



CETREGIO

Chinese European Training on Regional Policy

EU-China Regional Policy Dialogue

A project of the European Commission in the framework of their European Parliament preparatory action to enhance regional and local cooperation by promoting EU regional policy on a global scale

Final Report 2012

Elaborated for the European Commission
Directorate General for Regional and Urban Policy (DG REGIO)

April 2013

This project is financed by the Directorate General for Regional Policy of the European Commission, within the European-Chinese Regional Policy Dialogue. This dialogue has been established to exchange information and best practices of experiences in setting up and implementing cohesion policy.

This report has been elaborated by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. GIZ has been in charge of implementing the CETREGIO project 2012 (contract N° 2011CE160AT023).

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FOREWORD

On behalf of the European Commission's Directorate General for Regional and Urban Policy (DG REGIO), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH implemented 2012 the CETREGIO programme, a Chinese European Training on Regional Policy. Participants included representatives from China and European Union member states. This was done within 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. As a federal enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development, including human capacity development for good governance and regional development and policies.

The information sessions and trainings were prepared and implemented by GIZ in close contact with DG REGIO and the partners in China. The Chinese delegates were nominated by the Chinese National Development and Reform Commission (NDRC). The two sessions in Europe consisted of two-week study tours in different European Union countries, including lectures and field visits to best practices of regional development, and opening spaces for mutual exchange and learning. Each information session focused on a specific regional policy issue. The first workshop in China consisted of a four-day training for Chinese and European experts dealing with regional policy legislation and multi-level governance. The second activity in China aimed at supporting DG REGIO in the preparation and implementation of the EU-China High Level Seminar in Guangzhou as well as organising a task-force of delegates from the City of Vitoria-Gasteiz (Basque Country, Spain) to the City of Sanming (Fujian Province, China) in order to explore a bilateral partnership on sustainable regional and urban development.

The main aim was to provide Chinese experts insights to European experiences as a source of reference when developing regional policy measures in China. It was not intended to propose tailor made solutions for the Chinese reality. The sessions took place in April, July, November and December 2012.

This report reviews the project development and the results that have been achieved. Chapters 2 to 5 give an overview of the project, including the countries visited during the sessions, the cooperation with European partners, visibility issues and media coverage. Chapter 6 summarises key reflections by the delegations. Annex I summarises the contents of all four activities and reflects on the key issues of discussion. This part is based on the technical reports issued to DG REGIO after each information session. Annex II includes some comments of Chinese expressed by participants after the information sessions in Europe. Annexes III and IV are the translations of the reports elaborated by the Chinese participants during their visits to Europe.

1. Executive summary

The first training took place in China from 14 to 17 April 2012 and focused on regional policy legislation, including issues of multilevel governance. Training was conceived as a preparatory event for a two-week study visit to Europe (July 2012). The programme was designed for 30 delegates of NDRC that were supported by the project coordinator member and one local interpreter. The training session in China consisted of four days, including lectures, field visits and an interactive workshop. Four European regional policy experts were proposed to deliver lectures (maximum 30 min plus consecutive interpretation) and to coordinate working groups based on their practical experiences on regional development.

The second activity took place in Europe from 8 to 21 July 2012 and focused on multi-level governance of regional policy. The Chinese delegation was composed of 20 regional-level officials and representatives of the National Development and Reform Commission (NDRC) coming from 11 Chinese provinces. It should be stated that all participants were senior experts in their areas and the majority had even decision-making competences on regional development issues in their provinces. Participants visited best practices in six European Union countries representing the diversity of multi-level governance systems on regional development: Belgium, Netherlands and Germany (all three federal), Italy (decentralised unitary or devolved), Poland and France (both regionalised unitary)¹. The cities and regions visited presented different models of cooperation at national, regional and local level, making them particularly interesting for Chinese officials.

The third activity was a two-week information session in Europe, from 13 to 28 November 2012. Training focused on sustainable regional and urban development and was designed for a Chinese delegation of 20 regional NDRC delegates coming from 15 provinces. The programme included field visits in selected urban and rural areas of four European countries (Germany, Belgium, Spain and Slovak Republic). It was intended to show differences on the challenges confronted by different European regions. Polycentric development strategies and the linkages between cities and regions built the red line of the seminar.

The fourth activity consisted of supporting DG REGIO in the preparation and implementation of the VII. EU-China High Level Seminar in Guangzhou (from 20 to 21 December 2012) as well as organising a study visit of regional development experts from the City of Vitoria-Gasteiz (Basque Country, Spain) to the City of Sanming (Fujian Province, China) within the framework of a joint declaration of cooperation on sustainable urban development.

The project was implemented by a team composed of one project coordinator, one project assistant and the programme coordinators at GIZ. Mr Pablo Gándara was appointed as project coordinator for GIZ and led the preparation, implementation and reporting of the project. He was supported by the project assistant Mr Volker Kienast. The institutional backstopping, knowledge and quality management as well as institutional coherence were further guaranteed by Mr Stefan Unseld and Ms Stephanie Klein (both GIZ).

¹ This classification is based on the report submitted to the DG REGIO by Applica and Ismeri Europe in 2010: "Distribution of Competences in relation to Regional Development Policies in the Member States of the European Union". Contract No. 2008.CE.16.0.AT.040 /2008.CE.16.CAT.014. February 2010.

2. Cooperation with European and Chinese partners

When elaborating the single programmes, GIZ aimed at achieving a wider communication impact with European regional policy makers. It therefore included top lecturers from different European countries, and promoted a genuine and meaningful co-operation among them. Through preparatory telephone conferences and video conferences, many lecturers were able to coordinate their contributions and discuss about the added value of the information sessions in which they were involved. By doing so, the project led to a real exchange of knowledge.

The programmes involved regional development experts from research, public administration and the private sector. The managing authorities of the operational programmes (OP) within the current EU cohesion period were the natural counterparts in the member states to be contacted. Depending on the scope of the OP, the authorities were at the national, regional or local level.

GIZ involved leading regional development institutions in various European member states, including Germany, France, Netherlands, Spain, Italy, Slovak Republic and Belgium. Additionally, research knowledge on relevant regional development issues acquired in China was particularly involved during the training in China. For a detailed overview of all lecturers involved in the information sessions, please refer to the respective summaries.

Cooperation with the private sector included field visits to companies, entrepreneurial and civil associations relevant for the economic, social, environmental and/or territorial development of specific regions of the visited EU countries. These actors were selected in close cooperation with the regional authorities involved in the management of EU funded projects.

It should be also stated that GIZ aimed at achieving policy coherence and coordination with further GIZ-managed regional development projects with China. This is valid particularly for the Economic and Structural Reform Programme, one of the channels through which GIZ cooperates since many years with the Chinese National Development and Reform Commission (NDRC). GIZ also involved the Delegation of the European Union in China in order to achieve a wider coordination with the EU-China Sustainable Urbanisation Partnership launched in May 2012.

As a project of the European Commission in the framework of their European Parliament preparatory action to enhance regional and local cooperation by promoting EU regional policy on a global scale, GIZ involved representatives of relevant European institutions, including the European Commission (DG REGIO), the European Parliament and the Committee of the Regions.

Cooperation with Chinese institutions included lectures from representatives of the Chinese Centre for Urban Development (CCUD) and the Chinese Academy of Governance (CAG).

Some Chinese testimonies:

“The human capacity development programme has achieved very good results and we hope to continue it”. Mr Du Ying, Vice-President NDRC during the Open Days 2011 – High Level Seminar

“The European experiences that we visited can increase Chinese efforts towards strengthening innovation and clusters through regional policy, especially for those regions lagging behind” Mr Sun Guanglun, Director at the Department of Regional Economy, NDRC Beijing

“Dutch authorities in Limburg recognized that coal mining was no longer optimal for a sustainable regional development. Their decision to shift towards innovative industries is inspiring for us”. Mr Xun Zhiqian, Director at Hebei Provincial Development and Reform Commission

“Tibet receives great support from other the central government and other provinces. I learnt that the cohesion policy approach to tackle disparities in Europe that is very interesting for China”. Mr Zhang Jianjun, Deputy Director, Xizang (Tibet) Development and Reform Commission

“Before I came to Europe, I heard only about crisis. However, after visiting best practices in Germany, France, Sweden, Latvia and Netherlands I see that the open triple helix cooperation is a reality in both prosperous and convergence regions in the EU. This is very inspiring for China”. Mr Qu Yawen, Programme Officer at Xinjiang Development and Reform Commission

“Adaptation strategies to the climate change set major challenges for China. I hope that my province can further cooperate with the European Union on innovative answers”. Ms Feng Yan, Director at Hainan Provincial Development and Reform Commission

“Cross-border cooperation schemes in the EU are similar to the inter-provincial cooperation in China. The EU has useful experiences for China, especially regarding the management of funds” Mr Yang Qiang, Chongqing Development and Reform Commission

“Every European region that we visited had its own tailor-made development strategy. It is interesting to see how Europe’s 2020 Strategy sets the framework to strengthen coordination.” Mr Du Changxiu, Deputy Director at Anhui Provincial Development and Reform Commission

“Jiangsu has many research resources but we lack of an effective mechanism of cooperation with business and government. We should learn from the experiences we have seen in Europe, also regarding cross-border cooperation.” Mr Wang Min, Programme Officer at Jiangsu Provincial Development and Reform Commission

“The EU has a lot of good approaches and experiences in regional policies that Zhejiang should learn and use for reference. Zhejiang is willing to strengthen communication with the EU in regional policies”. Mr Liu Ting, Zhejiang Provincial Development and Reform Commission

“We appreciate the chance of showing European experts the great achievements in urban green development in Tianjin.” Mr Li Bin, Deputy General Manager, Tianjin Eco-City

Some European testimonials

Officials

“For the EU-China relations it is central that we continue to exchange information and best practices on experiences in setting up and implementing cohesion policy. Learning from each other is very important (...). The EP supports the global exchange of views on regional policy in a Pilot Project.” MEP Lambert Van Nistelrooij, Coordinator EPP Group, Committee on Regional Development.

“Venlo actively promotes relations with China and can benefit a lot from Chinese experience and investment interests especially on the horticultural industry.” Mr Kees van Rooij, Mayor of the City Horst aan de Maas and Head of Region Venlo Policy Board

“Similar to China, we have a macro-regional development strategy along a river basin – the Odra. We look forward to seeing how China coordinates different regions and uses the specific potentials” Mr Thomas Walczak, Administration for Economy, Technology and Research, Federal State of Berlin

“We strongly support relations with China and are confident that these will create and secure jobs in France. The Sino-European Terralorraine project is a crucial step in this direction.” Mr Patrick Weiten, President of the Moselle Department Council.

“I was delighted to see the interest of Chinese experts on the multi-level governance of cohesion policy in Lombardy. I look very much forward to strengthening relations with China, also within the Expo 2015 in Milano”. Ms Olivia Postorino, Director of the ROP Lombardy at the Regional Government of Lombardy

“Latvia has achieved remarkable goals with support of Cohesion policy. We appreciate the visit of regional development experts to foster cooperation with China”. Mr Aleksander Antonovs, Deputy Secretary of State at the Ministry of Finance, Latvia

“We very much appreciate the chance given to European regions by the CETREGIO programme in order to strengthen decentralized cooperation in many areas of sustainable economic development. We look forward to implementing follow-up measures”. Mr Javier Maroto, Mayor of Vitoria-Gasteiz, Spain

Companies

“We do already cooperate with China on the IT sector and are keen to foster relations in other areas. The Chinese visitors can contribute to spreading the word about development in Western Poland”. Ms Malgorzata Dynowska, Branch Manager of Development, Wroclaw Technology Park

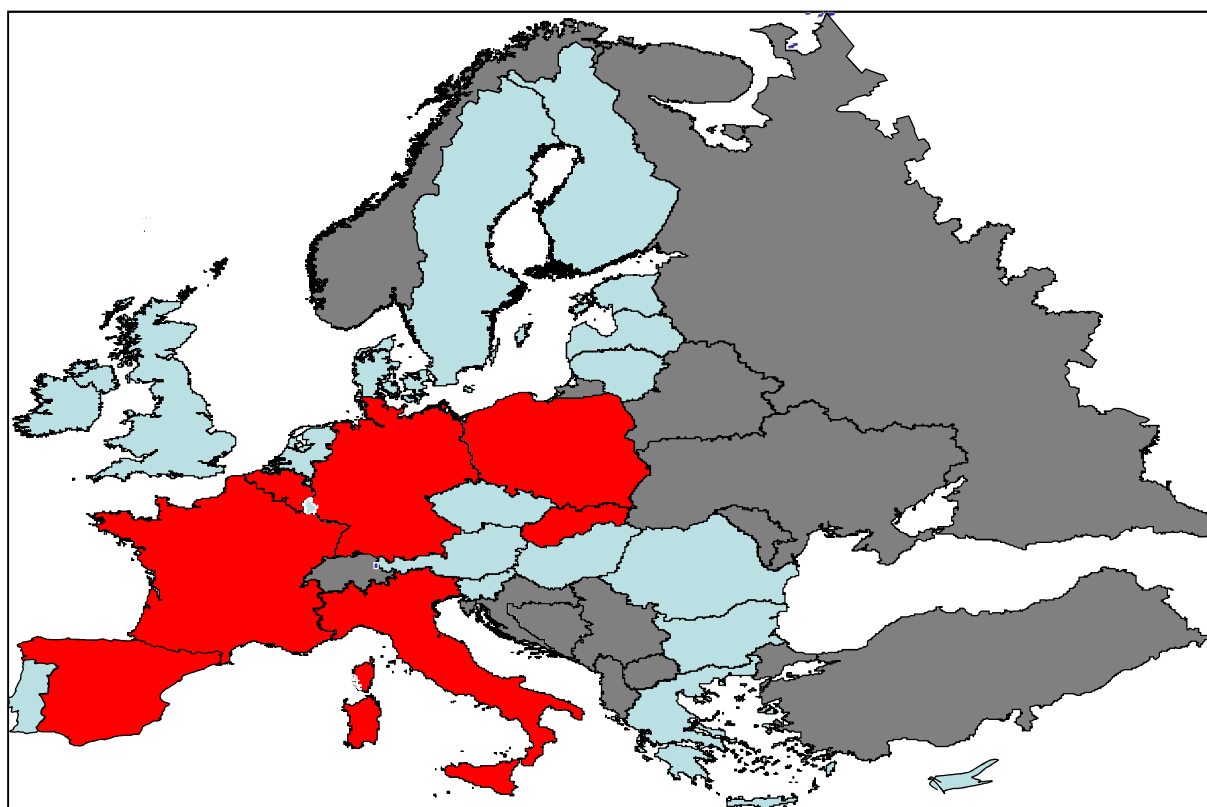
“Together with companies, universities and associations, we have developed a strong IT sector in Latvia. It would be great to cooperate with China in expanding our possibilities”. Ms Lilita Spartane, Executive Director, Latvian IT Cluster

“This visit by Chinese regional decision makers has a truly added-value for our company that has also branch offices in China. We are delighted to show our long term cooperation with the public sector in strengthening this competitive urban-rural region at the centre of Europe”. Mr Michael Förster, CEO, Dürr Ecoclean Group, Monschau, Germany.

3. Regional coverage

The countries and regions visited during the information session 2012 were chosen in coordination with DG REGIO and NDRC giving participants the opportunity to get exposed to a representative cross-section of European regional development areas. Depending on each information session's focus, GIZ made proposals to the European Commission and to the dialogue partner in China.

The overall rationale of the programme was to ensure a truly European programme, showing the striking differences of regional development between rural and urban areas in western, central and eastern European countries.



Red: EU Member States visited during the information sessions 2012
Light blue: EU Member States not visited during the information sessions
Grey: Countries, which are not members of the European Union

4. Dissemination, methodology and documentation

GIZ aimed at achieving further value added of the information sessions by granting access of their results to a broad audience. The explicit aim of the project was to spur public discussion and to establish cooperation networks between the regions involved in the sessions and the respective partner country. In order to achieve these goals, GIZ involved the local press. Some examples of press coverage can be seen in this report in section five.

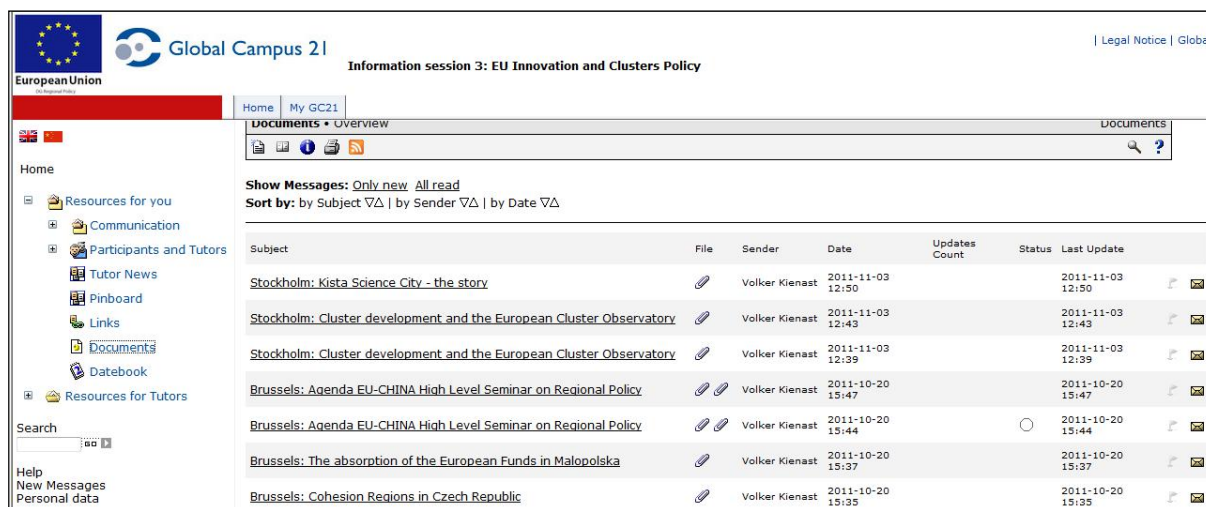
GIZ was always committed to ensuring visibility of the European Commission's regional policy dialogue with China. Moreover, it made clear to the Chinese delegates that they had a key role to play in the design

of further training activities and that GIZ would make contents' proposals depending on the experiences and expectations of the dialogue partners. GIZ was also keen to explain the role of the European Parliament in providing relevant funding and political support. After each information session, GIZ delivered a technical report comprising the key contents of the sessions and evaluating the implementation.

With regard to methodology, training was based on a mix of lectures, dialogue and study visits which was particularly welcomed by the participants due to their relevance for their future work. The approach included three phases. During the preparatory phase, contents' interests and preferences of DG REGIO and the dialogue partners were actively requested by GIZ. Once the schedule had been approved by DG REGIO and NDRC, participants received preparatory information at least four weeks before training, including an overview of the programme. Implementation of activities 1, 2 and 3 started always in Beijing with a one day briefing session. For the trainings in Europe, participants absolved study tours that took them to at least four EU member states representing the geographical diversity of regional development in the EU. Activities in China aimed at showing Chinese progress in the respective areas of training and to exchange experiences with European delegates from Poland, Germany, Netherlands, the Slovak Republic and Spain.

The learning method applied during the information sessions and trainings included class-room sessions of max. 90 minutes with enough time for discussion between participants and speakers. Field visits allowed Chinese delegates to see on the spot the diversity and complexity of regional policy-making in Europe. These field visits also exposed participants to a broad variety of EU funded projects offering them first-hand possibilities to understand their preparation, financing, implementation, management and evaluation. Interactive participation through both, one mid-term and one closing workshop allowed participants to apply the contents of the course to their own regional development challenges.

Most presentations held during the activities were uploaded to Global Campus 21® (GC21), GIZ's virtual learning platform on the Internet. In order to facilitate use by Chinese participants, GIZ established special platforms in English and Chinese. These provided various online tools, such as chat & discussion forums, pin boards, document pools, links collections, and mailing features.



