China – EU Training on Regional Policy (CETREGIO)

Twinning session in Tianjin:
Regional development and innovation

Introduction to EU Regional and Innovation Policy

Tianjin, 29 July 2014

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Material of this presentation has been kindly provided by the European Commission

Source: European Commission
Contents

1. Basics about the EU

2. Basics about EU Regional Policy

3. The CETREGIO Programme & Delegation
A Union of 28 countries
508 million people
A Union of Countries: Eight enlargements

1952

1973

1981

1986

1990

1995

2004

2007-13

Source: European Commission
EU population in the world

Population in millions, 2012

- EU: 508
- China: 1343
- Japan: 127
- Russia: 143
- United States: 314

Source: European Commission
The area of the EU compared to the rest of the world

<table>
<thead>
<tr>
<th>Region</th>
<th>Surface Area (1,000 km²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>4,234</td>
</tr>
<tr>
<td>China</td>
<td>9,327</td>
</tr>
<tr>
<td>Japan</td>
<td>365</td>
</tr>
<tr>
<td>Russia</td>
<td>16,889</td>
</tr>
<tr>
<td>United States</td>
<td>9,159</td>
</tr>
</tbody>
</table>

Source: European Commission
The EU institutions

- European Council (summit)
- European Parliament
- European Commission
- Council of Ministers (Council of the EU)
- Court of Justice
- Court of Auditors
- Economic and Social Committee
- Committee of the Regions
- European Investment Bank
- Agencies
- European Central Bank

Source: European Commission
The European Commission

**Composition**
- 27 Commissioners
- +/- 25,000 officials

**Organisation**
- 40 Directorates-General:
  - Horizontal Directorates
    (Legal service, Statistical Office ...)
  - Sectoral Directorates
    (ECFIN, REGIO etc…)

**Powers**
- Right of initiative
- Power of execution
- Monitoring of compliance with Community legislation
- International negotiations
Part 2: EU Regional Policy
Deep Regional Disparities

2012 GDP per inhabitant
Index where the average of the 27 EU-countries is 100

Source: European Commission
Large economic disparities remain...

- Regional disparities are smaller in the US, but bigger in NAFTA
- Brazil, Russia, India and China have bigger disparities
- Reducing disparities requires investing in
  - infrastructure
  - innovation
  - institutions

GDP/head (PPS), 2007
2014 - 2020: €351bn invested for infrastructure, business, environment. This will unlock up to €700bn.
A reformed Cohesion Policy for Europe
The main investment policy for jobs and growth

The reforms agreed for the 2014-2020 period are designed to maximise the impact of the available EU funding.

OVERALL EU 2014-2020 BUDGET
€1082 billion

67.5%
Other EU policies
agriculture
research
external
etc.
€730.2 billion

32.5%
COHESION POLICY
€351.8 billion

Smart
Sustainable
Inclusive

Cohesion Policy delivers Europe 2020 Goals

EUROPEAN REGIONAL DEVELOPMENT FUND

THROUGH

EUROPEAN SOCIAL FUND

GROWTH
How is funding allocated?

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget Allocation (in %)</th>
<th>Population Covered (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less developed regions/MS</td>
<td>68.7%</td>
<td></td>
</tr>
<tr>
<td>Cohesion Fund*</td>
<td>15.8%</td>
<td>307.1</td>
</tr>
<tr>
<td>Less developed regions</td>
<td>162.6%</td>
<td></td>
</tr>
<tr>
<td>Transition regions</td>
<td>11.6%</td>
<td>72.4</td>
</tr>
<tr>
<td>More developed regions</td>
<td>53.1%</td>
<td>119.2</td>
</tr>
<tr>
<td>European Territorial Cooperation</td>
<td>11.7%</td>
<td></td>
</tr>
<tr>
<td>Outermost regions and sparsely populated areas</td>
<td>0.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68.7%</strong></td>
<td><strong>336.0</strong></td>
</tr>
</tbody>
</table>

* €10 billion from the Cohesion Fund will be allocated to the Connecting Europe Facility

Source: European Commission
What is uniquely European?
The Principles

• 7 year financial perspective (2014-2020)
• Multi level governance
• Decentralised approach, maximising local responsibility
• Commission > priorities, > the strategies > operational programmes proposed by the Member States, and allocates resources

– Co-Financing:
• Member states have to co-finance programs with their one funds (75-85 % in convergence regions, 60 % in transition regions, 50 % in more developed regions)
• Own funds lie between 15 and 50 %, **positive incentive effects**
Allocation of structural funds
(Source: ZEW)

Source: European Commission
European Level Policy: Commitment to Regional Adaptation

Smart Specialisation – A Prerequisite to Receiving EU-Funding 2014-2020

- policy should **focus** on fields that will complement the [region’s] productive assets, to increase existing comparative advantage,

- identify **complementary** investments to create comprehensive areas of strength,

- not focus on industry or public research alone but on both, and on framework conditions

- **policy makers** should not play the only or even dominant role in the process of ‘selecting the right areas for specialisation’

- finding the right areas of specialisation should be a **learning process** involving stakeholders from regional industry & public research

Source: European Commission
Part 3: China - EU Regional Policy Cooperation
The international dimension of EU regional policy: EU-China regional policy cooperation

- First dialogue with a non-EU country on regional policy
- MoU with NDRC (Beijing, May 2006), annual high-level meetings and seminars
- Joint study on regional policies (practical aspects of policy-making)
- Chinese European Training on Regional Policy (CETREGIO):
  - Training and information sessions, field visits providing highly practical exposure to regional development challenges and solutions for Chinese and European participants

Source: European Commission
EU China Urbanisation Partnership
CETREGIO – Regional Coverage

Source: European Commission
NDRC delegates at the i54 in the West Midlands

BBC Radio Reporter Mr James Bond interviewing NDRC delegates

Visit of the Energy Bunker in Hamburg

Alan Moseley, Friends of Flaxmill Maltings
Chairman, explaining malting process
Follow-Up in Tianjin, April 2012
Press Coverage: Vitoria-Gasteiz, November 2012

Title page of newspaper El Correo, explaining Vitoria-Gasteiz’s green development model, 20.11.12. © El Correo.


Story of newspaper Diario de Noticias de Álava about Chinese visit to Vitoria-Gasteiz, 19.11.12. © Diario de Noticias de Álava.
CETREGIO 2014

- Three twinning schemes
  - Tianjin – Lazio (IT)
  - Chengdu – Lower Silesia (PL)
  - Guangzhou – Upper Austria (AT)
- One business missions
  - UK (West Midlands) to Tianjin – Dec. 2014
- One NDRC High Level Delegation to Europe (Belgium, UK)
- Preparatory Trip for EU-China High Level Seminar (Chengdu, November 2014)
CETREGIO –
Current Delegation
Thank you!

感谢您们！