiu, the session will reflect on the significance of tourism for peri-urban cooperation in Guangxi Province.
Wednesday, 26 June 2013 – Field Visits in Beihai Area
Venue: City Council Beihai and City of Beihai

09:00 – 10:00  Introduction of Beihai (Beihai City Government)
10:00 – 11:00  Sustainable Urban Development in Hamburg
Description: Linkages and interdependencies exist not only between Hamburg and close range, but also between the core city and the more remote rural area in the metropolitan area and beyond. Interactions in terms of mobility, economic cooperation, regional products, provision of goods and services are fostered through new forms of urban-rural partnerships. Particularly the Project Partnership North (PPN) aims to improve living conditions in the various areas of northern Germany. This should help in particular in partnership of urban centres, urban and rural areas in the surrounding area of the PPN.

Lecturer: Mr Guido Sempell, Department for Urban Development, City of Hamburg, Germany

11:30 – 12:30  Field visit (under discussion)
12:30 – 14:00  Lunch
14:00 – 14:30  Transfer to Yintan, Beihai City
14:30 – 17:30  Field visits in Yintan, Beihai City
18:00 – 20:00  Dinner

Thursday, 27 June 2013 – Field Visits in Beihai Area

09:00 - 11:00  Transfer to Fangcheng Port
11:00 - 12:30  Filed visit of Fangcheng Port
Description  Located at the northern bank of Beibu Gulf, southern part of Guangxi, Fangcheng Port is a fine, deep-water harbour at the furthest south-western end of the coastline on China mainland, is one of 12 hub ports of China. Local DRC will show participants the port area and will explain the significance of maritime economy for regional development.

12:30 - 14:00  Lunch
14:00 - 15:30  Field visit of the border trade with Vietnam
15:30 - 18:00  Transfer to the airport of Beihai
19:45 - 20:45  Flight to Guilin (G52612)

Accommodation in Guilin

Friday, 28 June – Field visits and closing workshop  
Venue: City Council Guilin

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<th>Time</th>
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<tr>
<td>09:00 - 10:00</td>
<td>Introduction of Guilin Regional Development Policy</td>
<td>Guilin is a prefecture-level city in the northeast of the Guangxi Zhuang Autonomous Region. The city has an urban population of approx. 670,000 inhabitants and tourism is the main engine of economic growth. It has a modern industry base including machinery, textile, chemistry, cement and pharmacy.</td>
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<td>Lecturer Representative of DRC Guilin</td>
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<td>10:00 – 12:00</td>
<td>Workshop – European and Chinese integrated territorial development strategies</td>
<td>A particular feature of the information session is to promote dialogue and ‘reflection among participants’ through a plan-workshop in the last day. Here, Chinese and European participants will be asked to develop their own reflection on regional policies and the lessons for both parts. Delegates will be divided in four small working groups dealing with specific issues of integrated territorial development. Coordinated by one European expert, each working group should debate about common challenges between Europe and China and present the results of their discussion to the plenum. The workshop will also comprise the key contents of the seminar and will end with participation certificates and an evaluation round.</td>
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<td></td>
<td>Chair: Mr Pablo Gándara, CETREGIO project coordinator for GIZ</td>
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<tr>
<td>12:30 – 14:00</td>
<td>Lunch</td>
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<tr>
<td>14:00 – 17:30</td>
<td>Field visit of Xiangbi Mountain</td>
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<tr>
<td>18:00 - 20:00</td>
<td>Dinner</td>
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Accommodation in Guilin

Saturday, 29 June 2013 – Cultural Programme and flight back to Europe

EU experts can make a ship tour in Lijiang River (Yangshuo, Yinzi Yan, Sanjie Liu).

