



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 8.11.2006

SEC(2006) 1432

COMMISSION STAFF WORKING DOCUMENT

Accompanying the

COMMUNICATION FROM THE COMMISSION

REGIONS FOR ECONOMIC CHANGE

{COM(2006) 675 final}

THEMES FOR MODERNISATION

The themes for Regions For Economic Change and its fast track option can be grouped into specific policy fields, according to the three thematic sets of guidelines and the cross-cutting territorial dimension of the Community strategic guidelines, as set out below. Particular attention will be paid across all these themes to improved governance and to the involvement of the private sector.

I. Making Europe and its regions more attractive places to invest and work

Increasing adaptability. Globalisation requires constant adaptation to changing economic realities and increases the importance of foreseeing and accompanying change. The European Globalisation Adjustment Fund will assist with re-training and job search efforts for workers made redundant as a result of major structural changes in world trade patterns and the Structural Funds will continue as in the past to facilitate medium-term adjustment. Regions working on this theme will exchange experience on how to deal with short-term economic shocks and on the appropriate instruments to mitigate negative effects and take advantage of opportunities which arise. Regions will also share best practice on steps they can take to prepare for, and take advantage of, planned and predictable changes in the economic environment such as those stemming from increased liberalisation of trade and reductions in trade protection stemming from international trade agreements.

Improving air quality. Poor air quality is associated with a decrease in life expectancy of up to 3 years in some parts of EU, and is also linked to increased rates of respiratory disease and reduced productivity. Regions working on this theme will develop and share measures to reduce their measured levels of particulate matter, NO₂ and CO through integrated packages of measures.

Moving to a low carbon economy. Transforming our energy dependency will require higher energy efficiency to reduce demand and a lower dependence on fossil fuels. Regions working on this theme will develop actions and exchange experience on measures which improve Kyoto performance and contribute to the 2010 national indicative EU-25 global target of 21% of electricity from renewable energy sources and of 5.75% for the market share of biofuels (for transport as well as the increased use of renewable energy sources for heating and cooling).

Improving quality of water supply and treatment. The supply of sufficient clean water at reasonable cost is essential to households and businesses. The aim of this theme is to exchange experience on measures to help improve application of the principle of Integrated Water Resource Management and increase the efficiency of the drinking water supply. Regions working on this theme will develop measures, and share best practice, on assuring a better water quality and more efficient consumption.

Moving to a recycling society. Measures promoting the prevention and recycling of waste are an essential element for sustainable use of natural resources and contribute to reducing emissions of greenhouse gases. It involves developing local economies, thereby creating jobs, and benefiting general industrial competitiveness. Regions working on this theme will develop measures, and share best practice, on assuring

reduction of waste generation and recovering/recycling valuable resources embedded in waste.

Making healthy communities. The Union's ageing population and declining labour force make it essential to take steps to increase the number of healthy life years for its population. However, major differences in health status and access to health care and delivering continuity of care persist between regions. Regions, cities and rural areas working on this theme will aim to improve the overall 'state of health' of inhabitants through extending healthy and active ageing and through measures to prevent health risks and fill gaps in health infrastructure including ICT-based tools.

Integrated policies on urban transport. Urban transport is a key element in determining the attractiveness of cities to citizens and businesses. Cities in both old and new Member States face challenges in this regard, as manifested by urban congestion, access problems and transport infrastructures which do not meet the needs of all groups. Cities working on this theme will aim to improve quality of life of citizens through providing high quality public transport and better management of traffic as part of an integrated strategy to improve their transport system.

Developing sustainable and energy-efficient housing stock. Many cities are confronted with housing stock of poor quality in terms of energy efficiency. This is costly for the citizens and detrimental to the local and national economy. Careful planning and timing of building renovations (with properly dimensioned/selected heating systems, hot water supply systems and electricity supply) are also needed to ensure balancing of housing needs with demographic, regional/urban development and lifestyle trends. Cities and rural areas working on this theme will work to achieve a higher level of sustainable development and energy efficiency of housing stock.