The screenshot shows the Global Campus 21 interface. At the top, there is a navigation bar with the European Union logo, the text 'Global Campus 21', and a link to 'Legal Notice | Global'. Below this, the page title is 'Information session 3: EU Innovation and Clusters Policy'. The main content area displays a list of documents with columns for Subject, File, Sender, Date, Updates Count, Status, and Last Update. The documents listed are:

Subject	File	Sender	Date	Updates Count	Status	Last Update
Stockholm: Kista Science City - the story		Volker Kienast	2011-11-03 12:50			2011-11-03 12:50
Stockholm: Cluster development and the European Cluster Observatory		Volker Kienast	2011-11-03 12:43			2011-11-03 12:43
Stockholm: Cluster development and the European Cluster Observatory		Volker Kienast	2011-11-03 12:39			2011-11-03 12:39
Brussels: Agenda EU-CHINA High Level Seminar on Regional Policy		Volker Kienast	2011-10-20 15:47			2011-10-20 15:47
Brussels: Agenda EU-CHINA High Level Seminar on Regional Policy		Volker Kienast	2011-10-20 15:44			2011-10-20 15:44
Brussels: The absorption of the European Funds in Malopolska		Volker Kienast	2011-10-20 15:37			2011-10-20 15:37
Brussels: Cohesion Regions in Czech Republic		Volker Kienast	2011-10-20 15:35			2011-10-20 15:35

Screen shot of Global Campus 21©

5. Media coverage – some examples



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



Online Edition of Spanish Newspaper El Mundo, reporting about signature of bilateral agreement Vitoria-Sanming, 21.11.2012. © El Mundo.es



Report of newspaper El Correo about Chinese visit to Vitoria-Gasteiz, 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.

6. Main findings from Chinese experts' reports (activities 2 and 3)

During the training sessions, participants elaborated their own reflections about EU regional policy as an inspiration for Chinese regional development policy. In this section we present a summary of their thoughts.

6.1. Reflections during the first training in the European Union (multi-level governance):

Over the years, the EU has regarded promoting harmonious development of regional economy as an important task. To do so, a multi-level system of regional governance with diversified regional governance means has been established. A variety of regional governance models have been established. Experience has been accumulated to solve problems raised from unbalanced regional development. All of these provide China very useful reference.

A) Establishment of a System of Multi-level Governances

In order to develop and implement regional policies effectively, the EU has established special regional management and executive bodies and each member state has set up similar bodies for regional development as well. However, in China the regional policy-making functions are distributed in various departments, which are lack of overall coordination with each other. As a result, implementation of regional policies in China tends to be unsmooth. In order to meet the requirements of coordinated regional development, an institutional reform is in need. Some scattered institutions should be merged; an organically integrated high-level regional management institution should be established. At the same time, vertically, the relationship between central- and local government and the relationship between local governments should be well handled, so that all interests and needs could be well considered. Horizontally, effective cooperation between various regions, smooth coordination between government sectors, active participation of various social groups, non-governmental organisations and public should be established. Step by step a multi-level governance system with good linkage and good function should be established.

B) Strengthening Regional Planning with Specific Guidance for Regional Development

The EU multi-level regional planning is the basis of multi-level governance. The EU attaches great importance to the regional planning and regards it as the basis of the arrangements for project and funding. After years of development, in China, specific planning including overall plan for national economic and social development, the main functional area planning, regional planning, land use planning, urban planning, planning on infrastructure, ecological environment, science and high-tech talents, public services are in place. In particular, the presence of overall planning has made up for the long-term absence of spatial planning.

One of the first lessons learnt out of the experience of the EU, is that China shall continue improving regional planning and refining the overall strategy of regional development. A new efficient regional

developing pattern with complementary advantages should be developed. Firstly, China will pay more attention on key cities and key city circles to accelerate inter-provincial regional planning. Strategic positioning and the main function and direction of development will therefore become clearer. At the same time, the trend of major infrastructure, industrial layout, ecological construction and environmental protection will be stressed. Problems such as excessive competition between urban space layout and low-level redundant construction will be properly solved. Secondly, regions will be divided into different areas according to the actual characteristics of regional economic and social development, and corresponding regional planning will be made such as planning for contiguous poor areas, resource-exhausted cities, major agricultural areas and important ecological function areas.

C) Improving the Differentiated Regional Policy System to Promote Regional Coordinated Development

EU regional policy takes specific support policies for specific areas which are diversified, standard, refined and differentiated. Recent years, China has promulgated a series of specific regional policies for specific areas, which have played an important role in exploiting the comparative advantages and promoting the development of different types of areas such as key economic zones, special function zones, open border zones and contiguous poor areas. Regional policies in China go towards a refined and differentiated direction.

However, China's regional policy system and institutional mechanism is far from being perfect. The cohesion and convergence of policies is in need of more coordination. To learn from the experiences of the EU, China shall do the following to promote regional coordinated development.

Firstly, China shall continue to follow the principle of "different treatment for different regions, specific guidance for specific regions". On the basis of adhering to the overall regional development strategy and the strategy for the main functional areas, within the basic developing framework of the four sections (west-, northeast-, middle- and east China), China shall classify different types of regions. According the actual situation of the regions, current regional policies shall be integrated. New differentiated regional policies with more accuracy and precision for smaller geographical units shall be made. Relevance and effectiveness of regional policy shall be improved.

Secondly, to promote regional coordinated development policy system, a good job for the convergence between regional policy and fiscal policy, monetary policy, investment policy, industrial policy, land policy and environmental policy shall be made.

Thirdly, more comprehensive evaluation of the effect of regional policy implementation shall be conducted. An evaluation index system and evaluation program shall be established so that regional planning can be carried out and mid- and final-term evaluation can be conducted.

Fourthly, the legislative process shall be speeded up. It will promote regional coordinated development of successful policies in legal form and as a result, the work concerning promoting regional coordinated development will be gradually incorporated into the legal track.

D) Taking Different Measures to Promote Regional Cooperation

Promoting regional cooperation to form a balanced win-win pattern of complementary advantages is an effective measure to maximize overall interests in promoting regional development. The EU always pays attention to the direct cooperation between regions and member states to narrow economic gap between countries, which is of great reference for China. China shall further the domestic and international regional cooperation to boost its development of regional integration and allocate resources in a larger space and range.

Firstly, regional integration shall be furthered. Focusing on the development priority zones, with the help of neighbouring key cities and urban agglomerations, a cross-region coordination mechanism shall be established to promote the integration of market, industry, transportation, environmental protection and public services.

Secondly, the limitations of administrative divisions shall be eliminated. With the existing foundation, drawing on the EU urbanisation development network model, a number of metropolitan area economic zones and inter-provincial, inter-city economic circles shall be cultivated, so that the development of regional integration can be vigorously promoted and regional coordinated development can be gradually realized.

Thirdly, domestic regional cooperation shall be deepened. This can be done by making cooperation planning, creating cooperation platform and developing innovative cooperation models and mechanisms. Wide-ranging cooperation in depth shall be extensively conducted to promote mutual benefits.

Fourthly, the measures and policies on counterpart cooperation shall be improved. More aid for finance, industrial development, exchange of cadres and personnel training and employment shall be provided.

Fifthly, regional cooperation with border provinces and neighbouring countries shall be actively expanded. Taking key port cities and key cities as joint points, the construction of border economic cooperation zones, cross-border economic cooperation zones and key development open test zones shall be speeded up.

E) Increasing Efforts to support Regional Innovation and Industrial Transfer

The goal of regional policy is not only to reduce regional development disparities, but also to develop comparative advantages of different areas and to enhance regional competitiveness. The EU has always focused on improving its innovation and R&D capabilities and has always paid much attention on developing knowledge economy to promote the competitiveness and self-development capabilities of underdeveloped areas. In the process of making and implementing regional policies and planning, it is necessary to intensify efforts to support regional innovation and industrial transfer.

Firstly, in associated with the development priorities of the national strategic emerging industries, starting from the reality, an industry-university-research institution integrated mechanism shall be established so that scientific and technological achievements can be industrialized more quickly. The emerging industries with characteristics shall also be supported so that their innovation capabilities can be constantly enhanced.

Secondly, governments of all levels shall increase investment in research and development so that economic growth based on knowledge and innovation can be supported and competitiveness of industries can be constantly enhanced.

Thirdly, governments of all levels shall reasonably guide and conduct industries transfers. Planning and policies on promoting industrial transfer shall be made and improved so that corresponding guidance, coordination and support can be timely provided.

6.2. Reflections during the second training in the European Union (sustainable urban and regional development):

The report by the Chinese delegates concludes that China has much to learn from Europe in sustainable urbanisation and strongly recommends that both China and EU take sustainable urbanisation as a main area for cooperation. The report points out that, to foster domestic consumption and develop in a more balanced way, China is going to speed up urbanisation process in the following years, increasing its urbanisation rate from a little more than 50% to about 70% by 2050. In this process, it is estimated that several trillions of RMB will be invested in the urban development projects such as public transportation, garbage collection, sewerage system, building energy conservation, utilisation of renewable resources, protection of cultural heritages, construction of satellite cities/towns etc. However, China is confronted with the problems of limited arable land, low level of city planning, deficiency of technology for sustainable development and so on in its urbanisation drive. EU has the experience, technology, know-how on sustainable urbanisation while China has the demand, the vast market. Cooperation in this regard will benefit both sides and help to overcome the difficulties brought upon by the financial crisis. Furthermore, this cooperation will not only deepen the relations between China and EU but also contribute to the whole world in sustainable development.

As to regional policy, China can also learn from EU especially in the coordination and prioritised allocation of the fiscal resources. In China, formulation of the regional policy is mostly the responsibility of NDRC while allocation of fiscal resources is mostly determined by the Ministry of Finance. There is need to distribute the limited fiscal resources in a more coordinated way and give the less developed areas prioritised support.

The report suggests that the training program being continued and the team members will promulgate the knowledge they learnt from the program and try to improve their working skills.

Key Lessons

A) Make overall plan and promote urban sustainable development systematically — Vitoria in Spain as a typical case

Vitoria in the Basque Country of Spain won the European Green Capital title from European Commission in 2012. Vitoria is the 2nd biggest city in the Basque Country in Spain with a population of 240,000, like a medium or small city in China. Vitoria has a lot of best practice and advanced experience in urban sustainable development, summarize as the following points:

1. Create urban green space.

Vitoria built urban “Green Belt”, which is comprised of several concentric circles. The Green Belt, a semi-natural green area partially reclaimed from degraded areas, surrounds the centre and brings nature into the city. The third circle is dominated by forestry and mountains. The city has a high proportion of green public areas, ensuring that the entire population lives within 300m of an open green space. Through the construction of Green Belt, people in Vitoria own 45 square meters of green space on average.

2. Develop green transportation

Distinguish urban “through traffic” and “local traffic”; build passage for through traffic around the city. Meanwhile set speed limit on main roads in the city, thus 80% of urban roads will become “quiet” road. Take measures to reduce the use of private cars, re-plan public transportation routes, and increase departure frequency of public transportation from every 30 minutes to every 10 minutes, target at crossing the city within 25 minutes and one transfer. Promote the use of all-purpose card, and encourage citizens to take public transportation. With all these measures, the number of people takes public transportation increased 80% in six years. They encourage the use of bicycles and set up bicycle lanes, when doing urban district plan, they make it convenient to walk or bicycle from district centre to different places. The use of bicycle grew three times in four years. Moreover, they build trams and use special line to connect places can't be reached.

3. Protect historical and cultural heritage, balance traditional features with urban plan and construction

Vitoria pays great attention to protection of history and culture. They are doing projects like renovation of St Maria Cathedral. With unified and coordinated urban construction, urban reconstruction projects follow the traditional Mediterranean style, without abrupt modern “forest” of armoured concrete in the city. Buildings in the new city are not very tall, and have large open space in between. Beautiful natural environment fuses together with cultural environment. The whole city is circled by forests, with rich history and comfortable environment everywhere is great scenery.

4. Establish advanced, efficient and green waste treatment and water treatment system.

Vitoria established advanced underground vacuum waste transport and treatment system, greatly reduced the use of garbage trucks, increased waste treatment efficiency and promoted city image. In terms of water treatment, combined with suburbs' wetland protection, use wetland near the city to do water treatment; Create beautiful wetland on the outskirts of the city, at the same time provide habitat for wildlife, and promote biodiversity protection.

5. Focus on the participation of citizens, social service and community construction.

Vitoria achieved equalisation of public service, with a general coverage of social welfare, citizens are treated equally. 70% of the neighbourhood in the suburbs is subsidized by the government. Establish a series of well functioned social welfare centre for citizens in different districts, and host different kinds of exchange activities, provide service for citizens and handle various certificates. In order to fulfil various needs of citizens on social activity, government has adequate public consultation before launching projects and measures (punish parking along the street in downtown areas) relevant to urban construction and development, thus to win support and cooperation of citizens.

Experience of Vitoria shows urban sustainable development is a systematic project. Urban development of Vitoria follows three principles: policy planning, technical development and responsibility shared by

citizens. Urbanisation is not decided by the scale of a city, but by scientific plan, systematic consideration and overall planning and all-round consideration. Among which scientific plan is of great importance. Vitoria spent more than one year re-planning public transportation routes, and implemented it overnight. The results are excellent without any traffic disturbance, which shows high level and scientific planning.

B) Cultural industrial development and urban transformation — Bilbao in Spain as a typical case

Bilbao in the Basque Country of Spain has rich experience in industrial transformation, urban construction and managing city by creating city image. It is a successful model of urban transformation and development. 100 years ago, the pillar industries for urban development in Bilbao are steel, shipbuilding and banking. When the democratic government took the power last century, they turned closed economy to open economy. The traditional steel and shipbuilding industries declined, backward infrastructure did not fit with the competitive environment in Europe. Meanwhile, many towns within the city had cutthroat competition; urban development faced great challenge.

In order to promote transformation development in Bilbao, they founded the Association for the Revitalisation of Metropolitan Bilbao-“Bilbao Metropoli-30”- brings together more than 130 public and private representative partners. It provides a long-term sustainable development vision and involvement of civil society in the construction of the objectives of the metropolis of Bilbao for their future. The key issues of transformation development in Bilbao is human resources, service industry and manufacturing industry, environmental protection and recovery, urban revitalisation, cultural development, cooperation of public and private sectors and social welfare. Bilbao paid great attention to redesigning city image, developing modern transportation infrastructure, transforming traditional factory area and ship wharf on the river band, and constructing new community in the process of transformation. In particular they took the opportunity of the construction of the Guggenheim Museum of Modern Art to develop culture industry. The Guggenheim Museum of Modern Art attracts millions of visitors to Bilbao annually and promotes relevant service industry and urban social economic development.

The Bilbao experience shows that in urban development, we should have crisis awareness and foresight, foresee future industrial transition and plan beforehand. When facing crisis, we should have innovative thinking and bring citizens sense of pride and sense of belongs, and restructure urban development. Urban development is not only about expansion, increasing added value or extending industrial chain, the important thing is to find the soul of a city, foster a spirit, forge an image, improve quality and create brand name.

C) Polycentric urban development mode - Bonn in Germany as a typical case

Bonn was the capital of West Germany. German capital moved to Berlin after the reunification in 1991. Bonn is not the capital any more, however, not all government departments moved to Berlin, some government institutions and German bodies of the UN stayed in Bonn. There are one million people in Bonn region and 320 000 live in the city. As capital of West Germany for 40 years, Bonn has many advantages in urban development, like developed service industry, a lot of experience in international

cooperation – one of GIZ’s headquarters is located in Bonn, abundant human resources from University of Bonn, located in the pivot area of the Rhine River, and hometown to the famous musician Beethoven.

Major problems for Bonn in urban development are limited bearing capacity and development space. Thus Bonn implemented the “decentralized” strategy, changed some urban traditional functional districts for other purposes, and dispersed some urban functions to surrounding cities and districts. For instance, Bonn changed the former administrative building into a R&D centre; changed deserted factories to high-end office with modern interior; built industrial parks in cities surrounding Bonn and public infrastructure like transportation and education accordingly, in order to attract enterprises to set up offices around them; and set up technical college around Bonn to drive economic growth. Meanwhile, establish overall planning for Bonn and surrounding towns and cities to reduce double construction of large public infrastructure (like opera house). Bonn paid great attention to farmland and environmental protection while developing areas around the city: Bonn cooperated with neighbouring cities to protect fertile farmland, and set up signs and notice at important landscape and transitional region between urban and rural areas. With a series of “decentralized” measures, Bonn dispersed urban functions to neighbouring districts, integrated with neighbouring cities and regions, highlighted respective features, complemented each other’s advantages, achieved dislocation development and prevented “metropolis” problem.

D) Practice of EU regional policy in developed and underdeveloped areas

The Basque Country of Spain is a developed region in EU, while Slovakia is an underdeveloped region in EU. The practice of EU regional policy in developed and underdeveloped regions are different.

The Basque Country of Spain is near the sea with convenient transportation and prosperous economy, it is a developed region in EU. The Basque Country has a unique national identity with higher autonomy in Spain. With the disappearance of national border of EU countries, its independent tendency is disappearing as well. However, on the other hand, from the aspect of economic development, we focus on the concept of region instead of country as the interest body, the developed Catalonian region in Spain has similar tendency.

EU cohesion policy projects in the Basque Country fall in the category of “regional competition and employment”, the total budget is about 0.5 billion euro. The important target of the project is polymer effect, which is to integrate and develop with the most advanced region in EU in technology and society. This major target decides priority of the projects: stimulate innovation and knowledge economy; promote sustainable development and risk prevention; strengthen local and urban regional cohesion.

As a developed region in EU, the Basque Country still welcomes EU cohesion fund projects. Although a small amount of money (only 0.06% of local GDP annually, it has great influence on economic social development. On one hand, contributors in EU, developed countries like Germany and France are willing to participate in the redistribution mechanism instead of granting the money to recipient countries directly. On the other hand, through EU cooperating mechanism, they will cooperate with different parties: civil society, government institutions, enterprises and NGOs and combine the strength of various parties. Moreover, developed countries and regions can receive some money, usually used for R&D of

new technology, innovation and knowledge economy. National governments will arrange a large sum of local funding to better guide economic social development.

Slovakia Republic is a small country with a population of 5.4 million. Its economy and population are not very centralized, and facing major challenges like social inclusion, obvious polarisation effect in economic growth, and great disparity between East and West of the country. From 2007 to 2013, Slovakia received 11.7 billion euro from EU cohesion policy, among which 10.9 billion euro is for aggregation, 0.5 billion euro is to promote regional competition and employment, another 0.2 billion euro is for regional and local cooperation projects. West, middle and East of Slovakia are the major areas covered by cohesion policy, only Bratislava belongs to the category of promoting regional competition and employment. In the 2007 – 2013 period, Slovakia already implemented 11 projects according to cohesion policy plan. The emphasis is on educational infrastructure, social service, cultural heritage protection, community reconstruction, transportation infrastructure, and technical support and construction projects relevant to competing for Europe Cultural Capital in 2013. This is an important opportunity for self-improvement and publicity of the city. As a relatively developed region, its emphasis is on public service and transportation infrastructure, knowledge economy, technical support and innovation.

Nitra accounts for 12.9% of the area of Slovakia, 48.5% of the population live in the city. The financial budget of Nitra project for cohesion target is about 1.8 billion euro, among which 1.55 billion euro is from the investment of EU regional development fund. 32.9% of the money is used for urban regeneration projects, for 20 districts experiencing economic entity degeneration or social exclusion. From the field visits we see, EU cohesion fund actively supports reconstruction of educational system in Nitra and the development of competitive SME.

Slovakia has something in common with China. Since it's an underdeveloped country in EU, labour cost is relatively cheap. With traditional industrial base and convenient transportation like neighbouring with developed western European countries, it has comparative advantages in developing industrial parks. For instance, Nitra is developing industrial parks actively. At present there are two industrial parks with many foreign enterprises, meanwhile, Nitra is building a China Town.

E) Inspirations and Suggestions

Generally speaking, according to field visits, under EU cohesion policy framework, EU regional policy has positive impact on developed and underdeveloped countries. Of course, there are some problems in the arrangement, allocation and usage of cohesion fund, in particular the examination and approval procedure is miscellaneous, slow and inefficient, thus a great sum of cohesion fund within the budget could not be spent, which affects the efficiency of regional policy. Moreover, some countries decide who gets EU funds themselves, the distribution process lacks necessary supervision, we doubt whether it is fair, just and transparent.

According to what we learnt through this training, we think that China should learn from EU in urban sustainable development and regional policy, we should further study and research the EU experience.

Urbanisation promotion is of great importance to China in changing economic development mode, boosting domestic demand, releasing household consumption potential, maintaining reasonable growth of investment, and promoting economic equilibrium and sustainable growth. On one hand, urbanisation is the potential for China's future development. Since 2002, the average annual growth of urban population in China is more than 20 million. In 2011, China's urbanisation rate reached 51.3%. It is estimated that in the coming 10 to 20 years, China will still have rapid urbanisation process. China will invest trillions of RMB in green public transportation, social housing, water utilities, building energy conservation, renewable resources, satellite cities and etc. On the other hand, China faces many challenges and problems in the urbanisation process. One is to solve the problem of "dualistic economy", there is a big gap between urban and rural areas in China, and how to reduce the gap during urbanisation promotion is a major issue facing China. At present, China is strengthening urban rural overall development, trying to speed up the perfection of institutional mechanisms of urban rural integrated development, promoting integration in urban rural plan, infrastructure, public service and etc., promoting equal exchange of urban rural elements and balanced allocation of public resources, and forming new types of industrial-agricultural, urban-rural relations.