The 10 officials return to their hometowns

17:55 – 20:45 Flight Guilin – Beijing (KL 4485 operated by China Southern)

Accommodation in Beijing

Sunday, 30 June 2013 – Flight Back to Europe

11:05 - 15:20 Flight Beijing – Amsterdam (KL 0898)

Shuttle flights to final European destinations
5. Summary of the working sessions

Sessions in Nanning

The programme started with welcoming words by Mr Li Yanping, Vice-Chairman of Guangxi DRC. Mr Li explained that the province has 52.45 million inhabitants, including 14 prefecture-level cities and 109 counties. The unique features of Guangxi Zhuang Autonomous Region are its geographical location (border with South Asia) and the ethnic minorities. Located in the southern part of the country, Guangxi is bordered by Yunnan to the west, Guizhou to the north, Hunan to the northeast, and Guangdong to the east and southeast. It is also bounded by Vietnam in the southwest and the Gulf of Tonkin in the south. The Xi River is a commercial waterway of southern China, and links the interior cities with those at the Pearl River Delta. Mr Li referred to the advantages of natural resources including agricultural products like sugar cane, but also hydropower generation and globally famous natural sceneries. Regarding regional development, Guangxi benefits from several national policies including the West Development Strategy and the China-Asia Free Economic Zone.

According to Mr Li, policies are designed to balance urban and rural development, and have actually reduced the gap. According to NDRC, whereas the urban income has increased by 11.5% annually, the rural income increased by 13% in the same period. Mr Li referred to the high GDP growth between 2008 and 2012 (13% annually). Particularly the trade cross-border trade is very important for the region (annual import growth by 26%). The urbanisation level in Guangxi province reaches 40%, below the national average (52%). He mentioned the key road, rail and maritime infrastructure achievements of the last years, including 1.800 km of high speed railway network. The handling capacity of the province is more than 4 million tonnes.

Mr Zhang Jianmin, Director at the Department for Regional Economy at NDRC in Beijing, referred to the CETREGIO programme that has involved more than 100 regional policy officials from China since 2010. He also welcomed the 20 delegates from other Chinese provinces that attended the one-week workshop in Guangxi. Mr Zhang mentioned some key facts about China’s geography and economy as compared to Europe, including its double territorial size (9.6 million km2). He also focused on some key issues of the national 12 five-year-plan for economic development of China, illustrating the cooperation between national, provincial and local authorities. A balanced development of urban and rural areas stands at the core at levels of implementation. Also in general terms, China still faces huge disparities of regional development. In these areas China can learn a lot from best practices in Europe, especially regarding urban-rural partnerships. Mr Zhang remarked that Guangxi is a lagging-behind region in China with attractive rural areas that offer strong potentials for cooperation with Europe.

Mr Cheng Weiguang, Vice Director-General at DRC Guangxi delivered a speech on the regional economic strategy for the development of the Beibu Gulf Economic Region since 2009. The “two regions - one belt” strategy is based the regional potential as gateway to Asia for Western China. The economic rim has emerged as a new highlight of China-ASEAN cooperation, especially between China and Vietnam. In China, the area covers parts of the provinces of Guangdong, Hainan and Guangxi. Since 2009, the economic growth in the gulf area has reached 15.3% annually. The implementation of the strategy has resulted in many construction projects, especially in Guangxi.
province. A second belt of development is formed by the Xi Jang River economic belt, covering seven cities along the western tributary river of the Pearl River. Mr Wang referred to the regional comparative advantages in terms of natural resources. Guangxi bears great potentials to promote tourism and services for elderly people.

Mr Tang Weiwing from Guangxi DRC focused on the division of 109 areas and counties within the Guangxi province. 47 counties are within the category of prioritised development (29% of Guangxi’s surface), 43 are focus of restricted development (40% of the regional territory) and 29 counties are within the area of forbidden economic development (31% of the land coverage), especially since they face desertification challenges. Mr Tang referred to the urbanisation challenge, since until 2020 the urban space is expected to cover 3,300 km² instead of currently 2,200 km². He mentioned to the provincial schemes for urban planning and coordination with rural areas. The province will focus urban growth in four city clusters (Nanning, Beihai, Guilin and Liuzhou) and 4 city belts.

With regard to the economic integration within the Beibu economic rim, Ms YanYan – Deputy Division Chief at Guangxi DRC – six areas have been identified. First achievements include the abolishment of roaming fees between the areas of the region and the joint development of transportation corridors.