Improving monitoring of environment and security by and for the regions. It is important that regions can take full advantage of European investment in the development of information services to better support the global monitoring of environment and security (GMES). These pan-European services, which integrate space and ground/sea based geo-spatial data, should enable the development of downstream services to respond to regional users' needs. The aim of regions working on this scheme will be to overcome the problem of fragmented information systems and develop customised information services in various areas like cross border spatial planning (for transport infrastructure, tourism development, land monitoring) or emergency responses (focused on common risks areas such as alpine regions, cross boarder rivers or Mediterranean forest). As a result, they will promote the development of innovative firms in high tech services industries and the creation of cross border geospatial interoperable solutions.

II. Improving knowledge and innovation for growth

Improving the capacity of regions for research and innovation. It is important that regions emphasise the role of knowledge creation and innovation in their development strategies. Their strategy to invest in Research and Development should be based on a sound assessment of their research priorities and a management strategy, including the transfer of knowledge. The aim of regions working on this theme will be to develop measures to improve the proportion of their workforce employed in science, technology and high-tech manufacturing and the number of

patent applications and licensing agreements. Under the fast track option, support could be given to regions to facilitate their participation in different EU-level activities such as the European Institute for Technology.

Bringing innovative ideas to the market more quickly. SMEs operate more and more in international markets and also need to adapt more quickly to global developments. The capacity to adopt new technologies and methods (sometimes developed through research) is key for competitiveness, yet is still hampered by a range of factors. The aim of regions working on this theme, which will be especially important in regions with strong SME sectors, will be to develop measures to increase awareness of the potential benefits of research for selected business sectors, including the possibilities which might flow from projects like GALILEO; to facilitate knowledge transfer from research to innovative products and services and to promote non-technological innovation, e.g. by providing counselling and networking measures. The exchange of best practice would include the use of risk capital to finance the proof-of-concept stage of the innovation process.

Training and retaining researchers. The retention of highly qualified personnel in the Research and Development sector is crucial for the development of the knowledge economy. Equally, the mobility of such people between the academic and business worlds helps to build bridges between the two communities. Regions working on this theme will develop programmes to train students and researchers in local companies, to establish offices to facilitate the exchange of personnel and knowledge, to attract young people to research and scientific careers.

Helping to restructure regions most heavily dependent on traditional industries. Some regions are still heavily dependent on traditional industries and vulnerable to relocation decisions, particularly by large employers. The aim of regions working on this theme will be to develop policy mechanisms on how best to anticipate, or respond to, closures through restructuring and diversification, or through retraining, business support, advice and financing and nurturing local clusters.

Bringing e-government to regions and businesses. Companies already offer many products and services online. Governments, especially at a local level, are not always up to the same speed. Regions working on this theme will benefit from experiences in those which are more advanced in the provision of administrative, library and other services through electronic communications.

Better ICT connections between regions. Citizens and businesses in Europe's remote, less-developed or sparsely-populated regions and in rural areas often face special challenges in accessing services and marketing and selling products and innovative ideas. Increasing the availability of ICT infrastructure and services will enable better access to public services and connect the social and economic actors of these regions to the global market with beneficial effects for businesses, employment and capacity building. Regions working on this theme will use broadband connections and digital ecosystems technologies to help retain and establish new businesses, reduce out-migration, and enable global co-operation among the various socio-economic actors.

III. More and better jobs

Improving qualifications for innovation. Policies to support research, technology and innovation must go hand in hand with measures to promote a high level of education and training and a qualified work-force. The aim of regions working on this theme will be to address shortages of qualified workers for research, technology or innovation jobs, through actions to increase the education level of the population and to train both unemployed and those in employment (updating of skills, lifelong learning).

Promoting entrepreneurship. 'Entrepreneurship' is considered one of the new basic skills necessary to live and work in a knowledge-based society. Business support and advice, financing and networking are vital to enabling potential entrepreneurs to realise their ambitions. Regions working on this theme will focus on measures to increase the number of start-ups and their survival, to encourage an entrepreneurial mindset in schools, provide business advice, mentoring, financing and support to innovation centres.

Meeting the demographic challenge. Some regions and cities already face the negative economic effects of a radical change in demographic patterns. Increasingly, these will require a costly restructuring of social service facilities and care services for older people with knock-on effects to business. Regions working on this theme will pool their experience in dealing with the effects of demographic change and shape measures which could be applied elsewhere. Special attention will be paid to the inter-generational balance and the effects of immigration, both legal and illegal.