Secondly, China is strengthening urban planning. China's urbanisation is yet to be improved, we should pay attention to scientific plan of urban scale and layout during large scale urbanisation promotion, try to handle relations between central cities and neighbouring small and medium towns to avoid "metropolis" problem, and promote development of small and medium cities and towns. Third, combine urbanisation with arable land protection. China has limited arable land resources, we should observe the red line of arable land protection strictly, increase land utilisation efficiency and optimize land space exploitation layout. Fourth, promote development of urban and rural infrastructure and supporting industries. At present, China faces great pressure in upgrading industrial structure and transformation of economic development mode, we should combine urbanisation with economic structure adjustment and industrial transformation and upgrade. Fifth, pay attention to historical, cultural and environmental protection. Pay attention to cultural relic's preservation during demolition and urban construction; try to maintain city's traditional historical style with humanistic value. Strengthen pollution discharge, construction of waste treatment system and environment protection and improve urban environment. Among all these issues, how to promote sustainable urbanisation with limited resource, severe environment pollution and degraded ecosystem is an important issue facing China. Through this visit to EU countries, we think we should learn advanced experience in urban sustainable development from EU.

At present, the promotion of urbanisation cooperation between EU and China is of practical significance for the overall cooperation between EU and China. First, China and EU pay great attention to urban sustainable development. As estimated that until 2050, four fifths of Europeans will live in cities; in the coming 20 to 30 years, China's urbanisation rate will keep growing. In terms of urban sustainable development, EU has technology, projects and experience, and China has a vast market. Further cooperation and exchange between China and EU in urban sustainable development will expand Sino-European trade, tackle financial crisis and meet interests of both parties. From January to November 2012, EU and China's total volume of trade in goods is 495.7 billion US dollars; decreased 4.1% on year-on-year basis, China's export to Europe decreased 7%. Europe's investment to China in the first 10 months dropped 5%. In the face of the debt crisis, EU protectionism comes up, and implements remedy

measures against Chinese PV industries and etc., which leads to intensified trade friction. Meanwhile, China and EU rely on each other, try to achieve mutual benefit and win-win situation; this cooperation mainstream didn't change. Both parties are willing to strengthen cooperation and expand their cooperation in urbanisation and other sectors, which is of great importance for the consolidation of comprehensive strategic partnership between China and EU.

Secondly, China, as a big and responsible developing country, needs to learn advanced experience from EU and other countries in the world, transform the economic growth model, change extensive and inefficient economic development pattern, strengthen ecological civilisation construction, and promote urban sustainable development. At present, the EU and China already launched cooperation in urban sustainable development, they decided to hold China - EU Majors Forum annually since 2012. In May, 2012, the successful visit of vice Premier Li Keqiang to EU headquarter opened a new page for urbanisation cooperation between the EU and China.

Of course, cooperation on urbanisation between China and the EU should match the actual situation in China. On one hand, EU's economic development and urbanisation level are much higher than China, we should learn successful experience from EU; on the other hand, EU and China are in different development stages, and have different environment and historical conditions for development. When we learn the experience from EU we must consider our own situation. For instance, during our training in Bilbao of Spain and Bonn of Germany, some EU experts could not understand the large scale urbanisation promotion in China, they think China should not encourage farmers to come into cities, instead, China should perfect basic public service in rural areas and keep farmers in rural areas for unique agricultural development. They suggested that we learn from rural economic development experience in France and other European countries. We understand that developed countries and regions in EU (the Basque Country in Spain) completed the process of farmers coming into cities about 50 years ago. At present, there is no big difference between urban and rural areas, which is very different from the "dualistic economy" in China. We exchanged our ideas with EU experts on this topic and had mutual understanding.

In terms of regional policy, we should learn from EU in the overall arrangement, concentrated usage and emphasis of the structural funds. We should consider establishing a coordinated and unified system of plan and counterpart funding arrangements to avoid the situation that regional plan and capital arrangement are separate. Moreover, in order to promote cooperation between China and the EU in regional policy, we suggest setting up China-EU regional cooperation fund to guide and support regional coordinated development between China and the EU and to deepen mutual cooperation.

This training also achieved great cooperative results. During the visit, Sanming in Fujian province signed a collaboration agreement with Vitoria-Gasteiz in Spain to cooperate in sustainable urban development. Later, from 17 to 19 December, two officials from Vitoria visited Sanming city, they inspected sustainable development in Sanming, had friendly exchange with local people, and proposed policy suggestions. In addition, during the training delegates learnt that Slovakia is constructing a Chinese industrial park to attract investment from Chinese enterprises. As a lagging-behind country in the EU, Slovakia has competitive advantages like relatively cheaper labour cost and closeness to developed countries in Western Europe. Chinese companies could enter EU market by setting up manufacturing base in Slovakia.

ANNEX I - SUMMARIES OF THE ACTIVITIES

Activity 1 – Training in China (April 2012)

The first training took place in China from 14 to 17 April 2012 and focused on regional policy legislation, including issues of multilevel governance. Training was conceived as a preparatory event for a two-week study visit to Europe (July 2012). The programme was designed for 30 delegates of NDRC that were supported by the project coordinator and one local interpreter. The training session in China consisted of four days, including lectures, field visits and an interactive workshop in order to promote dialogue and knowledge exchange among participants. Four European regional policy experts were proposed to deliver lectures (maximum 30 min plus consecutive interpretation) and to coordinate working groups based on their practical experiences on regional development.

The training commenced with two days of lectures and interactive workshop on different aspects of regional policy legislation. These sessions were meant to deliver the basic knowledge on EU regional multi-level governance structure. In order to achieve a true exchange of knowledge on regional policy, NDRC delegates were asked to deliver an overview of China's regional development policy, including the classification of regions and the main financial instruments. These presentations led to a true interactive dialogue between Chinese and European experts.

The two days of lecturing and workshops sessions were followed by a one day excursion to the Binhai New Area² as an example of multi-level governance as well as reform and innovation in regional policies. The case study reflected Chinese best practices on regional policy law and multi-level governance and was designed in a way to provide real value for the Chinese delegates.

Back in Beijing, Chinese delegates were divided into working groups dealing with specific issues of multi-level governance and legislation on regional policy. Moderated by one European expert, each working group discussed challenges and presented the results of their discussion to the plenum. European lecturers and Chinese participants were requested to disseminate their insights to a wider community of experts in both regions in order to achieve a multiplier effect. They also elaborated key issues for the agenda of the first study visit to Europe in July 2012.

² This case was presented at the VI. EU-China High-Level Seminar on Regional Policy held in Brussels in October 2011. See presentation by Mr Sun Hujun, Deputy Director of Cooperation and Exchange Office, Tianjin Municipal Government.

Composition of the Chinese delegation

		Name	From	Title
1.	Ms	Yang Hui	Research Dept. Evaluation office for Project Investments of Tianjin	Deputy President
2.	Mr	Sun Zhian	Bureau of Economic cooperation, NDRC of Hebei Province	Consultant
3.	Ms	Xu Yan	Department of Regional Development, NDRC of Liaoning Province	Project Officer
4.	Mr	Liu Jisen	Department of Regional Development, NDRC of Heilongjiang Province	Consultant
5.	Mr	Wang Jinwen	Department of Regional Development, NDRC of Jiangsu Province	Consultant
6.	Mr	Zhu Lei	Department of Regional Development, NDRC of Zhejiang Province	Deputy Director
7.	Mr	Yin Junbo	Bureau of Wanbei, NDRC of Anhui Province	Deputy president
8.	Mr	Yang Rusong	Bureau of Wanbei, NDRC of Anhui Province	Director
9.	Ms	Wang Lili	Department of Regional Development, NDRC of Fujian Province	Project Officer
10.	Mr	Wang Haodong	NDRC Qingdao, Shandong Province	Director
11.	Mr	Ma Weixing	Department of Regional Development, NDRC of Henan Province	Director
12.	Mr	Tian Shaohua	Department of Regional Development, NDRC of Hubei Province	Deputy Director
13.	Ms	Huang Suxiang	Department of Regional Development, NDRC of Guangdong Province	Consultant
14.	Mr	Cheng Weiguang	Department of Regional Development, NDRC of Guangxi Province	Director
15.	Mr	Deng Rui	Department of Regional Development, NDRC of Hainan Province	Project Officer
16.	Mr	Liang Xiaohong	Department of Regional Development, NDRC of Chongqing	Director
17.	Mr	Li Zulin	Department of Regional Development, NDRC of Sichuan Province	Deputy Director
18.	Mr	Li Jinze	Department of Regional Development, NDRC of Yunnan Province	Director

19.	Ms	Yang Yali	Department of Regional Development, NDRC of Qinghai Province	Deputy consultant
20.	Ms	Gao Xia	Bureau of Economic and Technical cooperation, Jilin Province	Project Officer
21.	Ms	Tao Jun	Administrative Bureau of Qinghai, Shenzhen	Officer
22.	Mr	Zhang Jianmin	Department of Regional Development, NDRC	Deputy Director
23.	Ms	Li Qinfang	Department of Regional Development, NDRC	Project Officer
24.	Mr	Lei Zhuning	Department of Regional Development, NDRC	Project Officer
25.	Mr	Gao Wei	Department of Regional Development, NDRC	Project Officer
26.	Mr	Tian Jianyu	Department of Regional Development, NDRC	Project Officer
27.	Mr	Jia Ruoxiang	Department of Land resources, Macroeconomic Institute of NDRC	Deputy President
28.	Mr	Lu Wei	Department of Land resources, Macroeconomic Institute of NDRC	Project Officer
29.	Mr	He Zhongkai	Office of Legislative Affairs, State Council	Project Officer
30.	Mr	Yang Xiao	Dept. of Regulation and Planning, State Oceanic Administration	Project Officer

Sessions in Beijing

The programme started with one intervention by Mr Zou Yong, Deputy Director General, Department of Regional Economy NDRC. Mr Zou summarised the achievements of the EU China regional policy dialogue since 2006 and the training programme for 2012. He put emphasis on the importance of EU regional policy experience for the implementation of the 12th Five Year Plan. By 2020 China aims to reach a developed status grounded on a balanced territorial development. He expressed his expectations on the delegates participating at the current training activities, especially regarding the European regional policy legislation experiences. Chinese government officials were able to introduce themselves and to explain their expectations for the information session.

Mr Pablo Gándara, Project Coordinator for GIZ, introduced the key figures of European integration and briefly explained the regional diversities across the continent. He also described the institutional policy making of European legislation as well as the key instruments of European regional policy (ERDF, ESF, etc.). Moreover, Mr Gándara also reflected on the legislative proposal for the next financial framework (2014-2020). His presentation also included the wider scope of regional policy since the Lisbon Treaty (“territorial cohesion”) and the economic development strategy Europe 2020.

Mr Laurent Javaudin, Delegation of the European Union to China, compared the 12th Five Year Plan and Europe's 2020 Strategy and emphasised the convergence of both blueprints. He also introduced the China-EU Partnership on Sustainable Urbanisation and specified the priority areas of actions, including urban infrastructure, energy supply and smart mobility. Further on, he mentioned possible projects to be funded by the EU Delegation, including areas like cooperation on social protection, satellite cities, human capacity development for mayors when developing sustainable development strategies and twinning between provinces and cities selected by the 12th Five Year Plan.

Mr Jürgen Steiger from GIZ provided an overview on GIZ's activities in China, focusing on the Economic and Structural Reform Programme (ESRP) that was introduced 1987 and will end 2014. The programme included cooperation with the NDRC Department of North-eastern Region Revitalisation, the Development Research Centre of Shanxi Province as well as several resource-based and resource-depleted cities to set mono-industrial regions like former mining areas on the path of sustainable development. Moreover, ESRP also included cooperation with the China Association of Mayors (CAM) in order to contribute to the policy dialogue between German and Chinese mayors; as well as to provide training for municipal decision-makers in all fields related to sustainable urban development. ESRP has also conducted baseline studies on China's regional development strategies and reports on China's existing regional development policies and regional competitiveness like the joint analysis of Chongqing Municipality's Development Strategy with the Territorial Development Policy Committee of the OECD. With regard to regional monitoring, there are projects with the NDRC Department of Western Region Development in the field of east-west transfer and sustainable western region development, as well as with the State Information Centre (SIC) in the field of regional monitoring and evaluation. On the low carbon economy area, cooperation includes the Shenzhen Institute of Standards and Technology (SIST) and the Development and Reform Commission Hunan. Training measures have been accomplished with the China Training Centre for Senior Personnel Management Officials (CTC), Chinese Academy of Governance (CAG) and the National Development and Reform Commission (NDRC) in the project "Leadership Training on Environmental and Climate Issues".

Mr Zhang Jianming, Deputy Director at the Department of Regional Economy of NDRC, presented the results of the results of 11th Five Year Plan and the goals and actions of the 12th plan. Mr Zhang focused on the lack of regional cooperation mechanisms in China that leads to an unbalanced development. Several barriers hamper the freedom of movement of the four factors of production in China, especially regarding persons and services (establishment). The European Union Law provides a proven reference framework for China. Mr Zhang also mentioned the macro-regional developed strategies aiming at achieving a polycentric development and presented the key horizontal cooperation mechanisms among provinces.

Mr Daniel Balinski, Head of Unit Structural Policy Coordination at the Polish Ministry of Regional Development explained the experiences from Poland during its Presidency of the European Union Council in 2011. After a focus on the debate on territorial cohesion, he mentioned the three objectives of the Polish Presidency, including an efficient management of the negotiations of the regulations for Cohesion Policy after 2013, strengthening the attributes of Cohesion Policy (integrated approach to development and results-based orientation) and raising the political profile of Cohesion Policy. He explained the main outcomes of formal and informal debate among EU member states and with the

European institutions. Discussion with Chinese experts focused on the role of private investments in co-financing EU projects, the decision making process for formal legislation on EU regional policy, the coordination of strategies at supranational and regional level as well as on the impact of cohesion policy in the single market of the European Union.

On the next day, Mr Maciej Kolczyński, from the Structural Policy Co-ordination Department, delivered a comprehensive presentation about the National Strategy of Regional Development (NSRD) 2010-2020. The lecture introduced the most important regional policy challenges and the key instruments to tackle them. NSRD covers regions, cities and rural areas and has implemented innovative horizontal and multi-level coordination mechanisms. Chinese delegates were highly interested in the administrative reforms undertaken in Poland and in the governance system of regional policy.

Mr Jean Severijns, Head of Internationalisation at the Provincial Government of Limburg (NL) introduced the Dutch regional policy framework and the implementation mechanisms of Europe's 2020 Strategy. He focused on innovation and smart specialisation in the functional region of Belgium, Netherlands and Germany. Limburg is a border region with a dynamic industrial and economic growth based on its many SMEs (over 90%), including automotive, logistics, agro-food, high tech and chemical industries. Its location at the centre of Europe ("European Pentagon") provides access to a large population share with a very high purchasing power. Mr Severijns explained the industrial tradition of the region, whose coal mines were gradually closed between 1962 and 1973. This posed a major unemployment challenge for the region, making innovation a key element to confront it. Mr Severijns explained the decision making process in regional development in the Netherlands and the importance of cooperation with the private sector. Mr Severijns also explained the new Dutch innovation policy, which has shifted the financial approach concentrating on loans rather than on subsidies. The Netherlands have focused research and innovation to nine top sectors, implementing the concept of smart specialisation as a multi-annual approach aimed at developing a well-performing national or regional research and innovation system. Mr Severijns stated that smart specialisation is also about defining a policy mix with a focus on a limited number of priorities targeted at stimulating smart growth. Against this backdrop, he explained the TTR-ELAT Initiative, a cooperative approach between cross-border regions in order to become the leading Top Technology Region in Europe. He also explained the European Clusters Alliance (supported by the EU Commission) and innovation network ProInno. Mr Severijns also mentioned the positive externalities of cooperation between competing border regions in Europe and the need of clear priorities for implementing regional development projects. Cooperation is based on a triple-helix approach for cooperation between politics, research and business. Discussion focused on the selection of sectors for the smart specialisation strategy, the cooperation between regional stakeholders and cross-border cooperation mechanisms.

Field Visit to Tianjin

Binhai New Area lies along the southeast coast of Tianjin, a central city in Bohai economic circle. It covers three urban areas (Tanggu, Hangu and Dagang) and nine economic functional zones, such as development zones, free trade zone, high-tech zone, and Dongjiang Free Trade Port Zone of Tianjin port. Besides, it includes 27 towns. It is the intersection between the developed city chain in the eastern coast of

China, that is, Beijing, Tianjin and those in Hebei province, and Bohai city band. In October 2005, the development and opening up of Binhai New Area was taken into the overall national development strategy. The Binhai New Area is being developed into a gateway for northern China and as a base of modern manufacturing and R&D transformation. Exploration and innovation will give access to strong development vitality and advantages in institutional mechanisms so as to promote its regional comprehensive, coordinated and sustainable development.

The idea of the field visit was to meet local representatives who delivered presentations about the cooperation mechanisms among different authorities from involved cities and provinces. The Binhai New Area was presented as an example of multi-level governance mechanisms in China and compared with similar initiatives in Europe.

Mr Sun Hujun, Vice-President of the Economic Cooperation Office of Tianjin City, delivered a presentation on the multi-level governance mechanisms between the provinces along the Bohai Sea area. Mr Sun stated that the national 11th and 12th Five-Year Plans specify to promote regional economic integration in the Beijing-Tianjin-Hebei region, as well as cooperation among the urban agglomerations in the eastern region of the Bohai Sea. In 2010, the Bohai Rim regional GDP of 12.07 trillion yuan accounted for 30.3% of national GDP and achieved an average annual growth of 16%. In the overall pattern of China's regional economic development, the Bohai Sea region has become China's third largest region after the Pearl River Delta and Yangtze River Delta region.

With regard to regional governance, Mr Sun introduced the functional area strategies elaborated to improve regional coordination among cities and provinces, as well as urban-rural linkages. In 1986, 14 coastal cities and regions established China's first regional economic cooperation organisation, the Bohai Rim Governors' Council. Tianjin City is the permanent executive coordinator. The body includes representatives of 41 cities like Tianjin, Dalian, Qingdao, Shenyang, Shijiazhuang, Jinan, Taiyuan and Hohhot, covering the broadest area of China. Mr Sun gave several examples of regional cooperation including contracts between the Port of Tianjin and many cities as well as the joint establishment of industrial parks. Mr Sun finally underlined the increasing role of sustainable urbanisation strategies as by the end of 2011 China reached a total urban population of 691 million or 51.3% of the total population, rising from 26% in 1990. Discussions focused on mechanisms to avoid negative competition among cities and provinces, the working method of Bohai Rim Governors' Council, the elaboration of master plans for urban development, evaluation mechanisms and the role of FDI in regional development.

The second presentation dealt with the Tianjin Municipal Area and the development strategy of Binhai New Area, which accounts 1/5 of Tianjin's total population (10 Mio). The area is divided in three administrative districts and 12 functional areas, and is responsible for 50% of Tianjin's GDP. A representative of Mr Yang Jinxing, Vice-President of Tianjin Economic Technological Development Area (TEDA), explained some key principles for development, including a focus on big projects, the creation of infrastructure prior to the attraction of investors and the international cooperation. He introduced examples of regional development including the Sino-Singapore Eco-City. Discussions centred on the functional areas, the limits of growth in the context of shrinking population and sustainable real estate development strategies. Chinese and European experts then visited the Tianjin Dongjiang Free-trade port and to the China-Singapore Eco-City Port.

Closing session in Beijing

The seminar ended with a half-day workshop in Beijing. Participants were divided in four working groups of 7-8 delegates and were requested to reflect on main challenges for Chinese regional policy legislation, core lessons learnt from the European experts and expectations for the study visit to Europe.

Discussions in the working groups focused on issues of regional policy legislation and for cross-provincial cooperation. Many experts underlined the importance of long term regional funding instruments based on a transparent and accountable legal framework for regional policy. They also discussed about the multi-level governance mechanisms in China and cooperation between the provincial and the municipal authorities. Delegates also identified similarities of strategies and implementation mechanisms in China and Europe, including the functional area approach recently dispatched by the NDRC. Also the challenge in distributing tasks and resources to the local government levels was identified as one common area of cooperation. Some participants also attached great importance to the NUTS 2 based operational programmes as they would allow a strong differentiation of regional development projects. They also discussed about the challenge to harmonise regional policy legislation among the Chinese provinces.