DRC experts also presented further case studies for successful rural-urban partnerships in Guangxi province. The first one was the Chaonan pattern, a poor agricultural area that covers 120 hectares and reached 2009 a per capita GDP of less than 5000 RMB (approx. 600 Euro). In 2009, local farmers created a cooperative for the management of their products an allowed private investment. A company formed by a farmer that has been trained by the Development and Reform Commission in Guangxi lend the surface and took over the management, improving the facilities. This included sports and recreation areas for the farmers. In 2012, the cooperative had increased the shareholders’ welfare to 20,000 RMB per capita GDP, empowering several migrant farmers to return to their area. Due to spill-over effects, the whole village improved its GDP that 2013 doubled the provincial average.

DRC experts concluded that cases like Chaonan or Jinghui Model (similar to Chaonan experience in Chaonan) have triggered a mind-set change of the farmers, from traditional farming towards agricultural entrepreneurs. They also concluded that the local authorities have a key role to play in training farmers for these activities.

The first discussion round between European and Chinese experts centred on the criteria for the classification of regions within the province, the support measures for them (financial transfers, visibility for private investment, etc.), the bottom-up approaches towards rural cooperation and the importance of education and training in rural areas.

Mr Rupert Kawka, from the German Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR), introduced the rural-urban (rurban) partnerships, an issue that has become one of Europe’s key regional development issues throughout the last 10 - 15 years. Especially since the European Territorial Agenda was dispatched in 2007. Although the idea is widely accepted, the experience has shown that rural-urban partnerships sometimes lack content, and sometimes expectations about their outcome are exaggerated. Mr Kawka explained the eight model regions in Germany, which have developed over 40 projects covering 57% of Germany with 53% of the population. Mr Kawka gave some examples or the regional value added chains in the Nurnberg region. For instance, through long term contracts, the cantina of Siemens covers 50 -70 % of its fresh
food demand with regional products. Also four regional development associations in the Stuttgart region cooperated in several areas specifically laid down in joint regional plans for rural-urban cooperation.

He explained key factors for success including motivation, concrete projects, establishing milestones for the measurement of progress, diversifying the risk of failure by running several projects and convincing politicians of equal level cooperation (despite the actual economic size of the areas involved). He also discussed with Chinese delegates about rural-urban partnerships in China and experiences in other European countries. Discussions centred on the fast growth of Chinese cities and its consequences for rural areas.

Mr Andrew Evans from the Shropshire County Council (UK) explained the Marches Local Enterprise Partnership (LEP) that covers 634,000 people, 28,000 Businesses and 2,300 square miles. The LLP is one of 39 in the UK and was established after the abolishment of the Regional Development Agencies in 2010. The area shows a strong public sector employment rate (29%) and its private sector is mostly composed of micro companies (less than 5 employees). The LEP Marches is chaired by the private sector and includes members from business, research and politics. The motivation of the central government for creating the LEP was to give more power to the local entities. Mr Evans also explained some the regional strategy for growth 2013-2022, including businesses support, physical infrastructure, skills enhancement, new business investment and low carbon economy. Some successes achieves by the LEP (and the former Regional Development Agency) include the creation of the Hereford Enterprise Zone (Defence & Securities), a Marches Redundant Building Grant, Marches Growing Places Fund (£28m). The key business sectors are food & drink production & processing, advanced manufacturing, environmental technologies, tourism & leisure, social enterprises and defence & securities. Mr Evans gave some examples of urban-rural cooperation including the conversion of former barns to manufacturing floor space and offices.

Mr Anne Joustra – Director of the City Region Amsterdam – introduced the metropolitan area that is made of 16 municipalities with 1.4 Mio inhabitants. The City Region Amsterdam is run by the Amsterdam region in joint partnership with the other 13 stakeholders. It coordinates spatial development, traffic and transport, economic affairs, housing and youth welfare issues of the municipalities with a total annual budget of 600 million Euros provided by the central government. He mentioned that competition is one of the key principles for allocating resources, and noted that the transportation system of Amsterdam will be tendered soon. He also emphasised the significance of coordinating economic development among the different municipalities. Finally, Mr. Joustra mentioned a positive external evaluation of Stadsregio and commented some future challenges. Discussions centred of lessons learned by the UK, Germany and Netherlands with regard to urban sprawl and growth, the state intervention measures and the state aid prohibition by EU law. Also the decision making mechanism between several municipalities and the instruments for the reduction of regional disparities were at the centre of the discussions.