Promoting a healthy workforce in healthy workplaces. Another challenge to the EU's productivity is the number of days' work lost through sickness-related absenteeism each year. Ill-health and absenteeism is extremely costly to employees, employers and insurance companies and has a direct impact on national economies, given the medical and social security costs and the loss of output resulting from a reduced labour force. Regions working on this theme will aim to reduce the number of working days lost to sickness through sharing best practice on health promotion, including health promotion in the workplace.

Integrating marginalised youth. Despite the European Union's potential shortage of labour, many young people are neither in the education system nor do they work. Many face a lifetime of unemployment. Cities and rural areas working on this theme will aim to strengthen the integration of unemployed and under-skilled young people by providing them with access to job opportunities through education, training, micro-credits, improved infrastructure and advisory services. Crime prevention measures could also be highlighted.

Managing migration and facilitating social integration. Our cities are places where social disparities, migrant populations and ethnic minorities tend to be concentrated. Efforts should be made to exploit the huge potential of this cultural and social diversity. Cities and regions working on this theme will aim to strengthen their integration by providing these groups with access to job opportunities through education, training, micro-credits, improved infrastructure and advisory services.

Improving the adaptability of workers and enterprises. Improving the anticipation and positive management of economic change can be done in a variety of ways – all necessary to gain the full benefits from economic change and technological developments. The changes require an increased flexibility and continuous learning by both employees and employers. Regions working on this theme will aim to strengthen their life-long learning performance and improve systems to promote better design and dissemination of innovative and more productive forms of work organisation.

Expanding and improving education and training systems. The challenges of a knowledge-based society and globalisation place special demands on our education and training systems. Ensuring that schools and training centres have the right curricula and that teachers and trainers receive a continual updating of skills with a view to innovation and continuous change are essential in a number of ways: avoiding a skills gap, improving the employability of the young, older workers and those returning to the workplace, and helping those in employment to remain competitive. These investments are key for future growth and prosperity on national, regional and local levels. Regions working on this theme will aim to improve their education and training systems and curricula.

Increasing employment of older workers. Increasing employment rates, in line with the Lisbon targets, implies increasing employment of older workers: investment in stimulating such employment constitutes an investment in the sustainability of the European social model and in particular in its pension system. Regions working on this theme will aim to increase the employment rate of older workers. A multitude of active and preventative approaches could be followed, depending on national and regional particularities.

IV. The territorial dimension of European cohesion policy

Managing coastal zones. Investments in the environment help to ensure the long-term sustainability of economic growth, decrease external costs to the economy and stimulate innovation and job creation. Regions working on this theme will develop and share measures to prevent or reduce coastal pollution and to manage coastal erosion in a sustainable manner and mitigate the effects of sea level rise in view of a global strategy for adaptation to climate change.

Reaping the benefits of the sea. Maritime regions offer considerable opportunities but they face economic difficulties and challenges. Regions working on this theme will exchange best practices on how the economies of maritime regions can benefit from growth in areas like transport, tourism, energy production, aquaculture, and emerging marine technologies. For instance, European off-shore areas already play an important role in energy production and will do so even more in the future if off-shore aquaculture and sea-based renewable energy are further developed.

Achieving sustainable urban development. Cities develop quickly, but often face a range of challenges, including the need to improve living conditions, promote job creation, avoid segregated housing estates, integrate disadvantaged populations into the education and training systems, develop environmentally-friendly public transport systems, promote use of renewable energies and ICT. Dealing with these challenges requires an integrated sustainable urban development approach [such as

that promoted by the URBAN II Programmes] covering different policies – economic development, employment, environment, infrastructures, social – requiring participation at all levels of governance (from citizens to political stakeholders). Cities working on this theme will aim to share experience and benefit from the application of this integrated sustainable urban development approach.

Re-using brownfield and waste disposal sites. Re-using urban brownfield and contaminated landfill sites for development is socially, economically, environmentally and culturally important for the development of our cities and regions and a valuable alternative to urban sprawl. Cities and regions working on this theme will aim to develop projects to re-use abandoned urban industrial, military or port sites.

Preventing and reducing floods. Better water management, revitalisation of water courses and improvement in biodiversity and ecosystem services by restoring Europe's landscapes to their original function are essential to reducing flood events. Cities and regions working on this theme will aim to develop projects to restore river meanders, prepare dry-polders, carry out afforestation projects, and create wetland areas.

Supporting the economic diversification of rural areas. Regions working on these themes will exchange best practices on how the economies of rural regions can be further diversified.