Delegates also debated about the difficulties of overlapping regional development plans and the challenges to establish clear competences. Participants were also very much interested in the regional policy making and in the bottom-up approach of the EU. They also emphasised the need to involve civil society in the regional development planning. The European regional policy was quoted as a source of inspiration for a more balanced development based on strong institutions and the rule of regional policy law. Delegates also stressed the role of environmental protection issues in regional development, including river basin management and low carbon emissions. Delegates also acknowledged the high level of the lectures and speeches and expressed their expectations with regard to the study visit to Europe in July 2012.

The session finished with a key note by Mr Zhou Yiren, Director of the Regional Economy at NDRC, who explained the main results of the last trainings in Europe and underlined the importance of training activities in China. Mr Zhou mentioned some key achievements of the 11th Five Year Plan and some challenges for the current 12th plan. Disparities prevail in many areas including the provision of public services. He focused on the experiences that the European Union can provide with regard to a sound institutional setting for regional policy governing regional policy law. Even though the 11th Five Year Plan stated this as one of its key priority areas, progress has been rather modest, for instance with regard to the coordination of functional areas in China.

Delegates received certificates of participation at the end of the session.

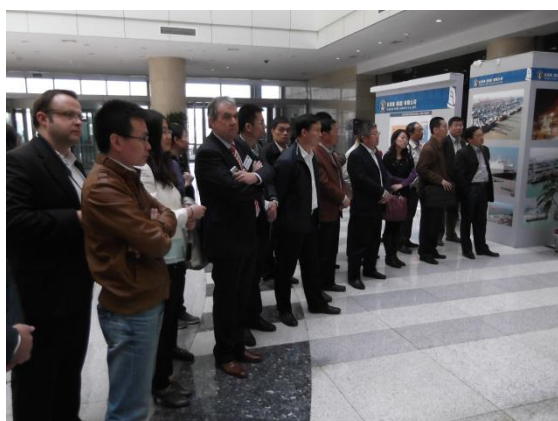
Pictures Gallery



Introductory session in Beijing



Speech of Mr Sun Hujun, Vice-President of the Economic Cooperation Office of Tianjin City



Visit of the Dongjiang Free-trade port



Mr Li from the EcoCity explains the development plan



Visit of the new terminal at Dongjiang Free Port



Mr Li and Mr An from Tianjin with Mr Severijns (Limburg) and Mr Gándara (GIZ)



Discussions in four groups during the workshop session



Speech by Mr Zhou Yiren, NDRC



European experts awarding Chinese delegates for participation

Activity 2 – Information Session in Europe (July 2012)

This information session for 20 Chinese government officials took place from 8 to 21 July 2012 and focused on multi-level governance of regional policy. The ultimate goal of the course was to reflect about multi-level governance in Europe. The cooperation between the supranational, national, regional and local levels built the red line of the seminar. The case studies were carefully selected according to the diversity of European national and regional governance systems and in coordination with the managing authorities of the operation programmes involved in the activity.

The course started with a briefing session in Beijing. This covered basic logistical issues and background information on the topic. The session was attended by representatives of the EU Delegation to China and by the Director of the Chinese Centre for Urban Development at NDRC, Mr Li Tie. The project coordinator explained the rationale of the information session's design and the results to be obtained in the selected regions. Participants were then transferred to the Beijing international airport.

Once in Europe, the information session started with an introduction to the main issues of multi-level governance and regional policy legislation in Europe. Participants then visited best practices in six European Union countries representing the diversity of multi-level governance systems: Belgium, Netherlands and Germany (all three federal), Italy (decentralised unitary) and Poland and France (regionalised unitary). The cities and regions visited presented different models of cooperation at national, regional and local level, making them particularly interesting for Chinese officials.

With regard to interactive participation, we scheduled two workshops in the programme: a brief wrap-up session at the end of the first week and a full-day one at the end of the complete session. The brief workshop was designed to debate with delegates about the report to be drafted and to be discussed during the closing workshop. Here, the project team actively supported the delegates. The information session was rounded-up by a one day workshop in Berlin, comprising the key contents of the seminar. Moreover, participants were requested to develop their own reflection on EU regional policy and its relevance to Chinese challenges.

At the end of the workshop, participants also assessed the seminar and received participation certificates. European lecturers and Chinese participants were requested to disseminate their insights to a wider community of experts in both regions in order to achieve a multiplier effect.

Programme Overview

Day	General Issues	Cities / Regions
1st training week		
Saturday, 07 July 2012	Briefing session in Beijing	Beijing (CN)
Sunday, 08 July 2012	01:20 Flight to Brussels (Hainan airlines) 05:55 Arrival in Brussels Cultural Programme	Beijing – Brussels (BE)
Monday, 09 July 2012	Meetings in Brussels	Brussels (BE)
Tuesday, 10 July 2012	Meetings in Brussels and Venlo	Brussels – Venlo (NL)
Wednesday, 11 July 2012	Meetings in France	Thionville (FR) – Luxemburg (LU)
Thursday, 12 July 2012	Free half day in Luxemburg 12:30 – 14:00 Transfer to Saarbrucken Airport (100km) 16:10 – 20:15 Flight to Milan MLP (Air Berlin)	Luxemburg – Milan (IT)
Friday, 13 July 2012	Field visits in and around Milan	Milan (IT)
Saturday, 14 July 2012	Morning: Wrap-up workshop in Milan Cultural programme	Milan (IT)
Sunday, 15 July 2012	Cultural programme in Milan 19:15 – 23:30 Flight to Wroclaw via Warsaw (LOT)	Milan (IT) – Wroclaw (PL)
2nd training week		
Monday, 16 July 2012	Field visits in Wroclaw area	Wroclaw (PL)
Tuesday, 17 July 2012	Field visits in and around Wroclaw	Wroclaw (PL)
Wednesday, 18 July 2012	11:59 Train to Berlin 17:06 Arrival in Berlin	Wroclaw – Berlin (DE)
Thursday, 19 July 2012	Meetings in Berlin	Berlin (DE)
Friday, 20 July 2012	Full day workshop and closing session	Berlin (DE)
Saturday, 21 July 2012	19:30 Flight back to Beijing (arrival next day at 10:20 AM)	Berlin (DE) - Beijing (CN)

Summary of the working sessions

Sessions in Beijing

The programme started with one briefing session in Beijing which included an introduction to the European Union's cohesion policy by the project coordinator. Mr Pablo Gándara introduced the key figures of European integration and briefly explained the regional diversities across the Union. He also described the institutional policy making of European legislation as well as the key instruments of European regional policy (ERDF, ESF, etc.). Moreover, Mr Gándara also reflected on the multi-level governance structure, including the role of central, regional and local authorities as well as the interaction with civil society.

Chinese government delegates were able to introduce themselves and to explain their expectations for the information session.

Mr Laurent Javaudin, Delegation of the European Union to China, compared the 12th Five Year Plan and Europe's 2020 Strategy and emphasised the convergence of both blueprints. He also introduced the China-EU Partnership on Sustainable Urbanisation and specified the priority areas of actions, including urban infrastructure, energy supply and smart mobility. He also mentioned possible projects to be funded by the EU Delegation, including areas like cooperation on social protection reform, eco-urbanisation (LINK), satellite cities and metropolitan governance (EAST Project) and the EU-China sustainable urbanisation park. Mr Javaudin also introduced the annual EU-China Mayors Forum, a flagship event for the cooperation. Here, the China Association of Mayors and the EU Covenant of Mayors will invite urban planners, architects and representatives of businesses to present their best practices on urban solutions. The meeting will take place in September in Brussels.

Mr Li Tie, Director of the China Centre for Urban Development (CCUD) at NDRC, presented the key challenges of urbanisation in China and explained similarities and differences with the cities of the European Union. He concentrated on issues including integration of migrant workers, as well as the rights of citizens towards access to the urban social welfare system, and health care and education services. He also explained the cooperation schemes among different provinces in China. Mr Li Tie also focused on the allocation mechanisms of resources in China and Europe, giving examples like water pricing and land ownership. He stated that China faces the challenge of big cities concentrating economic prosperity and underlined the importance of establishing better rural-urban linkages and of involving towns in the urbanisation concept for China. Mr Li Tie welcomed the lessons of the EU decentralised urban development approach based on the principle of free markets and encouraged delegates to learn how to apply European experiences to China.

The presentation was followed by a vivid discussion with Dr Jürgen Steiger (Deputy Director of GIZ China), Mr Christian Weltzien (Senior Expert for Urban Development) and the Chinese delegates. After this session, Mr Xavier Givellet, Head of the International Department at DATAR in France, joined a dinner with the Chinese delegates.

Sessions in Brussels

The first working day in Europe began with three lectures aiming at introducing Chinese delegates to European Multi-Level Governance mechanisms. Mr Ramón López (DG REGIO) introduced the context of territorial imbalances in Europe and China. In the EU only 7% of population lives in agglomerations over 5 million, significantly less than in China (14,4%). With regard to regional GDP, convergence regions in Europe are mostly located in the Eastern part of the continent, whereas in China, the west, north-east and south central part are lagging behind. Mr López introduced the key instruments of EU regional policy (ERDF, ESF and Cohesion Fund) and explained the three objective regions of the measures. About 82% of the total European regional development investment is allocated to 35% of EU population. Mr López explained the working method of cohesion policy and the principles governing it. He also explained the multi-level governance of the funds; an interplay of supranational guidelines, national strategies (NSRFs) and national and regional programmes (OPs – 455 in total for the period 2007-2013). He explained the key areas of investment and the concentration on Europe 2020 Strategy. Mr López also gave an overview of the regional policy dialogue with China and presented key results of the joint study (2008-2010) and of the training programmes. He emphasised the importance of the EU-China Sustainable Urbanisation Initiative for the Regional Policy Dialogue. Discussions centred on the challenges of the EU single market, the conflicts between state-aid prohibition and regional policy, the contribution of regional policy measures to the European budget and principle of co-financing. Chinese delegates also asked about negotiations between EU Member States towards the regional policy budget as well as about the added-value of cohesion policy as a method rather than a mechanism for redistribution of funds.

In the second speech, Mr Jean Marie Rousseau dealt with multi-level governance (MLG) issues in Europe and China. In Europe, MLG emphasises the increasingly shared and interlinked nature of decision-making between EU, national and subnational actors, in contrast to the dominant theories of European integration which emphasised the importance of intergovernmental actors in determining policy outcomes or the course of European integration. MLG is also closely connected to an old debate about the role of European integration in stimulating the rise of a “Europe of the regions”. MLG encompasses both a vertical dimension of governance relations/interaction between levels (EU, national, regional, local) and a horizontal dimension of state-society relations at these different levels. Cohesion policy is delivered through the ‘shared management’ approach enabling spending to be adapted to national/regional conditions and systems, while ensuring sound financial management. In practice, this involves decentralising implementation to the Member States, while the EU Commission exercises a supervisory role in various ways to verify the legality and regularity of the execution of the EU budget. A final dimension of MLG is the requirement for Cohesion policy to be closely aligned with the EU economic development objectives, first under the Lisbon agenda (in 2007-13) and subsequently the so-called Europe 2020 strategy for smart, sustainable and inclusive growth. This is done through the agreement on strategic guidelines for Cohesion policy at EU level which must then be taken into account in programmes by Member States and regions.

Ms Beatrice Taulegne, Deputy Director at the Committee of the Regions (CoR), introduced new dynamics and perspectives of multi-level governance within the context of increasingly ‘globalised’ European regions and cities in an interdependent world. The CoR is EU's Assembly of Regional and Local Representatives. Its 344 members - regional presidents, mayors or elected representatives of regions and

cities - live and work in the regions or cities they come from. Ms Taulegne centred her speech on new instruments for an integrated policy making including partnership approaches and macro-regional strategies. The five principles underpinning good governance in Europe are openness, participation, responsibility, effectiveness and coherence. Multilevel governance ensures that these principles are implemented, maintained and enhanced. Regional and local decision-makers play a key role in Europe's regional development: Nearly 92.500 local and 300 regional authorities have significant power in key sectors such as education, the environment and economic development. Moreover, they do represent 16% of the EU-27 GDP and are responsible for 1/3 of total public expenditure, 2/3 of total public capital expenditure (investments) and 56% of public employment (18 million people employed). 70% of European legislation is implemented by local and regional authorities. The CoR is responsible for ensuring the principles of subsidiarity and proportionality and in the evaluation of the territorial impact of European legislation. The CoR adopted a White Paper on Multilevel Governance in June 2009 and a scoreboard for Monitoring Multilevel Governance at the European Union during 2011. The CoR is currently preparing a Charter on Multilevel Governance which could be adopted 2013/2014.

Mr Joan Prat i Coll, Ambassador and Head of the Delegation of the Autonomy of Catalonia to the EU, introduced the issue of multi-level governance in Spain and Catalonia. Catalonia is an autonomous community of Spain with extensive competencies in matters such as industry, urban development, housing, regional politics, transport and the environment. The region – traditionally seen as the industrial core of Spain - has one of the largest regional economies in Spain and belongs to the “The Four Motors for Europe”, an initiative of four highly industrialized regions in Europe. With a population of 7.539.383, similar to Switzerland, Catalonia constitutes 17% of the Spanish population. Its GDP (23% of the Spanish GDP), is similar to Finland's one and 20% over the European average. Barcelona, the capital city, has maintained its position as the best city in terms of quality of life since 1996, beating other European cities such as Paris, London and Madrid. The ports of Barcelona and Tarragona are among the largest in Europe in terms of goods and passengers. Ambassador Prat I Coll introduced the key facts of multi-level governance in Catalonia and the role of regional and local authorities in shaping and implementing European regional development funds. In the current programming period (2007-2013), Catalonia has been allocated 1,752 million, of which around the half corresponds to the ERDF (objective 2 and 3) and the rest to the ESF, to the European territorial cooperation, and to the Cohesion Funds. Investments are concentrated in four areas: Innovation research and development; Transport infrastructures and communication networks; Environment; and Local and urban development. Catalonia manages European funds in a decentralized basis. The Ministry of Treasury of Spain (located in Madrid) is the managing, auditing and certification authority responsible for the Operation Programme of Catalonia. The Regional Government of Catalonia performs as the intermediate body and is in charge of the regional coordination. Ambassador Prat I Coll gave some examples of investment projects currently cofounded with European funds in Catalonia.

Delegates also visited the European Parliament, where Ms Ana Antunes delivered a presentation about the institutional setting and decision making process of the European Union. Ms Antunes explained delegates the main tasks of the committees, especially of the Regional Development Committee and invited Chinese delegates to follow all sessions on the web via live streaming.

Sessions in the Netherlands

On the next day, The Chinese delegation visited the world horticultural exhibition Floriade in Venlo (NL). Delegates were welcomed by Mr Dszingisz Gabor, Commissioner General of Floriade 2012. Mr Gabor explained the multi-level governance of regional development in Netherlands and illustrated it with several experiences including Floriade. With an expected number of two million visitors, the exhibition is the largest event being staged in the Netherlands in 2012. The region around Venlo (Noord-Limburg) ranks as one of the major concentrations of horticulture in West-Europe. Thanks to the important agribusiness and its favourable, central location, Venlo has developed into a logistic hotspot. For these reasons, the Dutch government has designated the Venlo region to be one of the five Greenports in the Netherlands.

The Floriade park hosts more than one hundred exhibits from 42 countries in the form of gardens or pavilions representing participants from the horticultural sector, business community and international participants. Mr Gabor stated that China has one of the most beautiful pavilions at the exhibition. He also mentioned that two imposing structures are iconic for the exhibition: The Innovatoren and Villa Flora. During Floriade the towering, 70 meter high Innovatoren will form the gateway for visitors to enter the park. After Floriade closes its gates, the Innovatoren will develop further into an incubator for innovation in the agri-sector.

The delegation also met Mr René Postulart, Managing Director of Greenpark Ltd, who explained the overall regional investment project based on Floriade. The project is a joint venture of municipalities that are collaborating in the Regio Venlo (Venlo, Venray, Horst aan de Maas, Gennep, Beesel, Bergen and Peel en Maas) in close cooperation with the Province of Limburg. Mr Postulart explained the development concept for the area after the exhibition (November 2012), which aims at establishing a horticulture cluster with related services including trade, logistics and research. The Netherlands is currently the second largest exporter of horticultural products. He mentioned that the region is the largest production site of vegetables in Europe and one of the most innovative spots for agro-food worldwide. The Regional Government of Limburg decided a decade ago to strengthen this position by using Floriade as a stepping stone. Mr Postulart explained the triple helix cooperation approach between Government, business and research and gave some examples of the multi-level approach to regional development in the Netherlands.

Delegates were also welcomed by Mr Stephan Satijn, member Council of City of Venlo and Dr J.J.P.P. Gilissen, Mayor of the City of Venray. Also Mr Kees van Rooij, Mayor of the City Horst aan de Maas, hold a welcoming speech and joined the delegates for a guided tour through the exhibition. Finally, the delegation was received by the Minister of Economics of the Province of Limburg, Mr Mark Verheijen. He underlined the importance of Chinese-Dutch cooperation and encouraged delegates to foster bilateral cooperation on several economic sectors. Drs Jean Severijns and Drs Robert Lambriks from the Regional Government of the Province of Limburg explained Chinese delegates the chances of Floriade 2012 for regional development in Limburg and the neighbouring regions. Mr. Sven Stimac, Mr Elwin Hulscher and Mr Jos Peeters – all three working at Floriade - explained the key projects of the exhibition, its overall concept and the cooperation with Chinese partners.

Sessions in France

On the third day, delegates were transferred to Metz where they met Mr Patrick Weiten, President of the Moselle Department Council. Mr Weiten introduced the advantages of the Moselle region, an area with a long industrial tradition, multimodal infrastructure, skilled workforce and more than 450 foreign owned companies employing around 35.000 people. He explained the strategy of establishing mega-zones since the mid-1990s (Farébersviller-Henriville and Illange-Bertrange). Mr Weiten introduced TERRALORRAINE, the first Sino-European commercial and technological complex, to be located on the Illange-Bertrange Departmental Megazone. The construction of this enormous business complex called ITEC (International Industry Trade Technology and Exhibition Centre) will cause profound changes in the regional economy. Construction works will be launched in autumn 2012 and the first unit should be delivered by end 2014 / beginning 2015. The overall target includes operating 500 containers per day by using the Europort Illange, building up to 500,000 m² of logistics storage and up to 3,000,000 m² of business and 6,400,000 m² of industrial space. Mr Weiten explained the overall importance of regional development funds for the implementation of the project and the cooperation between local, regional and national authorities.

Sessions in Italy

Delegates visited the Region of Lombardy, where they were welcomed by Ms Olivia Postorino (Director of the Operational Programme -ROP- Lombardy), by Mr Mauro Fasano (Director for Renewable Energy and Technology at the Regional Government) and by Mr Sergio Rossi (Chamber of Commerce of Lombardy). Ms Postorino introduced the basics of multi-level governance in Italy. For the current programming period (2007-13), Italy receives € 28,81 bn, most of which is allocated to the lagging behind (convergence) regions (€ 21,5 bn). There are 19 “Convergence ROPs”, 10 of which are regionally managed. For the more developed regions, there are 32 regionally managed “Competitiveness ROPs”, including the ROP Lombardy. The key objectives of the ROP are strengthening the competitiveness of the regional economy and reducing the socio-economic gap between urban, rural and mountain territories in Lombardy. Lombardy is one of the most prosperous regions in Italy and Europe, accounting 20% of the total gross domestic product of Italy. The Operational Programme (OP) Lombardy plays a key role in boosting competitiveness through four priority axes: research and innovation, renewable energy and energy efficiency, sustainable mobility, and; enhancing the protection and exploitation of natural and cultural assets. Ms Postorino gave some examples of projects in areas like innovation (49% of the total ROP funding), sustainable transportation and cultural heritage. She also explained the ExpoMilano 2015, a world exhibition with focus on energy and food.

Mr Mauro Fasano introduced the broadband project to bring high-speed internet coverage to 1 million people living in 707 municipalities of Lombardy within two years (2012-2013). The best practice project will cost a total of around € 95 million, of which € 41 million is being funded by the Lombardy Regional Administration through the ROP. The remainder is financed by Telecom Italia. Mr Fasano explained the significance of European co-funding, as several areas of the Lombardy Region suffer from a lack of access to broadband services as market players didn't find favourable conditions for profitability. This market failure can only be bridged with the ERDF support without causing unfair competition.