In Nanning, Chinese and European delegates visited two regional development projects: one ethnic museum and one ASEAN cross-border cooperation hall.
Sessions in Beihai and Fanchengong

In Beihai, delegates were received by Mr Li Qingong, Mayor of Beihai and by Mr Wang Baoyue, Deputy Director of Beihai’s DRC, as well as by further local authorities of the Beihai City Government (Agriculture Department, Commerce Office, Industrial and Telecommunications Commission). Beihai City is located in the south/east coast of Guangxi, and the city's north-south axis spans 114 kilometres (from east to west span of 93 km). The city covers 23 towns, seven district offices, 342 village committees and 84 neighbourhood communities. The city's total population reaches 1.65 million. After being turned into a trading port in 1876, Beihai became an important foreign trade port in South China and West China. 1984 Beihai was included in China's first level coastal open cities (out 14 in total). The city’s geographical location offers a comparative advantage for cooperation with the ASEAN countries. It is the only coastal city of west China that has a deep-water port. Also the fishery resources are very important for the local economy (one of China's four major fishing grounds, there are 500 kinds of fish, the annual allowable catch of 50-70 tons). Mr Li also mentioned some local city industrial parks, export processing and industrial zones (Tieshangang, Hepu), as well as the investments in the petrochemical industry (annual output of 30bn RMB in 2012). In 2012, the city's GDP exceeded 600 billion RMB, more than double than in 2008. More than 40 electronic production enterprises has been established in the city. Mr Li also mentioned the investment of the Finnish-Swedish forestry and paper company Stora Enso (about 20 billion yuan) in the construction of the North Sea Hailin pulp-paper factory (construction to start soon).

Mr Wang also referred to the development of rural areas within the city’s administrative area, including rural road, the construction of affordable housing and rural reconstruction, accelerating the construction of a new socialist countryside to support and benefit the agricultural development as a drive to alleviate poverty. In 2012, the disposable income of urban residents reached 21,202 RMB, three times higher than the rural areas. However, rural areas GDP increased by 15.7 % in 2012. With regard to ecological environmental protection, Beihai has of China’s best air and water quality. Several waste treatment plants have been built with 165 kilometres of sewage pipe network. It has been awarded as one of China’s Top Ten Liveable Cities.

With regard to a coordinated urban development, Mr Wang explained firstly explained the benefits of the new urbanisation. Urban planning integrates focused on green development including the promotion of walking areas, smart city concept and low-carbon solutions. The plan aims to avoid urban sprawl by improving existing urban areas. Also to cooperation between small towns located in the Hepu county (900,000 inhabitants) should enhance the attractiveness of rural areas. Illegal land used and construction along the Gulf of Lianzhou is being cracked down. Mr Wang also referred to the urban-rural infrastructure integration, e.g. roads, water supply, public transport, internet and public services. Also the promotion of the free flow of production factors between urban and rural areas should be improved. Also the development of agro-industry should lead to a dynamic rural economy. The DRC strongly supports labour-intensive industries, service industries and SMEs to create more jobs and opportunities. This is channelled through vocational training, expanding social insurance coverage and consolidating the urban and rural residents’ social pension insurance system. DRC Beihai also promotes financial capital investment in order to accelerate the construction of affordable housing projects.
Chinese presentations were followed by a lecture of Mr Guido Sempell, from the State Ministry for Urban Development and Environment of the Free and Hanseatic City of Hamburg. Mr Sempell explained the Chinese delegates the some key facts about Hamburg, Germany’s second largest city (1.7 million inhabitants). Hamburg has a diversified economic structure that secures positive employment data in areas including harbour / logistics, aviation, media, services, manufacturing and chemistry. The city has approx. 200,000 inbound commuters and is the Gateway to Northern Germany (seaport, airport, transport network, communication). Mr Sempell noted that the port is at the centre of the city and is not expanding along the Elbe River. There are many green areas in the city, that are highly protected and do not allow settlements. Mr Sempell focused on the metropolitan governance as well as on the urban-rural partnerships. He noted that linkages and interdependencies exist not only between Hamburg and close range, but also between the core city and the more remote rural area in the metropolitan area and beyond. Interactions in terms of mobility, economic cooperation, regional products, provision of goods and services are fostered through new forms of urban-rural partnerships. Particularly the Project Partnership North (PPN) aims to improve living conditions in the various areas of northern Germany. This should help in particular in partnership of urban centres, urban and rural areas in the surrounding area of the PPN. Mr Sempell noted that administrative structures and economic features are increasingly differing. Networks and clusters are relevant. There is a need for Functional Urban Areas (FUA) consisting of a larger city (metropolis) and its hinterland, growth poles and more peripheral areas innovative / suitable type of metropolitan governance. The idea of a strategic partnership of urban and rural is essential for achieving territorial cohesion. Mr Sempell explained the criteria for selecting projects, e.g. the additional regional added value, the combination of urban with rural partners, innovative settings, the economic impulses and a solid budget / financial contribution. He also explained the governance of these rural-urban partnership schemes and delivered several examples of cooperation in areas like regional food chains, renewable energy, universities, touristic promotion and life sciences.