Mr Sergio Rossi introduced the cooperation between the Chamber of Commerce of Milan and the Regional Government. Lombardy has a very strong economic backbone with more than 300.000 small and middle-size companies (SMEs), 90% of the total amount of companies. The Chamber of Commerce of Milan is a public autonomous institution which promotes innovation and economic development. The chamber, which is also part of the national and European systems of chambers of commerce, has special agencies for entrepreneurship training, internationalisation and innovation. It is also a partner of Expo Milan 2015, which aims at attracting more than 90 million visitors to Milan. Mr Rossi gave examples of cooperation with the regional authorities during the implementation of EU co-financed activities.

In the afternoon, Chinese delegates met with representatives from the Province of Como, located 50km north from Milan, covering an area of 1.288 square kilometres and with a population of 535,471 inhabitants. Ms Michela Capitani introduced the ECOLARIUS project, which aims at strengthening regional tourism in the Province of Como. The project includes the enhancement and upgrading of the environmental heritage of the Gardens in Lake Como as well as the restoration of several historical buildings. The project has been co-financed through ERDF.

Sessions in Poland

The delegation then visited Wroclaw, capital of the Lower Silesia province and one of the most prosperous areas of the country. The meeting was hosted by Mr Maciej Zathey, Director of the Department of Regional Development at Lower Silesia Marshal's Office and Mr Jerzy Tuitaj, Vice Marshal of the Lower Silesia Voivodeship. Mr Tuitaj welcomed the delegation and explained some basic figures of the region, including the regional development facts. The region of Lower Silesia has a strong position in sectors like electro-technic, mining (copper), technology, research and innovation. However, accessibility needs to be improved.

Mr Zathey introduced the Regional Development Strategy 2020, specifying the objectives and priorities to strengthen economic development and to correct imbalances within the region. He explained the role of the local and regional authorities and the coordination mechanism for achieving multi-level governance of regional development policy. Mr Zathey explained that the steering committee is composed of representatives from politics, public administration, economy and research. These have established several working groups and sub-regional forums to discuss with local actors about concrete actions to foster regional development. Among other issues, the strategy centres on the activation of rural areas and on the regeneration of the economic base of the cities. Mr Zathey also introduced the Integrated Provincial Programme and the Provincial Contract. Discussion with delegates focused on the state-province partnership agreements, open consultation procedures with the citizens towards the regional development strategy, special economic zones and management experiences with EU funding.

Ms Barbara Kaśnikowska, Director of the Regional Operational Programme (ROP) Lower Silesia (Dolnośląskie Voivodeship), introduced the basic figures of EU support to convergence regions in Poland and the management structures. The country – which receives nearly € 66 billion for the period 2007-2013 - has 16 Regional Operational Programs (€ 16.556 million) and five national programmes (€ 48.666

million). The Managing Authorities are either the Minister of Regional Development (national OPs) or the respective Voivodship Board (regional OP). The Certifying Authority is either the Minister of Regional Development or the Governors (Voivodes). The Audit Authority is always the General Inspector of Fiscal Control and payments are managed by the Ministry of Finance.

Ms Kaśnikowska explained that the ROP for Dolnośląskie Voivodeship is one of the most important strategic instruments of the Voivodeship's regional policy. It constitutes the basis for implementation of strategic undertakings prepared by territorial self-government units and other public and private entities in the Dolnośląskie Voivodeship. The programme receives € 1.240 million from the ERDF and € 336,5 million from the national budget. The level of co-financing from the EU is 78.66%, but at different rates: micro and small companies up to 60%, medium-sized companies up to 50% and big companies up to 40%. NGOs and local authorities receive up to 85% EU co-financing). Ms Kaśnikowska explained the main management tasks of the regional and local authorities, including the selection of projects (more than 1762 applications until now), and gave several examples of best practices. These include pre-selection procedures, online submission of applications, combining the application and the business plan into one document filled in IT application (application generator), setting advance payments for beneficiaries and the implementation of JEREMIE (Lower Silesia Trust Fund), setting partnership as regards environmental issues, identifying project supervisors (individual persons devoted to a project) and establishing Information Points in the region. Discussion with Chinese delegates focused on some project examples, the implications of the UEFA football championship for the regional economy and the functioning of the selection procedure for projects applications.

On the afternoon Chinese delegates visited the Wrocław Technology Park – WTP. The park is mainly owned by the Municipality of Wrocław and targets its services to companies based on advanced technologies, laboratories, scientific and research and development centres. The objective of WTP is to create conditions for the use of scientific and industrial potential of Wrocław and the region and to stimulate the advanced technologies industry. Ms Malgorzata Dynowska and Ms Sylwia Wojtowicz introduced the development of the centre since its establishment 1998. The "Incubator – Technology Centre" investment, the construction of BETA building including its infrastructure and the purchase of equipment for the WTP laboratories have been co-financed from EU funds - the European Regional Development Fund. The Innopolis Wrocław comprises six laboratories including a Diagnostic Laboratory for Physical, Mechanical and Electrical Properties; a Laboratory and Prototype Workshop for Biotechnology Processes; a Laboratory for Production and Diagnostics of PCBs and Electronic Circuits; a Low Temperature, High Pressure, and Vacuum Laboratory; a Photo Optics Laboratory, and a Prototype Workshop of Mechanical Working. More than 70 SMEs have left the incubator establishing achieving a successful market entrance.

The second best practice visited was the Wrocław Congress Centre established at the Centennial Hall. This unique historical monument was built in the early 20th century and part of it has been equipped with modern technical and organisational requirements for congress and conferences. Being one of two such venues in Poland, it can accommodate over 7000 convention guests under one roof. Mr Jędrzej Nawara, Project Manager, explained the co-financing operations for the congress centre through the regional operational programme amounting approximately € 5 million (40% of the total costs). The second part of

the project was the renovation of the historical building Centennial Hall as an auditory hall for large events. The construction works were supported with approx. € 7 million from the ROP.

Sessions in Berlin

Chinese delegates came together in Berlin for the last part of the programme. There were two days of meetings at GIZ representation in Berlin. Ms Randa Kourieh-Ranarivelo, deputy director of the representation, welcomed delegates and introduced the work of GIZ, which operates in 130 countries and has 70% of local staff. She also explained the long standing GIZ-cooperation with China and introduced the tasks of the representation in Berlin.

Delegates attended a presentation by Ms Karin Scheffel, Head of Unit for Coordination of EU Policy at the German Federal Ministry of Economics and Technology (National Coordination Authority). Ms Scheffel introduced the role of European regulations, financial resources and strategic guidelines agreed at the European level as the basis for drafting the national strategic priorities and planning for 2007-2013 (set out in the National Strategic Reference Framework - NSRF). The starting point for each Member State is an analysis of national strengths, weaknesses, opportunities and threats (SWOT) and the adoption of a set of investment priorities. One technique deployed to focus action on key objectives is the “ear-marking” of finance for important investments and innovations – for example 60 per cent of EU finance for Convergence Regions should be targeted directly on actions to improve their competitiveness. Germany has decentralised approach to the management of EU cohesion funds: The lead Ministry (Federal Ministry of Economics and Technology - BMWi) is responsible for policy-making; elaboration and negotiation of the NSRF; co-ordination; and monitoring. In all of these tasks it coordinates with the European Commission (at the centre) and Federal States Regional Governments (FRGs).

To monitor the NSRF, the BMWi holds annual meetings of about 80 important players comprising representatives of the authorities who manage OPs (Management Authorities), national ministries and the European Commission. These annual meetings concentrate on special issues. Ms Scheffel stated that Germany’s national strategy is prepared in a way which incorporates both top-down and bottom-up experience. Some decisions are reserved for the FRG’s higher levels of government and, when disputes occur, there are fixed procedures for seeking agreement from these higher levels. In Germany, there are 36 Operational Programmes (OPs) covering different regions or the country as a whole. Some are sectoral, some are multi-sectoral and they all involve co-ordination between different ministries and levels of government. EU Cohesion Policy, therefore, involves the establishment of government structures which define the roles and responsibilities of different levels of government. They also incorporate a range of socioeconomic actors in the private sector and civil society. Discussion with Chinese delegates focused on conditionalities; monitoring and evaluation mechanisms, and the prospects for the next cohesion policy period (2014-2020).

The second working meeting was hosted by Mr Guido Bockelmann, representing Berlin’s Administration for Economy, Technology and Research (Managing Authority of the ROP Berlin). Mr Bockelmann introduced the economic situation of Berlin and the cooperation with Brandenburg. The German capital has 3,5 million inhabitants and a per capita GDP of € 27.500 (2010), below the German average (€

30.600). Mr Bockelmann introduced the economic development of Berlin since the last century in order to explain the current situation. Contrary as other German cities, Berlin was not able to establish networks with its surrounding area during the cold war, causing an enormous disadvantage for the regional economy. The Federal States of Berlin and Brandenburg have therefore strengthened their cooperation including key infrastructure measures. Mr Bockelmann explained the operation of European Cohesion policy in Berlin, a regional competitiveness and employment (objective 2) region. He explained the role of single institutions and the complexity of implementation. For example, projects have to be audited by the Courts of Berlin, Brandenburg, Germany and Europe, but they often have different regulations to cope with. Mr Bockelmann explained the structural challenges of economic consolidation in Berlin, where public administration staff has been reduced significantly due to the German reunification process. He also introduced some best practices of coordination between Berlin and Brandenburg in order to avoid competition on large investment projects. Mr Bockelmann also introduced the regional innovation strategy and debated with Chinese experts about the future cohesion policy package, including the simplification of EU-funds regulations.

Mr Thomas Walczak, from the East-West Economic Cooperation Department at Berlin Economics Authority, introduced the Oder Partnership, an informal cross-border cooperation scheme along the Oder River. The cooperation between four western regions of Poland and four eastern regions of Germany was launched 2006 with the goal to achieving synergies in smart specialisation areas and avoiding negative competition among the regions. The aim of this cross-border initiative is the development of an efficient regional alliance. The urban centres play a key function in this context. Mr Walczak explained that all projects to be implemented within the framework of the partnership are co-financed by the ERDF. Without the European Regional Policy, the partnership would not have achieved the practical results needed to establish a permanent cooperation mechanism. Mr Walczak presented best practices in key sectors including transportation, logistics, tourism, design, optics, and energy. Discussions centered on the institutional backbone of the Oder Partnership; the flexible management of European regional funds; the cooperation with further regions and the central governments, and the comparison of this cross-border area with similar initiatives (SarLorLux, etc.).

On the next day, the delegation visited Berlin Adlershof, one of the most successful technology and business parks in Germany. A representative of the Adlershof management agency Wista, explained the urban development concept, which has led to an impressive development of this integrated science, business and media location since 1991. At the core of the concept is a Science and Technology Park with 425 companies, eleven non-university research institutes and six scientific institutes of the Humboldt University in Berlin. The companies and the non-university scientific institutes cooperate in several areas including photonics and optics; microsystems and materials; IT- and media; biotechnology and environment as well as photovoltaic. Adlershof is co-financed by the European Funds for Regional Development (ERDF).

Closing workshop in Berlin

The seminar ended with a half-day workshop in Berlin. The workshop was moderated by Mr Stefan Unseld, representing the department for capacity development of GIZ, and Mr Pablo Gándara, the

project coordinator. Participants were requested to develop their own reflection on EU regional policy and its usefulness for Chinese challenges.

Mr An Limin, leader of the delegation, and his colleagues expressed their gratitude to the European Commission and to GIZ - as implementing agency - for the two week information session. They mentioned that the activity has been extremely useful for understanding the multi-level governance concept of the European Regional Policy. Mr An Limin underlined the high level of speakers and the deep discussions after every presentation. He acknowledged the role of regional and national authorities visited in the Netherlands, France, Italy, Poland and Germany and reiterated his invitation to this authorities to visit China in due date.

Mr He Zhongkai from the State Council's Legislative Affairs Office underlined the importance of having objective rules and transparent management systems for EU structural funds. He specified that China could take this as a blueprint for reshaping its regional development model, which is currently based in regions rather than in cross-cutting sectors. He acknowledged the role that free markets play when implementing regional development projects, for example in Poland, where 20% of the ROP Lower Silesia is devoted to SMEs. He also underlined the importance of having one regional policy for all regions of Europe, including the economically stronger ones.

Ms Deng Rui from Hainan especially referred to the best practices shown during the study visit and analysed the different approaches to multi-level governance in the Member States. Her colleague from the Yunnan Province, Mr Peng Xingtian, focused his comments on the innovation strategies of the EU and the regions visited. Mr Cheng Weinguang (Guanxi Province) referred to the industrial transition of several Chinese regions and the need to develop a better regional development law.

NDRC representatives also mentioned the important role of human capacity development investments for the public administration at the local and regional level. They also mentioned that in China the state should interfere less in the market and that local governments should receive more decision making power and financial support. Also the monitoring tools for specific projects should be improved and the environmental protection should receive a greater attention as a cornerstone of sustainable regional development. They underlined the importance of the rule of law and expressed their will to strengthen the legislative tools in China.

Composition of the Chinese delegation

Jiang Hong	Male	Department of Regional Economy, NDRC
Li Chungen	Male	Department of Regional Economy, NDRC
Li Tai	Male	Department of Regional Economy, NDRC
An Limin	Male	Tianjin Development and Reform Commission
Yang Hui	Female	Tianjin Government Financial Project Appraisal Center
Liu Jisen	Male	Heilongjiang Province Development and Reform Commission
Wang Jinwen	Male	Jiangsu Province Development and Reform Commission
Zhu Lei	Male	Zhejiang Province Development and Reform Commission
Wang Lili	Female	Fujian Province Development and Reform Commission
Wang Haodong	Male	Qingdao Development and Reform Commission
Ma Weixing	Male	Henan Province Development and Reform Commission
Tian Shaohua	Male	Hubei Province Development and Reform Commission
Huang Suxiang	Female	Guangdong Province Development and Reform Commission
Cheng Weiguang	Male	Guangxi Development and Reform Commission
Deng Rui	Male	Hainan Province Development and Reform Commission
Peng Xingtian	Male	Yunnan Province Development and Reform Commission
Yang Yali	Female	Qinghai Province Development and Reform Commission
Ren Huiqing	Female	Jilin Provincial Bureau of economic and technical cooperation
Tao Jun	Female	Authority of Qianhai Shenzhen-HongKong Modern Service Industry Cooperation Zone
He Zhongkai	Male	Legislative Affairs Office of the State Council, P.R.C

Pictures Gallery



Speech by Mr Laurent Jauvadin, EU Delegation to China, Beijing



Working session in Brussels



Ambassador Joan Prat i Coll and Mr An Limin, NDRC Tianjin after the meeting in Brussels



Visit of the European Parliament



Speech by Major C.H.C. van Rooij, City Horst aan de Maas, and by Mr J.D. Gabor, Commissioner General of Floriade



Reception at Floriade by Mr Mark Verheijen, Minister of Economics at the Province of Limburg North



Visit of the Dutch Pavilion at Floriade



Presentation of TerraLorraine by Mr Patrick Weiten, President of the Regional Council



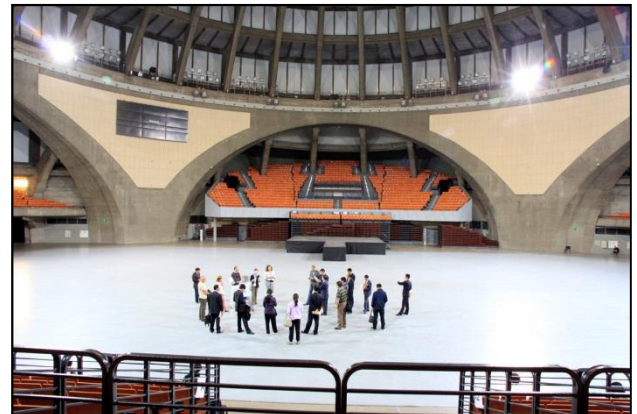
Speech by Ms Olivia Postorino, Regional Government of Lombardy, Milan



Visit of best practice project Ecolarius (Como)



Meeting with Representatives of the Lower Silesia Regional Government



Field visit of the Centennial Hall, Wroclaw



Field visit of the Wroclaw Technology Center



Field visit of the Technology Park Adlershof in Berlin



Presentation by Mr Guido Bockelmann, Representatives of Berlin



Presentation by Ms Katrin Scheffel, German Ministry of Economics



Mr An Limin, Delegation Leader and Deputy Director General DRC Tianjin, during the closing workshop in Berlin



Mr Ma Weixing from Henan Province explaining his views on EU regional policy during the closing workshop

Activity 3 – Information Session in Europe (November 2012)

The programme was designed for 20 delegates of NDRC supported by 2 GIZ staff members and one interpreter. The information session took place from 12 to 28 November and dealt with the sustainable development of urban regions and integrated approaches to govern urban-rural relations. The topic had been agreed by the European Commission and NDRC. The training included field visits to selected European urban and rural areas, focusing on the relevance of innovative sustainable urban planning approaches. It was also intended to show striking differences on the challenges confronted by different European regions. Polycentric development strategies and the linkages between cities and regions built the red line of the seminar. The case studies were carefully selected according to the diversity of European sustainable urban development experiences. The information session encouraged open discussion and understanding between European and Chinese practitioners and policy-makers.

The course started with three field visits for European experts to Tianjin. The second day consisted of training in Beijing, where Chinese delegates received an overview of territorial development trends in Europe and of sustainable urban development strategies in selected regions. Two European lecturers introduced best practices in their regions (Aachen in Germany and Barcelona in Spain). The event also included an introduction on sustainable urbanisation by one Chinese expert and a presentation of the relevant European Union's programmes in China.

Once in Europe, the information session took participants to three EU member states representing the diversity of approaches to achieving sustainable urban and regional development: Spain, Slovakia and Germany. Including the meetings in Brussels, a total of four countries was visited. Chinese delegates absolved a total of 26 working sessions, including several field visits co-funded through EU cohesion policy instruments.

In Spain, delegates were able to have several meetings in Vitoria-Gasteiz, the European Green Capital 2012 awarded by the European Commission. In Bilbao, Chinese delegates attended meetings with urban development experts and visited best practices in one of Europe's most successful examples of sustainable urban renewal in the last decades. In Slovakia, Chinese delegates met regional development authorities and got first hand experiences on best practices in Bratislava and Nitra. In Germany, delegates held meetings with experts of the City of Bonn, as well as with representatives from international organisations, urban planning and research.

With regard to interactive participation, we scheduled two workshops in the programme: a brief wrap-up session at the end of the first week and a full-day one at the end of the complete session. The brief workshop was designed to debate with delegates about the report to be drafted and to be discussed during the closing workshop. The information session was rounded-up by a half day workshop in Bonn, comprising the key contents of the seminar. At the end of the workshop, participants also assessed the seminar and received participation certificates. European lecturers and Chinese participants were requested to disseminate their insights to a wider community of experts in both regions in order to achieve a multiplier effect.

Press coverage was widely achieved in Spain, where three newspapers reported about the Chinese experts visit to Vitoria-Gasteiz and Bilbao. It should be mentioned that the Spanish City of Vitoria-Gasteiz and the Chinese City of Sanming signed a joint declaration on sustainable urban development cooperation.

Programme overview

Day	General Issues	Cities / Regions
Monday, 12 November 2012	Field visit to Tianjin	Tianjin (CN)
Tuesday, 13 November 2012	Briefing session in Beijing	Beijing (CN)
Wednesday, 14 Nov. 2012	Field visits in Beijing	Beijing (CN)
Thursday, 15 Nov. 2012	Field visits in Beijing	Beijing (CN)
Friday, 16 Nov. 2012	Flight to Europe (11:55 – 22:05) Accommodation in Bonn	Beijing (CN) – Amsterdam (NL) – Bonn (DE)
Saturday, 17 Nov. 2012	Flight to Bilbao (11:15 – 16:30) Accommodation in Vitoria Gasteiz	Bonn (DE) – Vitoria-Gasteiz (ES)
Sunday, 18 Nov. 2012	Free day in Basque Country Accommodation in Vitoria-Gasteiz	Basque Country (ES)
Monday, 19 Nov. 2012	Morning: Field visits Vitoria-Gasteiz Accommodation in Vitoria-Gasteiz	Vitoria-Gasteiz (ES)
Tuesday, 20 Nov. 2012	Field visits in Vitoria-Gasteiz and Bilbao Accommodation in Bilbao	Vitoria-Gasteiz (ES) – Bilbao (ES)
Wednesday, 21 Nov. 2012	Flight to Vienna (17:20 – 23:05) Transfer to Bratislava (SK) – 80 km Accommodation in Bratislava	Bilbao (ES) – Vienna (SK) – Bratislava (SK)
Thursday, 22 Nov. 2012	Field visits in Bratislava (SK) Accommodation in Bratislava	Bratislava (SK)
Friday, 23 Nov. 2012	Field visits in Bratislava or Nitra (SK) Accommodation in Bratislava	Bratislava – Nitra (SK)
Saturday, 24 Nov. 2012	Wrap-up session Cultural programme in Bratislava (SK) Accommodation in Bratislava	Bratislava (SK)
Sunday, 25 Nov. 2012	Flight to Brussels (09:25 – 11:20) Accommodation in Brussels	Bratislava (SK) – Brussels (BE)
Monday, 26 Nov. 2012	Meetings in Brussels Transfer by bus to Bonn (230 km) Accommodation in Bonn	Brussels (BE)
Tuesday, 27 Nov. 2012	Lunch in Bonn at GIZ Workshop and closing session Accommodation in Bonn	Brussels (BE) - Bonn (DE)
Wednesday, 28 November 2012	Departure to Beijing (11:20 – 09:55 arrival on Thursday 29 November)	Bonn (DE) - Amsterdam (NL) Beijing (CN)

Composition of the Chinese delegation

Name	Position	Employer
Zhang Dongqiang	Director Division for Regional Planning	Department of Regional Economy, NDRC
Liu Yang	Programme Officer	Department of Regional Economy, NDRC
Liu Chunlin	Programme Officer	Tianjin Development and Reform Commission
Li Zulin	Deputy Director Division Regional Economy	Sichuan Development and Reform Commission
Li Hanxin	Deputy Director Division	Liaoning Development and Reform Commission
Zhang Lijun	Director Division	Guizhou Development and Reform Commission
Li Qizhen	Deputy Counsel	Hubei Economical Technological Cooperation Office
Lei Zhuning	Assistant Director(DDD-Level)	Yunnan Academy of Social Sciences
Yu Xuefeng	Deputy Director Division	Jiangxi Development and Reform Commission
Zhu Yanli	Section Chief	Hebei Chengde Development and Reform Commission
Huang Lanchun	Director(DD-Level)	Fujian Sanming Representative Office in Beijing
Liang Xiaohong	Director Division	Chongqing Development and Reform Commission
Yan Liqiang	Director General of Financial Bureau(DD-Level)	Jiangsu Xuwei New Area Financial Bureau
Zeng Xiaoying	Deputy Adviser (DDD-level)	Guangxi Development and Reform Commission
Guo Pei	Deputy Director Division	Shandong Development and Reform Commission
Yin Junbo	Deputy Director General	Anhui Development and Reform Commission
Min Fei	Director Department Development Planning	Guangzhou Development and Reform Commission
Sun Zhian	Director Division	Hebei Development and Reform Commission
Xia Mingjun	Programme Officer	Beijing Development and Reform Commission
Xu Huiping	Director Division	State Development Bank

Sessions in Tianjin

The programme started with one field visit of selected European experts to the Tianjin Economic-Technological Development Area (TEDA). The area - founded in 1984 - covers a surface of 40 sq. km and enjoys relevant state preferential policies. TEDA has three industrial parks under direct administration of the TEDA Administrative Commission and provide opportunities to domestic and foreign investors to make investment and choose site locations. The area is one of the fastest growing of China and her gross domestic product accounted over € 20 billion in 2011. European experts were able to visit the TEDA administration centre where they received an introduction of the zone by Mr Hu Jun Sun, Director of the Regional Cooperation Council and of the Bohai Rim Cities' Council. Mr An Limin, Vice-Director General of Tianjin's Development and Reform Commission shown European experts a model of TEDA and explained the key economic and urban development figures. Experts were also able to visit Airbus assembly plant in Tianjin. The seminar included a field visit to the aircraft carrier Kiev, a former soviet vessel that has been transformer in to a museum and hotel as part of Tianjin attempts to boost tourism in the region.

Sessions in Beijing

Ms Dong Qing introduced the Chinese Academy of Governance (CAG), the official training body of the State Council. CAG conducted annual training for about 10.000 Chinese and foreign government officials. CAG has focused efforts in the area of sustainable urban development and has been proposed by the State Council as the main body to train experts within the EU-China partnership on this issue.

Mr Laurent Javaudin, Delegation of the European Union to China, introduced the China-EU Partnership on Sustainable Urbanisation and specified the priority areas of actions, including urban infrastructure, energy supply and smart mobility. Mr Javaudin also introduced the annual EU-China Mayors Forum, a flagship event for the cooperation that took place in Brussels in September 2012. More than 500 participants from Europe and China participated in eight thematic workshops. Key counterparts are the EU Covenant of Mayors and the Chinese Mayors Association. He also mentioned possible projects to be funded by the EU Delegation, including areas like cooperation on social protection reform, eco-urbanisation (LINK), satellite cities and metropolitan governance (EAST Project) and the EU-China sustainable urbanisation park in Shenyang.

Mr Zhou Yiren, Director at the Department of Regional Economy of NDRC, introduced the training cooperation programme CETREGIO as one of the pillars of the EU-China Regional Policy Dialogue. He underlined that since 2010 more than 100 Chinese officials have received training in Europe and China. Mr Zhu explained that although China has achieved a unique economic development, regional disparities remain large. He stated that China has developed an index to more accurate measure regional disparities. However, the index still needs to be further improved based on European Union's regional policy experiences. Mr Zhou finally introduced the members of the delegation travelling to Europe who came from 14 provinces and Beijing.

Mr Zhang Zhanbing, Director General of the Department of Economy at the Chinese Academy of Governance (CAG) delivered a speech on sustainable urbanisation. He underlined the role of urbanisation as a key economic driver for China's economic growth and stated that industrialised countries have gone

through the same process in the past. Whereas urbanisation levels in the US accounts 80% and in Europe 70% of population, China passed the 50% benchmark in 2011. However, the Chinese government expects 300-400 million people to move from rural areas to cities within the next 20 years. He stated that this demands more investment in public transportation, housing and public services. Mr Zhang explained that NDRC is preparing a master plan for urbanisation, including measures like providing urban residential permissions for migrant workers (around 160 million workers are currently temporarily allowed). Also the more efficient use of resources through establishing low-carbon emission cities could contribute to increase attractiveness of urbanisation. Mr Zhang finally stated that urbanisation should be promoted especially to small- and middle size cities (mostly third and fourth tier cities).

Mr Joan Prat i Coll, Ambassador and Head of the Delegation of the Autonomy of Catalonia to the EU, introduced the issue of multi-level governance in Spain and Catalonia. Catalonia is an autonomous community of Spain with extensive competencies in matters such as industry, urban development, housing, regional politics, transport and the environment. The region – traditionally seen as the industrial core of Spain - has one of the largest regional economies in Spain and belongs to the “The Four Motors for Europe”, an initiative of four highly industrialized regions in Europe. With a population of 7.539.383, similar to Switzerland, Catalonia constitutes 17% of the Spanish population. The regional GDP (23% of the Spanish GDP), is similar to Finland’s one and 20% over the European average. Barcelona, the capital city, has maintained its position as the best city in terms of quality of life since 1996, beating other European cities such as Paris, London and Madrid. The ports of Barcelona and Tarragona are among the largest in Europe in terms of goods and passengers. Mr Prat also explained the regional strengths in research and development. He focused his presentation on the urban development of Barcelona in the last 20 years, especially with regard to the port of Barcelona and the smart city concept. He explained the public investments and the integrated approach adopted while preparing the Olympic Games 1992. Mr Prat also stated the importance of Smart City Expo, the world’s largest meeting involving the key urban decision-makers and the leading suppliers of real solutions and services for smart cities. The event was held in Barcelona in November 2012.

Mr Thomas König, Head of Economic Promotion and Europe at the City Region Aachen, introduced the region’s sustainable urban development experiences. The StädteRegion Aachen comprises 10 cities with 564.000 inhabitants and is a German reference city for research and innovation. Within a wider context, the region is part of what is called the Blue Banana European urbanisation corridor. The region is a part of the European high-speed rail network and the European metropolitan cities are very easy to access. The Technology Region Aachen is very close to the Netherlands and Belgium, and has become a cross-border economic area for Limburg (NL), Vaals (NL), Heerlen (NL) and the German-speaking Community of Belgium. The cross border cooperation Charlemagne comprises about 800.000 inhabitants directly at the border. Mr König introduced some infrastructure and transportation projects at local and cross-regional level, including the euro-regional train line and the electric short distance vehicle street-scooter. He also explained the urban regional retail concept (STRIKT), which aims at strengthening the city centre by avoiding urban inappropriate sites and enhancing the quality of life and attractiveness. Mr König also introduced the Mobile Region 2020 concept, which fosters multimodal transport, integrative and innovative technologies for the sustainable development of transport.

Mr Pablo Gándara introduced the key figures of European integration and briefly explained the regional diversities across the Union. He also described the institutional policy making of European legislation as well as the key instruments of European regional policy (ERDF, ESF, etc.). Mr Gándara also introduced the key European documents on sustainable urban development and the specific EU funded programmes (URBACT II, JESSICA, Urban Audit, and promoting Urban-Rural Linkages).

Chinese government delegates were able to introduce themselves and to explain their expectations for the information session.

Sessions in Vitoria-Gasteiz

The first working day in Europe was a Sunday and delegates visited the old city of Vitoria-Gasteiz, the regional capital of the Basque Country. During the visit of the restoration works of Santa María Cathedral, Chinese experts were able to discuss with the project's director Mr Juan Ignacio Lasagabaster, who explained delegates the importance of sustainable development and the support of EU cohesion policy.

Mr Koldo Hualde, Director of the Department for Economy and Planning at the Regional Government of the Basque Country, introduced the regional operational plan (ROP). This ROP is part of the "Regional competitiveness and employment" objective and has a total budget of around €500 million. With this in mind, the programme's strategic objective is focused on convergence, both technological and social, with the most advanced regions in the EU. Despite its small volume (it represents only 0.06% of the region's GDP in annual terms) EU assistance has significant impact on the Basque Country's economy. Mr Hualde explained that the region is among the richest of Europe (135% of average GDP for 2011), it has a strong industrial basis and invests more than the European average in R&D. Mr Hualde explained the evolution of regional policy since 1985 and the decentralised management of funds in Spain. Today, regional policy promotes five priority areas, including sustainable urban development. He also stated that the region is facing the major challenge of an aging society.

Mr Juan Carlos Escudero, Director of the City's Centre of Environmental Studies introduced the City of Vitoria-Gasteiz, the regional capital. The city was awarded as European Green Capital 2012 especially due to her consistent record of high environmental standards and her intelligent mobility concept. Vitoria acts as a role model to inspire other European cities. The municipality comprises the city and an extensive rural-natural area with 63 small population centres and a total population of 240,580 inhabitants. Mr Escudero explained the city's efforts towards promoting green development of Vitoria-Gasteiz (32.67% of the urban area as public green areas). He also introduced the urban pathways, the Green Belt and the intelligent mobility concept, which promotes the use of hybrid and electrical vehicles, in addition to initiatives such as car-sharing. Citizens have several instruments and experiences of participation in environment and sustainable development, including the Environmental Sector Council, the School Agenda 21 and the Citizens' Forum for Sustainable Mobility. Mr Escudero stated that Vitoria-Gasteiz is a medium-size city and that 84% of the European population lives in cities of this size. Therefore, Vitoria-Gasteiz is a reference for many European cities. He finally concentrated on the new water management model and on the promotion of green economy.

In the afternoon, Chinese delegates were able to visit AMVISA, the public water company of Vitoria-Gasteiz. On the supply side, the company is in charge of collection, storage, purification and distribution of drinking water. Sanitation includes sewers, purification and reuse of waste water plus treatment of slurry and derivate waste. Through awareness campaigns and a more efficient usage, AMVISA has been able to strongly reduce water consumption in the last 10 years. The company has an annual programme of environmental education activities based on water: trips along the Zadorra River, visits to the plants, recreational and participative activities (over 4.000 participants). Moreover, Mr Angel Llamazares described the plan to assess slurry in the waste water purification plant in Crispijana, the use of biogas and energy consumption optimisation studies and the plan to reuse non- drinking water.

The second field visit brought Chinese delegates to the vacuum waste collection system, introduced in Vitoria-Gasteiz in 2002. The pneumatic collection system drags waste through a metal pipe installed in the basement of Vitoria-Gasteiz. The network of underground metal pipes installed comprehends several dozens of kilometers. The project came in response to noise problems that generated the waste collection trucks when passing through the narrow streets of the city centre, as well as the inability to use recycling bins. Currently, the pneumatic collection system has been extended to several districts. Chinese delegates were able to visit one of the central waste collection stations, which also classify different kinds of waste. Representatives of the City of Vitoria-gasteiz explained the used two typos of bins (gray and yellow)

Sessions in Bilbao

On the next day, Chinese visitors were able to visit the City of Bilbao. Mr Alfonso Martínez, General Director of Bilbao Metropoli 30 welcomed the delegation. He started by explaining the work of the agency, a public-private partnership especially created in 1991 to elaborate a long term urban development strategy and to manage related measures in Bilbao. Mr Martínez also gave an overview of Bilbao's economic and urban development in the last three decades, focusing on the industrial decline and the challenges regarding urban infrastructure and transportation. He explained Bilbao's revitalisation project, one of Europe's most successful examples of sustainable urban renewal in the last decades. He referred to the complex process of harmonising interests of 34 municipalities involved in the area. Bilbao made the choice of using culture as a catalyst for achieving greater attractiveness in Europe and the world. Mr Martínez explained the key role of flagship constructions (Guggenheim museum, La Salve bridge, Metro entrances, Airport terminal, etc.) for city branding. He also reflected on the change of land use in Abandoibarra and the environmental regeneration of the Nervión River, the strategic axis of the City. Metropoli 30 is committed to international cooperation and offers continuous training in strategic management of cities, innovation and other related issues.

Chinese participants were then able to visit the Abandoibarra area, the former industrial area of Bilbao that has been transformed for green areas, cultural resources (Guggenheim Museum), commercial and residential buildings. On the next day, Chinese participants were received at the Guggenheim Museum by a representative of Bilbao City Council, who explained the role of the venture for the regional economic and urban development.

Sessions in Bratislava

Chinese delegates had a two-day training programme in Bratislava and Nitra. The first meeting was held at the Agency for the Support of Regional Development and centred on the role of cohesion policy for the Slovak Republic. The country has a population of 5.4 million inhabitants and its economy faces key challenges of east-west disparities, polarised economic growth and social inclusion. Therefore, Slovakia has been allocated €11.7 billion for the 2007–13 period. Mr Jan Brutzko explained the national strategic framework, the management of funds through 11 ROPs and some priorities for investment, particularly in the infrastructure sector. He also referred to the City of Košice - located in the eastern part of Slovakia - that has been awarded as European Culture Capital 2013. Mr Brutzko explained the key areas of intervention for the ROP Bratislava, namely infrastructure and knowledge economy. The ROP has a total investment volume of € 98 million.

Chinese delegates were able to visit a urban revitalisation project in the city of Senec. The main goal of the project was to improve quality of life for residents by creating a leisure park, which provides space for free time zone, sport and playground for children. Part of the revitalisation of green area was installing an automatic underground irrigation system with rain sensor to stop irrigation during the rain. The project also included the reconstruction of an amphitheatre for cultural activities. The total costs for the urban revitalisation measure were € 620.101. Chinese experts then visited the clothing company Donna Rossi, a small-size enterprise supported by the ROP due to its innovation in reducing energy costs as well as for implementing innovative ICT-based production systems.

Sessions in Nitra

On the next day, the delegation was transferred to Nitra, the fifth largest city in Slovakia (83.000 inhabitants) located 80km northeast from Bratislava. Mr Štefan Štefek, Vice Mayor of the city, outlined the key functions of the city as a middle-size centre for western Slovakia. He also explained some social and economic challenges including the improvement of education infrastructure and health services. Mr Štefek outlined the main support instruments for investors, including special tax reduction schemes and support of training activities. He invited Chinese experts to cooperate towards the economic development of the city.

Mr Miroslav Ondrejčka, director of Nitra's public investment agency, explained the regional strengths and focused on the chances for reusing the former rendering plant in Horne Krškany. The city's plan is to build residential houses, an Aquapark and additional industrial production. Mr Ondrejčka invited Chinese delegates to promote cooperation in this and further projects.

Mr Štefan Králik, Special Officer at Nitra self-governing region, explained the integrated rural development strategy of Nitra that is supported by the LEADER instrument of the European Commission. The strategy aims at increasing the living standards of rural areas and protecting the environment. He also introduced the partnership for urban-rural linkages 2020 and gave some examples of local action groups and public-private partnerships in the Nitra Self-governing Region. These included branding of regional products as well as the reconstruction of a horse-riding ring - creating the conditions for educational and psychological riding for children with handicaps.

In the afternoon, Chinese delegates visited an elementary school that has been renovated with support of ERDF. The measure, which has been co-financed with € 1.3 million, is part of Nitra's attempts to increase attractiveness in order to increase energy saving and avoid brain drain. The director of the school showed the renovation works that are being implemented by using energy saving solutions. Chinese delegates were able to meet pupils and to discuss with the director of the school, who gave an overview of the works realized and of the quality of the education services.

Sessions in Brussels

Mr Ramón López (EU Commission, DG REGIO) introduced the context of territorial imbalances in Europe and China. In the EU only 7% of population lives in agglomerations over 5 million, significantly less than in China (14,4%). With regard to regional GDP, convergence regions in Europe are mostly located in the Eastern part of the continent, whereas in China, the west, north-east and south central part are lagging behind. Mr López also explained the progress of the regional policy dialogue with China and requested input from Chinese delegates. They proposed several measures and explained the key lessons learnt during the seminar and their relevance for sustainable urban and rural development in China.

Delegates also visited the European Parliament, where they attended a presentation on the institutional setting and decision making process of the European Union. The presentation centred on the main tasks of the committees, especially of the Regional Development Committee (REGI).

The last meeting in Brussels consisted of a visit to the Permanent Representation of Catalonia to the European Union. Ambassador Joan Prat i Coll – who had met delegates in China – explained best practices of Catalonia in sustainable urban development.

Sessions in Bonn

Work in Bonn started with a meeting at the City Hall with representatives of the city. Mr Stefan Wagner, Deputy Director of the Department for International Relations, welcomed the delegation and explained some basic facts about Bonn's international activities. Mr Michael Isselmann, Director of the City Planning Department, delivered an overview of Bonn's urban development, especially since the relocation of the German federal capital to Berlin. Although the city was compensated with a special plan, this relocation caused a net loss of 15.000 jobs. Therefore, Bonn developed a new strategy putting the region at its centre. Through a decentralised concentration scheme in cooperation with the counties of Rhine-Sieg and Ahrweiler, Bonn has been able to strengthen areas like sciences, research and development. Moreover, Bonn has become one of the main centres for European and international cooperation, hosting several UN bodies. Also the cultural development and leisure activities play a key role in the regional development strategy. Chinese delegates were particularly interested in the compensation mechanisms for Bonn as well as on the city strategy to attract enterprises.

Mr David Baier, Director of the Bonn's Green Areas Department, introduced the project "Grünes C" (Green C), an inter-municipal cooperation that has been co-financed via ERDF (€12 million). The project "Green C" deals with the landscape area and aims at harmonising settlement expansion, economic growth,

agricultural use, recreation planning and nature and landscape protection. Mr Baier reported about the participation of experts, stakeholders and citizens during the development of the Green C master plan process. He introduced the “Link”, a green belt with pedestrian and cycling roads that is marked with harmonised gates and information stations in order to increase connectivity and local identity. Discussion focused on inter-municipal cooperation to increase employments, multi-level governance schemes and the public awareness campaigns.

Chinese delegates were then transferred to GIZ headquarters in Bonn, where they first had a meeting with Mr Gino van Begin, Deputy Secretary General of ICLEI - Local Governments for Sustainability. ICLEI is an international association of over 1.220 local governments who are committed to sustainable development. It has members from 70 different countries, representing more than 500 million inhabitants. Mr van Begin delivered a speech on the key role of local governments and cities in fostering global sustainable development. He stated that cities have to start a rapid and radical transformation process to become eco-cities, characterised by eco-efficiency, low-carbon emissions, climate- and disaster resilience and green urban economy. Mr van Begin introduced some best practices like re-using brownfield-land and integrating agriculture and forestry into urban areas. He also explained the key elements of sustainable urban design and gave examples of transportation, energy and water measures to be adopted. Discussions centred on ecological compensation mechanisms, incentives to promote e-mobility, Chinese experiences of eco-cities (Tianjin), and energy saving measures.

Chinese delegates also attended a presentation by Mr Rupert Kawka from the German Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR). Mr Kawka 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. 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. Some examples are the regional chains of value added in the Nurnberg region and the joint spatial planning in the Stuttgart region. He explained key factors for success including motivation, concrete projects, time dedication and equal level cooperation. 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.