Discussion with Chinese experts focused on the harmonisation of different economic interests (e.g. petrochemical industry development and tourism), the differences between governance and government, the tariff conditions affecting trade within the Beibu Gulf, the potential negative environmental effects of petrochemical development and the role of best practices from Europe, the motives for companies like Stora Enso for investing in Beihai, the local housing strategy and dependence of economic growth on the housing construction sector.

On the afternoon, delegates visited the Yintai area of Beihai City, a former British colonial area that is being refurnished. On the next day, delegates visited the Port of Fangcheng, a deep-water harbour at the furthest south-western end of the coastline on China mainland. Fangcheng Port is one of 12 hub ports of China and enjoys exceptional advantages on geographical position. As the port is closest to the less developed but growing parts of Guangxi, Guizhou, and Yunnan and to parts of Chongqin, Hunan, and Sichuan, it is strategically located to promote economic growth in these areas, as well as in cross-border trade with Southeast Asia. Participants met the director of the port authority and visited the petrochemical facilities installed by SINOPEC.
Sessions in Guilin

The last part of the training took place in the city of Guilin, the capital of the Xiangshan District in the north east of Guangxi province. The city has a population of 4.5 Mio inhabitants (urban population of approx. 1 million). In Guilin, the Vice Secretary of the City (Mr Tang) welcomed the delegates at the city hall. Mr Tang – who has participated on a GIZ seminar in Europe 2012 – gave an overview of the city. NDRC approved in 2012 a master plan for the transformation of Guilin into a global tourism destination. This includes a campaign for promoting eco-tourism in China. He also referred to the importance of balances urban-rural development and to the contribution of the workshop for the local development.

Mr Wei Liping from Guilin DRC explained rapid economic growth of Guilin (10%p.A.) and the focuses of the regional development strategy. These include the international cooperation, the concentration on pillar industries like tourism, agriculture, automotive and biochemical. A master-plan for cooperation alongside the Xi River (Xijiang) has been recently approved. Particularly an integrated development plan with the city of Hezhou is being undertaken. The idea is to set up a comprehensive cooperation mechanism in transportation, rural networks, science & technology and culture. Mr Wei also referred to the recent improvement in infrastructure including a high-speed train to Hunan 2013 (to Guizhou by 2014), the current construction of metro lines, the expansion of Guilin’s international airport and the industrial park (1.3 bn RMB public investments). Particularly the tourism sector is of key advantage for the city. Guilin is one of the most touristic destinations of China and as such it held 2012 the 6th International Forum on Tourism. Also the health industry is increasing considerably and bears potential for cooperation.

A first discussion round with European experts centred on eventual conflicts of economic development between areas like tourism and industry, the cooperation with surrounding cities and within the city (among the different towns), the social services and training measures for skilled workforce and the urban-rural balance. It should be mentioned that - different to Europe - Chinese cities mean larger territorial entities including several townships and rural areas.

Participants were then divided in four groups that were chaired by one European expert. The conclusions of the working groups are:

1) China has well developed plans for urban-rural cooperation at national and provincial level. It does however lack of funds for the implementation of long terms programmes that ensure urban-rural cooperation on equal terms.

2) Also tailor made programmes for urban-rural cooperation at local level need to be developed. The EU has provided good examples of how to involve different stakeholders.