The seminar ended with a half-day workshop in Bonn. The workshop was moderated by Ms Jeanette Funke, Head of Department at GIZ. Participants were requested to develop their own reflection on EU regional policy and its usefulness for Chinese challenges. To see deeper insight into the opinions and recommendations of the Chinese experts, please refer to the document “Report by the Chinese Delegates December 2012” attached to this report as well as to section 11 of this report.

Pictures Gallery



Mr An Limin (DRC Tianjin) explains the TEDA area to the European Experts in Tianjin



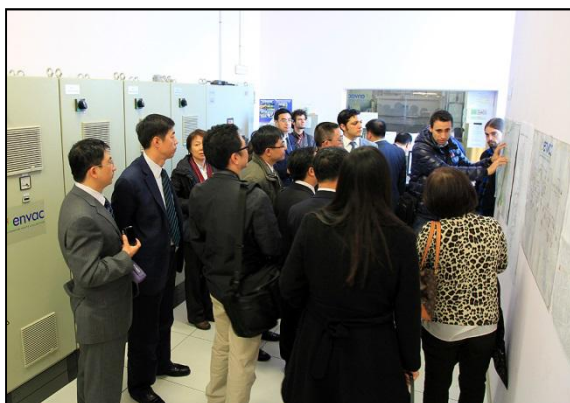
European experts visit the Sino-Singapore EcoCity in Tianjin



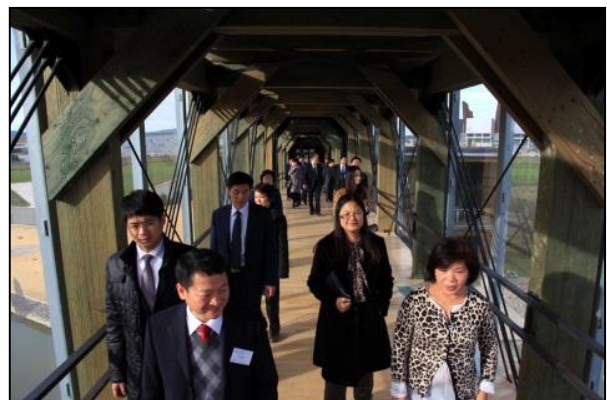
Catalonia's Ambassador Mr Joan Prat i Coll delivers a speech in Beijing



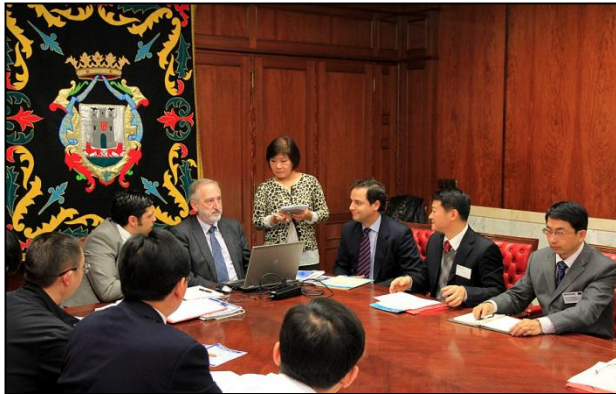
Chinese delegates visit the Church Santa María in Vitoria-Gasteiz



A representative of Vitoria-Gasteiz City Council explains the waste collection system



Field visit of water treatment plant at AMAVISA, Vitoria-Gasteiz



Meeting with Mr Koldo Hualde, Vitoria-Gasteiz



Press conference with Mayor Javier Maroto, Vitoria-Gasteiz



Mr Adolfo Martinez, CEO of Bilbao Metropoli 30, during discussions with Chinese experts



Meeting with Jan Brutzko and Zuzana Lukacova, Agency for Regional Development in Bratislava



Field visit to a small-size clothing enterprise co-funded with ERDF, Bratislava.



Field visit in Senec – revitalisation of urban leisure zone, Slovak Republic



Mr Štefan Štefek, Deputy Mayor of Nitra, introduces the region to Chinese delegates



Field visit to an elementary school in Nitra



Discussions with Mr Ramón López, EU Commission (DG REGIO), Brussels



Catalonia's Ambassador Mr Joan Prat i Coll welcomes Chinese experts in Brussels



Speech by Mr Gino van Begin, General Secretary of ICLEI, Bonn



Mr Rupert Kawka, BBSR, explaining rural-urban partnerships in Bonn

Activity 4 – Support to the EU-China Seminar on Regional Policy (December 2012)

The VII High Level Seminar on Regional Policy took place in the city of Guangzhou, Guangdong Province, on 20 and 21 December 2012. It was the seventh in a row of annual seminars held in different Chinese and European cities since 2006. The event included field visits to Guangzhou New City and Foshan Industrial Zone, a meeting with representatives of the European Chamber of Commerce in China and a one day seminar. The sessions attended by some 90 participants from China and Europe focused on sustainable urban development and urban – rural linkages.

List of speakers

Speakers of the European Commission (Directorate General for Regional and Urban Policy - DG REGIO) and of selected European regions:

- Mr Walter Deffaa, Director General, EU Commission, DG REGIO
- Mr Ronald Hall, Principal Advisor, EU Commission, DG REGIO
- Mr Ramon López, Administrator, EU Commission, DG REGIO
- Mr Juan Carlos Escudero, Director of the Centre of Environmental Studies, City Council of Vitoria- Gasteiz (European Green Capital 2012), Spain
- Mr Iñigo Bilbao, Head of the Strategic Planning Department, City Council of Vitoria- Gasteiz
- Mr Gerardus van Vegchel, Chairman of the Board City Region Parkstad Limburg, Netherlands
- Ms Zuzana Lukáčová, Representative of the Regional Support Development Agency of the Ministry of Agriculture and Rural Development in Bratislava, Slovak Republic
- Ms Irene Hors, OECD senior advisor in Beijing. Unfortunately, Ms Hors could not take part in the conference due to a short-term illness

Speakers from Chinese national and provincial authorities:

- Mr Fan Hengshan, Director General, Department of Regional Economy, National Development and Reform Commission (NDRC)
- Mr Yu Yunzhou, Deputy Director of Development and Reform Commission (DRC) of Guangdong Province
- Mr Zou Yong, Deputy Director General of NDRC, Department of Regional Economy
- Mr Tang Xinhua, Deputy Director of DRC of Hunan Province
- Mr Deng Chanjing, Party Member, DRC of Sichuan Province
- Mr Chen Yong, Chief of Division, Division of Regional Affairs, DRC of Guizhou Province
- Mr Song Jinsong, Vice Director, Guangdong Urban Planning and Design Institute.

Participants included members of the NDRC divisions of Regional Policy and Regional Cooperation, as well as DRC Directors and Deputy Directors from Jiangsu, Fujian, Jiangxi, Hunan, Hainan, Sichuan, Guizhou, Yunnan and Guangdong Provinces and of Guangxi Zhuang and Ningxia Hui Autonomous Regions. Delegates of the Development and Reform Bureaus of several cities such as Foshan and Shaoguan city also participated at the event.

Summary of the sessions

Day one - Thursday 20 December 2012.

Visit of the Guangzhou New City with Mr Rao Gangjian, Consultant Director, Guangdong Development and Reform Commission, Department of Area Economy Development.

The first field visit took European and Chinese delegates to Guangzhou New City. Guangzhou has grown a lot since the last 30 years. There are 4 districts in the old town, 4 more have been developed and converted from rural to urban areas in the past years. 20 years ago, the district of Guangzhou New City was either periphery of the city or agricultural land well outside of the historic city core. In this last 20 years the population has increased from app. 3 million to currently 11 million.

The Guangzhou New City axis is stretching north from the Guangzhou East Station and south to the TV Tower at Haizhu District on the south bank of the Pearl River. Currently Guangzhou New City is best known as the site for the Guangzhou Opera house, the Canton Tower and many of the athletic venues for the 2010 Asian Games. The Huacheng Square in fact is a pedestrian area of two kilometres length. Underneath that there will be a big shopping mall, parts of that are already opened.

Despite the construction of new buildings, the city government tried - since the very beginning - to respect the wishes of resident population to keep the old parts.

The Guangzhou New City is a big finance Centre. Some banking companies have already moved some services to this area, because Hong Kong has become too expensive.

But the rapid growth of the last years caused challenges as well: Too many people moved too fast to Guangzhou. The density has risen and the rents went up rapidly. According to DRC officials, nowadays one square meter for rent costs approx. 60 Yuan. So an apartment of 100m² costs 72.000 Yuan per year. However, the average income is at around 50.000 Yuan per year.

DRC Guangdong officials explained negative consequences such as too much farmland was taken for the development of the urban area.

Visit of Foshan City Sino - German Industrial Service Zone

European and Chinese delegates visited Foshan in the afternoon. Foshan - a city very close to Guangzhou - is the third largest manufacturing base in the Pearl River Delta (after Guangzhou and Shenzhen). The city has a history of more than thousand years and a population of approx. 3.5 million residents in the urban area. In 2003, the development of the new city district for 300.000 inhabitants started. The total

investment sum is estimated at approx. 72 billion Yuan. Governments of both cities (Guangzhou and Foshan) have started many initiatives for urban integration, including the Guangzhou-Foshan Metro - the first intercity metro line in service in China and a metropolitan region.

Chinese experts explained that the opposite side of the visited area is still a harbour, but that this will be replaced within the next years. Planning foresees more buildings with apartments. The investment is meant to be done by private investors, without any governmental support. In two years' time, there shall be a subway connection to Guangzhou and the airport, the ride then should only take 15 minutes.

The Foshan Sino - German Industrial Service Zone was presented to the EU delegation by its Deputy Director, Mr Ping Xu, who led a tour around the main park area and introduced a model of the Foshan New City. Objective of the Sino- German project is to attract international investors, especially from Germany, with a focus on high-tech industry and industrial service providers. The aim is to combine the given space for secondary and tertiary industry with residential compounds and a German community complex. Project representatives stated that the project is currently lacking enough German partners.

Meeting with the European Chamber of Commerce

The last meeting of the first day was devoted to meet members of the European Chamber of Commerce in China (EUCCC). The chamber was established in the year 2000 and has currently eight offices in Chongqing, Chengdu, Beijing, Nanjing, Zhuhai, Shanghai and Shenyang. Guangzhou offices were opened in 2006. As an independent voice of European business in China, the Chamber seeks greater market access and tries to improve operating conditions for European companies. There are almost 2.000 members of the Chamber in China, 210 of them are located in Guangzhou.

Some statements during this meeting:

- The Guangdong province is an important province to the EU in terms of economy, most of the companies here produce in the fields of electronics and chemistry.
- The Chamber is channelling the documents for European companies to make things easier in China. This is particularly relevant for European SMEs. However, discussions showed that sometimes it is easier to establish the company in Hong Kong and create a representation in China.
- Many European companies work in China and export their products to other Asian countries like Indonesia, Cambodia or Vietnam. They work in China because here they have every supplier they need in the vicinity.
- One of the most important current trends is industrial automation. However, there are important arguments for keeping production in Europe where procedures are already automated.
- Discussions showed that the treatment of Chinese and European companies is partly unequal: One example given was that European companies located in China have to pay for the energy

usage, whereas local companies get the energy for free. Another example is that the solar industry was highly subsidized by the Chinese government for many years.

- Guangzhou is the oldest trading city in China, so here are the most experienced traders. And it is the most international city of China; many people are from Africa and the Middle East.
- In this area most of the sport shoes are produced. Guangdong used to be the most important production site of the world, but it has recently changed to more technology driven products.
- Chinese cities are in competition, so it is important for each of them to have good connections out of the country. Guangzhou has a disadvantage by not having many direct flights to Europe.
- One big advantage of Guangzhou is that there is a strong internal market (big population, high income, high consumption indexes). This might attract some investments from Europe.
- Discussions showed that many European companies consider moving to Shanghai or Beijing due to better management environment and higher qualification skills of working people.
- The rising labour costs in China are higher than the efficiency increases. The productivity level does not reach 13 per cent of the increasing salary, so many companies complain about this. Some companies are already moving away from China to Indonesia or other Asian countries.
- The Chinese government wants to achieve more outbound investment – especially in Europe – to profit from knowledge transfer. There are many instruments of the Chinese Government to support Chinese companies going abroad.

Day two - Friday 20 December 2012

Agenda of the EU-China High Level Seminar on Regional Policy

8:30 – 09:45	High-level Meeting	Mr Fan Hengshan and Mr Walter Deffaa
10:00 – 10:45	Opening Ceremony	
	Chair	Representative of NDRC
10:00 – 10:15	Welcome Remarks	Host authorities (Guangdong Province)
10:15 – 10:30	Keynote address	Mr Fang Hengshan, Director General Regional Economy, NDRC
10:30 – 10:45	Keynote address	Mr Walter Deffaa, Director General, DG REGIO
10:45 – 11:00	Group Photo	
11:00 -11:20	Session 1: Urban Development Europe's and China's cities symbolize a twofold challenge: how to improve competitiveness while meeting social and environmental demands. In China, the symbolic 50% threshold of urban citizens has been crossed already in 2011. The session would address aspects like improve living conditions of all urban dwellers, implement local infrastructures, for energy, transportation, communication, water and waste, city management and urban governance, including financing aspects, urban sustainability, smart city concepts.	
	Chair	Mr Ronald Hall, Principal Advisor, DG REGIO
11:00 – 11:20	Speaker	Mr Juan Carlos Escudero, Director, Centre of Environmental Studies, City of Vitoria-Gasteiz, Spain
11:20 – 11:40	Speaker	Speaker from Hunan Province
11:40 – 12:00	Speaker	Ms Irène Hors, OECD Senior Adviser in Beijing
12:00 – 12:20	Speaker	Mr Song Jingsong, Vice President, Urban and Rural Planning Design and Research Institute of Guangdong Province
12:20 – 15:00	Lunch	
15:00 -16:20	Session 2: Urban-Rural Balancing In regional policy, rural and urban areas are complementary and mutually dependent; they should be partners in development. Therefore, the challenge is to focus on an integrated development policy for well-defined economic regions, linking urban and rural areas. Aspects which could be addressed in the session include promoting the development of medium-size cities as nodal points to bring services closer to rural areas; adequate city planning to ensure efficient and sustainable urban-rural linkages; avoiding rural desertification problems and abandonment of rural social capital; avoiding excessive migration from rural areas to the cities especially of the skilled and able.	
	Chair	Representative of Guangdong Province
15:00 – 15:20	Speaker	Professor Chen Hongyu, Guangdong Provincial Government, Provincial Party School Counsellor
15:20 – 15:40	Speaker	Mr Gerardius H.M. van Vegchel, Chairman of the Board City Region Parkstad-Limburg, Netherlands
15:40 – 16:00	Speaker	Speaker from Sichuan Province
16:00 – 16:20	Speaker	Ms Zuzana Lukáčová, Regional Support Development Agency, Ministry of Agriculture and Rural Development, Slovakia
16:40 – 17:00	Closing Ceremony	
16:40 – 16:50	Concluding Remarks	Mr Ronald Hall, Principal Advisor, DG REGIO
16:50 – 17:00	Concluding Remarks	Mr Zou Yong, Deputy Director General of Regional Economy Department

Summary of the sessions

Welcoming words by Mr Xu Shaohua, Member of the Standing Committee of the CPC Guangdong Provincial Committee, Executive Vice-Governor of Guangdong Province

Mr Xu welcomed European and Chinese delegates and expressed his gratitude to the European partners for the long term cooperation with the Guangdong province. Mr Xu mentioned the leading role of Guangdong in the reform and development process in China. The province ranks number one in terms of economic growth. Mr Xu referred to the economic development in the whole country, stating that - on the one hand – there is a focus on developing the western and northern part, but - on the other hand - there is still work to be done in Guangdong province, especially regarding roads construction and improving public services for the rural areas. Therefore this high level meeting is important to learn from each other and build Guangdong to a modern and developed area.

Welcoming words by Mr Fang Hengshan, Director General, Department of Regional Economy, NDRC

Mr Fang referred to the long track of regional policy dialogue between the European Union and China. During the past six meetings, consensus has been achieved in several regional development areas. He stated that this has had impact in the elaboration and implementation of the 11th and 12th Five-Years-Plans. With regard to training, six sessions have been conducted in 12 EU countries with more than 100 members of different DRCs. During 2012, several European experts were able to visit China in order to deeper understand Chinese experiences.

On the macro-economic development area, Mr Fang stated that for five years in a row, the growth of the western and northern provinces has surpassed the growth of the eastern Chinese provinces. He referred to the key role of cities as drivers of economic development. However, he also referred to their contribution to the development of rural areas. The degree of urbanisation has raised from 21 per cent in the 1970s to 51 per cent today. Mr Fang stressed that the Chinese Government is committed to boosting economic development in the rural areas and to guarantee all residence rights to the farmers when they migrate to the cities. He finally invited experts to have a fruitful exchange of knowledge during the seminar.

Introduction by Mr Walter Deffaa, Director General, DG REGIO

Mr Deffaa expressed his gratitude to the Chinese side for the invitation to the high level seminar. He underlined the aim of the dialogue that is to increase mutual understanding of regional development, taking into account specific conditions. Mr Deffaa referred to the progress achieved in several areas of regional policy throughout the last years and to driving principles of regional policy in Europe, i.e. open markets economy, territorial and social balance and fair competition. Particularly here he expressed that competition is to be seen as a race to the top, not a race to the bottom.

DG REGIO's director general referred to the role of cities as engines of economic development. In global terms, just 100 cities cover one third of the world economic growth. In China, there are over 200 cities

with a population of more than one million citizens. The rapid urbanisation in China has been accompanied by a growing gap between the urban and rural areas. But also Europe is facing growing disparities between urban and rural areas. Mr Deffaa referred to Chinese challenges in infrastructure and housing, and expressed European willingness to contribute to a sustainable regional and urban development in China.

Mr Deffaa explained the key principles of EU's regional policy and focused on the development of low carbon solutions for urban areas. He stated that in order to achieve a sustainable solutions, the approach must be holistic and integrated, based on specific local conditions. Mr Deffaa focused on the importance of cooperation between urban and rural areas, taking small and medium sized cities as drivers to achieve polycentric development.

I. Session 1: Urban Development

Chairman: Mr Ronald Hall, Principle Advisor of DG REGIO

Mr Juan Carlos Escudero, Director, Centre of Environmental Studies, City of Vitoria-Gasteiz (European Green Capital 2012), Spain

With 240.000 citizens, Vitoria-Gasteiz is a medium size city in European scale. However, approx.80 per cent of Europeans live in cities of this size. Vitoria-Gasteiz referred to the rapid urbanisation during the 1970s (population was doubled within only ten years). Mr Escudero stated that the city is very compact (only three kilometres from the centre to the border), allowing population to walk and cycle. The city is surrounded by a green belt and is an area of great biodiversity.

With regard to land use, one third is the city is urban area, one third is rural area and one third is forest. Vitoria's goal is to interconnect all the green areas within and outside the city. One of the main objectives in the near future is to close the green belt around the city.

Mr Escudero explained Vitoria's strategy against the climate change based on modal split and lower energy consumption. The goal is to become a carbon neutral city by 2050. With regard to traffic, Mr Escudero stated that the use of private cars has decreased dramatically, whereas cycling and walking have increased. In 2006, the traffic share of private cars was 75 per cent, but since then it has been largely reduced towards public transportation. Car parking pricing policy played here a key role. Mr Escudero stated that these achievements were possible due to the participation of citizens in the process.

Mr Tang Xinhua, Deputy Director, Development and Reform Commission of Hunan Province

Mr Tang Xinhua stated that the priority for future policies lays on ecology and the protection of the environment. Although the Hunan province has achieved major progress in energy saving, Mr Tang stated that there is a need to improve the monitoring system. He also referred to the waste management system introduced in the province that includes waste recycling. Mr Tang also referred to the key projects in

railway transportation, wind energy systems and renewable energy transportation. He also referred to cooperation with Europe in the field of innovation.

Ms Irène Hors, OECD Senior Adviser in Beijing

The presentation was cancelled due to a short-term illness

Mr Song Jingsong, Vice President, Urban and rural planning design and Research Institute of Guangdong Province (GD)

Mr Song introduced to the audience the urbanisation process in Guangdong in the last three decades. He divided the urbanisation process in three stages:

In the Urban and Rural Hybrid stage (1978 – 1998,) cities and villages lost their unique characteristics. Construction land distribution was “road-oriented”, urban and rural construction was not in order. Towns and villages’ landscapes became similar, as their natural characteristics and cultural identity was disappearing. The pace of industrialisation was faster than urbanisation.