3) A systematic mechanism of rural-urban cooperation is needed in order to set incentives for peri-urban cooperation.

4) Training is needed for rural habitants in order to develop bottom-up solutions and to trigger a mind-set change.

5) In China there is a very strong localism and regionalism towards economic development. The development of functional zones is crucial in order to avoid negative competition among cities.
6) Urban development often challenges rural development by hindering untapped potentials. However, policies are still developed to favour cities since they are seen as the engine of economic development. This view is rather simplistic, since cities promote development of urban areas and not of whole regions. The impact of urban development in the regions should be better monitored.

7) Chinese policy makers at national and provincial level are aware of the key importance of balanced urban-rural development. The issues of agricultural development and farmers’ empowerment are very well known since decades. However, cities have benefited much more from economic development than the countryside. The EU has shown several experiences that are relevant to China.

8) The social protection system covers currently only urban population. The basic services (proper access to education, health care and transportation) need to be expanded to rural areas.

9) Twinning programmes between European and Chinese regions should be developed in order to deeper exchange experiences on issues of economic development.

10) Some Chinese officials proposed the establishment of a joint EU-China fund to develop common projects like regional added value chains.

European participants expressed that the EU can learn from the rapid development and flexibility of the Chinese economy. However, the EU could provide experience on innovative governance structures to develop hidden potentials.

Former participants of CETREGIO activities in Europe expressed that they have applied several measures learnt in Europe in their work in China. They mentioned that Europeans can also learn from the Chinese experiences and expressed their satisfaction with the training.
### 6. Composition of the Chinese delegation

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<tr>
<th>N°</th>
<th>Name</th>
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<tr>
<td>1</td>
<td>Guido Sempell</td>
<td>Department for Urban Development, City of Hamburg, Germany</td>
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<td>2</td>
<td>Mr Anne Joustra,</td>
<td>Director, City Region of Amsterdam, Netherlands</td>
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<td>3</td>
<td>Mr Andrew Evans</td>
<td>Head of Economic Growth and Prosperity, Shropshire Council, UK</td>
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<td>4</td>
<td>Dr Rupert Kawka</td>
<td>Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR), Bonn, Germany</td>
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<td>5</td>
<td>Ms Shi Qinghua</td>
<td>DRC Henan</td>
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<td>Ms Luo Manman</td>
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<td>22</td>
<td>Ms Sun Qingge</td>
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<td>28</td>
<td>Mr Zhang Jianmin</td>
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<td>30</td>
<td>Mr Li Chunguo</td>
<td>NDRC Beijing</td>
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7. Documentation provided to the participants

Detailed documentation folders were handed out to the participants in their introductory session in Beijing. The folders included:

- Programme
- Background material on EU-China Regional Policy Dialogue, EU Cohesion Policy.
- Background material on the relevant cities and projects to be visited
- Background material on lectures and presentations

8. E-Learning platform Global Campus 21 ©

Most presentations held during the one-week training were uploaded to Global Campus 21® (GC21), GIZ’s virtual learning platform on the Internet. It is based on a learning management system using modern web technology.

For this information session, a shared workspace was established in English and Chinese. This provides various online tools, such as chat & discussion forums, pin board, document pools, link collections, and mailing features. The platform also provides further relevant information on technical aspects, cultural background and general information on the diverse EU destinations that were visited.
9. Press and media coverage

Coverage in Guangxi Television on 24.06.2013

Coverage by Guangxi Development and Reform Commission
http://www.gxdrc.gov.cn/zwgk/wnyw/201307/t20130704_483750.htm
10. Pictures Gallery

Workshop in Nanning

Speech by Anne Joustra, CityRegio Amsterdam

Workshop in Beihai.

Field visit in Beihai petrochemical complex

Mr Rupert Kawka and Mr Anna Josutra at the Port of Beihai

Mr Guido Sempell and Chinese experts in Fancheng Port


Closing workshop in Guilin

Working Group N°1 in Guilin – coordination by Mr Anna Joustra

Working Group N°2 in Guilin – coordination by Mr Guido Sempell

Working Group N°3 in Guilin – coordination by Mr Rupert Kawka

Working Group N°4 in Guilin – coordination by Mr Andrew Evans

Presentation of the workshop results