During the Urban and Rural Divided Stage (1998 - 2008), cities and villages strongly competed with each other. Specialised towns and industries clusters started to appear. However, the industrial development level remained low. The chaotic urban and rural construction was improved while the spatial pattern of rural settlements was not intense. The towns’ landscape improved while ecological space was still fragmented. The Urban and rural service was not distributed equally, demand and supply of public goods were spatially dislocated.

The current Urban and Rural Integrated Stage (2008 -) aims at achieving equally distribution of public services. Therefore, Guangdong started to build a world-class integrated transit system and a world-class manufacturing base. Provincial authorities laid special emphasis on attracting service industries. Mr Song mentioned that great effects have been achieved in CO₂ emissions reduction through using energy saving technologies and implementing a mixed land-use strategy. He also stated that cross-border cooperation among Guangdong, Hong Kong, and Macau is getting stronger, and pledged for further regional collaboration.

With regard to the linkages between urban and rural areas, Mr Song stated that the urbanisation process is still happening at a fast pace, exacerbating the competitiveness gap among cities and between them and the rural areas in general. In his opinion, the rapid expansion of peripheral areas (urban sprawl) has undermined the spatial value of rural areas. Although the urban economy and consumption levels grow rapidly, the level of urban governance is relatively low. There is a need to reform institutional mechanisms. He finally stated that the supply of public goods in rural areas is comparatively insufficient which negatively affects the public service delivery.

At the last part of his intervention, Mr Song referred to the new urbanisation concept of Guangdong province. The goal is to achieve simultaneous development of industrialisation, IT sector, urbanisation

and agriculture modernisation. The approach is to optimise the spatial development pattern through a sound regional development mechanism based on urban and rural coordination. Guangdong also aims at increasing regional collaboration with Hong Kong and Macau.

In detail this means:

- upgrading a spatial governance model, helping regions to evolve from “fragmented” to “integrated” development, and creating a new metropolitan governance pattern;
- fostering six agglomerated metropolitan areas to achieve a balanced regional development;
- building a “space of flows” system and constructing a low-carbon, integrated “global green city urban system” in the Pearl River Delta;
- fostering a co-development circle around the Pearl River Delta by developing city centres in North, East, and West Guangdong;
- upgrading the regional urban and rural development models to modify industry development from single structure to ecological intelligent, long-range value chain in order to create modern industry development patterns;
- constructing a green living network by introducing a regional greenways system;
- constructing “glamorous waterways” that highlight the distinctive features of Lingnan “water village”, protect waterfront ecological resources and natural landscape;
- improving the transit development mode to form a new transportation pattern that can secure smooth traffic, expediting a shift from “highway era” to “mass transit era”;
- promoting the Transit-Oriented Development (TOD) mode to improve urban functions, and drive the upgrading of industrial structure;
- improving the urban outcome to keep its own identity, particularly the Lingnan characteristics;
- upgrading the public services model, modifying infrastructure construction from “producer-oriented” to “people-oriented” in order to create a sustainable basic public service system covering urban and rural areas;
- upgrading the housing distribution model, modifying the housing market from “unified model” to a “diverse model” in order to provide multiple and differentiate housing options for people;
- upgrading the regional infrastructure construction model, reducing duplication of similar projects, encouraging intelligent coordination and fostering an intensive distribution and high-tech infrastructure system;
- creating a new mechanism to facilitate the exchange of production factors between urban and rural areas and equally distributing land development rights;
- innovating the investing and financing mode, encouraging regional-balanced development rather than profit-driven development, and creating a market-oriented financing mechanism; and

- facilitating community governance and local democracy reform, encouraging public engagement and a governance mechanism for public affairs.

II. Session 2: Urban- Rural Integration

Chairman: Mr Yu Yungzhou, Deputy Director of Development and Reform Commission of Guangdong Province

Professor Chen Hongyu, Guangdong Provincial Government, Provincial Party School Counsellor

Mr Chen referred to Guangdong's rapid urbanisation and industrialisation process as well as to the resulting bigger gaps between the developed and underdeveloped areas. He stated that the integration of rural and urban areas has increased the net income of farmers by 11 per cent. However, at the same time the income of urban residents increased by 18 per cent. This urban income ratio has been slightly decreased recently, but there is still the need to create equal opportunities for the development between urban and rural areas. Mr Chen proposed some measures like offering compensations to farmers and giving them the equal rights as to urban citizens. He also pledged for strengthening farmers support, emphasizing the production facilities in order to achieve a sustainable increase in farmers' income. Mr Chen finally referred to the reform of the governance system for land rights.

Mr Gerardus van Vegchel, Chairman of the Board City Region Parkstad- Limburg, Netherlands

Mr van Vegchel first made some comparisons between the Guangdong province and the Netherlands. In terms of size, Guangdong is as big as Netherlands, Belgium and parts of France and Germany. With regard to regional development, the Netherlands focuses resources in developing knowledge and smart regions. Mr van Vegchel mentioned the Dutch economic growth grounds on three kinds of ports, i.e. the Airport of Amsterdam, the Seaport of Rotterdam and the Brainport of Eindhoven. These regions host many international corporations, but even more small and middle size enterprises, which are crucial for innovation and job creation.

Mr van Vegchel referred to the small size of Dutch cities (in Chinese scale) that triggers the need to cross-regional cooperation. This is the reason why the CityRegio Limburg actively promotes cooperation with the region of Leuven in Belgium and Aachen in Germany. The goal is to create a so called "no-tropolis", i.e. a network of small and middle size cities. To this purpose, the Netherlands implement a special housing and infrastructure policy focusing on rural areas and small towns.

With regard to rural-urban integration in the Netherlands, Mr van Vegchel stated that there is no difference in the income between urban and rural areas. For Dutch policy-makers, farmers are seen as entrepreneurs that make rural areas as productive as the cities. Rural areas have evolved from primarily agricultural production spaces to consumption space, especially with regard to residence and leisure. However, agriculture is a key sector for sustainable regional growth in the Netherlands, concentrating approx. 4% of Dutch workforce.

Mr van Vegchel mentioned that city-regions are in general the engines of economic growth due to their higher potential of creativity, so there is a need for urbanisation. However, a strong concentration on city regions brings along negative consequences like congestion, pollution, higher real-state prices and rural aging. He also referred to the “triple helix” cooperation model in the Netherlands, involving government, private sector and universities. One example of this is the region Parkstad-Limburg, Aachen and Liege, where the different universities work closely together. Mr van Vegchel finally focused on attractiveness of the Parkstad Limburg for economic activities in Europe.

Mr Deng Changjin, Party Member of Development and Reform Commission of Sichuan Province

Mr Deng referred to the big disparities between rural and urban areas in China, especially in medical care, housing and social services. China has attached great importance to this challenge, especially since the classification of rural areas in 2002. In the Sichuan province, 15 cities have been established 2011 as demonstration areas. They focus on establishing industrial parks as drivers for economic growth and supporting the development of modern agriculture by a land reform. The cities also aim at achieving a stronger participation from village level governance, harmonising different land uses and clarifying property rights. Mr Deng also stated that the 15 demonstration cities attempt to strengthen the health care system, to develop a service oriented government and to strengthen the rights of private households. With all this measures, the Sichuan province has established achieved an improved governance system.

Ms Zuzana Lukáčová, Regional Support Development Agency, Ministry of Agriculture, Slovakia

Ms Lukáčová introduced some key facts about the Slovak Republic (5.4 million inhabitants, only two cities have more than 100.000 inhabitants) and made clear that - although a very small state - it is under the top ten economic regions in Europe. She explained the contribution of EU structural funds to bridge the gap between the capital Bratislava and the rural areas of Slovakia. Ms Lukáčová showed the “innovation and cohesion growth poles” that have been established all over the country. She also presented the Regional Operational Programme for Bratislava Region, show casting selected experiences in areas including infrastructure of education, social services, culture, tourism, urban regeneration and sustainable transportation. Ms Lukáčová referred also to the “cooperation triangle” with the cities of Vienna and Budapest.

Closing ceremony

Remarks of Mr Ronald Hall, Principal Advisor, DG REGIO

Mr Hall referred to the long-standing cooperation between the European Union and China in regional and urban development issues. He underlined the key role of cities as drivers for economic growth and innovation. However, it is also crucial to strengthen rural-urban relations as cities increasingly provide services to the rural hinterland. China and the European Union face similar challenges concerning urban sustainability, transport, renewable energy and waste management. Internationally seen as a “green power”, the European Union can support China in many areas and learn from Chinese solutions.

Mr Hall also reflected on the urban - rural shift and urbanisation process in Europe that was mostly completed in the 19th century. Whereas the last rural drift was in the 1950th in Italy, China is facing urbanisation at a unique rate of 1% per year. China's current urbanisation share is around 52% and is expected to increase to about 70% by 2030. However, Mr Hall mentioned that forecasts about rural-urban migration might evolve, depending on strategies and instruments undertaken by regional policy.

Mr Hall also mentioned the environmental dimension of urbanisation and EU focus on developing sustainable cities, including green transportation. An improved connectivity between cities allows specialisation and avoids unnecessary duplication. In order to ensure coherence, multi-layer governance stands at the centre of EU's regional development policy.

Remarks of Mr Zou Yong, Deputy Director General of NDRC, Department of Regional Economy

Mr Zou expressed his gratitude to the European and Chinese speakers and mentioned the importance of the dialogue in order to inspire NDRC's work for the next years. He referred to the slogan "Better cities, better life", used at EXPO 2010 in Shanghai, and mentioned that the case studies helped presented helped to understand the situations of regions in China and Europe. Mr Zou reflected about the very good cooperation between the regions of China and the European Union past years and explained the areas of cooperation for 2013. He expressed his commitment to support all activities agreed for 2013, including the 8th EU-China High Level Seminar on Regional Policy.

PICTURES GALLERY



DRC Guangdong and NDRC officials discussing with European experts during the field visit to the Foshan Industrial Zone



Chinese experts show the model of Foshan City (Sino - German Industrial Service Zone)



Meeting at the EU-China Chamber of Commerce



European experts at the EU-China Chamber of Commerce



Presentation by Mr Gerrit van Vegchel (NL) during the High Level Seminar



Presentation by Ms Zuzana Lukacova (SK) during the High Level Seminar



Presentation by Juan Carlos Escudero, Vitoria-Gateiz (ES).



More than 80 Chinese experts attended the meeting



Group picture after the High Level Seminar



European and Chinese experts during the field visit to Guangzhou New City



Field visit of Spanish delegates in Sanming, Fujian Province.

ANNEX II - COMMENTS BY CHINESE PARTICIPANTS

Question 1: Which topics of the information session or which additional topics should be discussed as part of possible follow-up process?

- The formulation and implementation of sustainable regional and urban development plan
- Planning, construction and management of cities
- Urban transformation development
- Urban rural relations and reasonable layout of urban functions
- Integrated development of human beings and supporting system establishment in urbanisation
- Sustainable regional and urban development
- Rural special industry development
- Equal basic public service in rural areas
- European regional policy implementation procedure and results evaluation
- Introduce and analyse European regional problems
- Cross-river basin and water environment issues
- How to gather money for regional development against the backdrop of European debt crisis.
- Urban sustainable development
- Reasonable use of structural fund
- Reasonable layout of districts within cities
- Overall urban-rural development
- In urban sustainable development, how to inherit and protect city's historical and cultural tradition and identity, meanwhile absorbing new development elements and modern concepts; and how to combine these two in an appropriate way.
- Detailed measures about China participating in EU policy making.
- Experience and practice in urban function optimisation and adjustment.
- Influence to farmers while promoting overall rural urban development, analyse whether farmers' social welfare is improved.
- Further explanations about distribution of cohesion funds to different countries. Could you have minor adjustments of that amount during the implementation?

Question 2: Are there any concrete approaches or projects you would like to develop further –in Europe or China - with European partners?

- Cross-border environmental protection schemes
- Cooperation in new energy and new technology (electric vehicle)
- Have more visits and exchange of ideas between people from Europe and China.
- Introduce European city's urban waste automatic collecting system to Chinese cities.
- Come up with urban-rural plan for China
- Increase the frequency of trainings within China-Europe regional policy dialogue, emphasize on “dialogue” and have deeper understanding and further cooperation
- Establish industrial parks together and realize industry exchange
- Establish friendly cities and strengthen cooperation in economy, trade and culture.
- Develop new energy together, for instance: solar power, photovoltaic power generation and electric vehicle
- Explore ways for Guiyang, capital of Guizhou province, to cooperate with successfully developed small and medium cities in EU
- Develop urban waste classification system
- Cooperate on urban public transportation systems
- Support urban waste management system and water management system in China
- Strengthen exchange and cooperation between China and EU, besides this kind of trainings; we can push a batch of cooperating projects, through information exchange, guiding major market players to actively participate in those cooperating projects.
- Have research study, for instance, with the background of financial crisis, how to increase city's competitiveness and drive for development.
- Planning and layout of basic supporting facilities in urban development and overall rural-urban development; integrated design and implementation of public management.
- Hope that China and EU can explore and co-establish regional and urban rural development fund in 2014-2020 period, for discussions and trainings on regional development and urban-rural development. Also for pilot projects and demonstration projects on regional development and urban-rural development in China.

Question 3: Do you have any further comments and suggestions for improvements

- Longer time in Europe and visit different projects
- Very good arrangement of food
- Participants should make a longer self-introduction before the training to know more about each other and have better communication during the programme.
- Have more training materials and questionnaire in both Chinese and English
- Have more discussions in the future.
- Besides understanding measures and results of EU cohesion policy and regional development, we want to have more vivid and successful cases in urban sustainable development and regional development that we can learn from.
- Have similar training programmes in the future
- Introduce some failed projects for us to learn from.
- Have more communication between people from China and Europe. Chinese participants can talk more about their local measures and practices and share their experience with people from EU.
- Maybe arrange some Chinese participants to deliver speech about best practices in China, share our experience and have good interaction
- Provide us with more detailed schedule like training time, contents and requirements
- After understanding EU policy and measures, we want to see more vivid and typical examples, for instance, on urban construction and environmental governance, also examples related with China's sustainable development.
- Emphasize on one European country and have deeper discussion on one particular issue.
- Arrange more visits to historic sites for us to understand European culture.
- This is a very meaningful training, help us to broaden our horizon, update our concepts, have further cooperation between China and EU, and achieve mutual benefits and win-win situation.
- With current communication between EU and China, have visits between senior officials, have more trainings and discussions.
- Experts should consider and compare current economic development stage between China and European countries, analyse their neighbouring countries' economic, social and political environment.

ANNEX III – REPORT BY CHINESE DELEGATION 1 (JULY 2012)

TRANSLATION

**Experiences and Inspirations of Multi-Level Governance
of the European Union**

**Report by the NDRC-Delegation after the Information Session
China-EU Regional Policy Dialogue**

To learn from the EU experiences of multi-level governance, at invitation of the European Commission's Directorate General for Regional Policy (DG REGIO) and the German Society for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit, short for GIZ), a delegation of National Development and Reform Commission (NDRC) has attended an information session on regional policy, which has been held from July 8 to July 21, 2012 in Europe.

General Situation

The delegation consists of 20 persons from 14 provinces and regions of China. All the 20 delegates work in the field of regional policy of NDRC, State Council Legislative Affairs Office and other related NDRC offices at the provincial level. Led by Mr Pablo Gándara, the delegation has heard 23 speeches on regional policy, multi-level governance and reform, which have been held by officials and experts such as Mr Ramon Lopez and Ms Beatrice Taulegne (the EU Committee), Mr Patrick Weiten(Holland) and Mos. Olivia Postorino (Region of Lombardy Italy). The delegation also visited various EU funded projects in some EU member states such as Italy, Poland and Germany. The good functions of the EU multi-level governance have impressed the whole delegation. On the last day of the information session, a workshop and a training graduation ceremony have been held. Both sides have taken this chance to conduct in-depth discussions.

The two-week study tour has vividly shown that regional policy is the basis of the whole system of multi-level governance because it takes interests of the EU, the EU member states and regions into account. Multi-level governance enables the coordinating work between different levels to go smoothly and therefore enhances the coherence within the EU. To some extent, the EU multi-level governance model has good reference for China, who is on the way of opening up and reform.

Meanwhile, members of the delegation agreed that all the programs of the information session have been arranged very well. Not only did they hear many wonderful speeches made by experts, but also did they visit a number of representative projects, which led to a more vivid and profound understanding on the EU multi-level governance. The delegates can improve their working ability by what they have gained from this training. We'd like therefore to take this chance to express our sincere gratitude to the EU Committee, GIZ and all the experts we have met this time. We are convinced that the program is good and will be even better with our common efforts.

Successful Experience and Practice of the EU Multi-Level Governance

The success of the EU regional policies has earned the attention and praise of the UN, the Economic Cooperation and Development (OECD) and other international organisations. Nobel Prize winner, economist Mr Michael Spencer has said once publicly that Europe is obliged to spread their valuable experience gained from regional development working area to other parts of the world because it will be of great significance for the promotion of balanced regional development. The success of the EU regional policies is due to many driving forces. However, the core of the success lies in the multi-level governance model. It combines many crucial parts such as regional planning, differentiated policy making, project application and project management. As a matter of fact, it is a strong impetus for the process of EU integration. To promote its own balanced regional development, it is therefore of good reference for China to analyse the EU regional policy from the perspective of multi-level governance.

Establishing a More Comprehensive Multi-level Governance Model to Promote the Effective Implementation of the EU Regional Policies

EU regional policy has undergone three stages, which refer to the 1994-1999 EU Structure Policy, 2000-2006 EU Structure Policy and the current 2007-2013 EU Structure Policy respectively. The goal of the EU regional policies is becoming increasingly clear while the efforts put into the corresponding policies are growing as well. According to the current 2007-2012 EU Structure Policy, 1/3 of the EU public finance (about 336 billion Euros) will be put into policies designed to reduce regional disparities. Unlike the first two periods, regional policies at the current stage not only support the development of backward areas, but also endeavour to improve the competitiveness of other regions, so that the intensity of regional cooperation and the overall competitiveness of the European Union can be increased. All these help the EU become one of the most competitive economies globally.

To ensure the effective implementation of regional policy, the EU has gradually built up a multi-level network which has horizontal and vertical dimensions. Horizontally, the EU has a number of regional coordinating organisations which play an important role in the policy formulation, implementation and feedback process. The importance of resultant force of public sectors, private agencies and private organisations has been increasingly recognized. Among the various organisational groups, the most important force to coordinate and balance the interest conflicts within regional cooperation is from regional associations, banks, interest groups, policy alliances, political parties and public opinion.

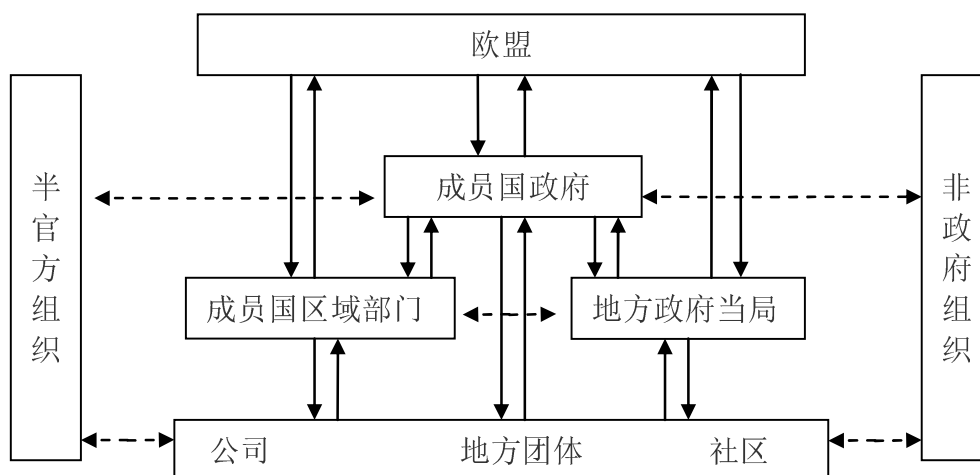
Vertically, in the field of regional cooperation, the EU has formed a multi-level system, which is supranational, national, cross-border regional and local. This system has enabled every concerning level to have balanced rights and interests. In general, this system can be divided into three levels: the first level is the EU level. The highest institutions of the EU, namely the European Commission, the European Council and the European Parliament, have all established specific function institutions and advisory bodies. The EU Commission consists of 20 members, one of which is in charge of regional economic development. The DG Regional Policy is responsible for making and implementing regional economic policies. That is, it aids the less developed regions within the EU to develop, transform and upgrade their

industries. Under the Council of the European Union there is a Regional Policy Committee, which consists of ministers of the EU member states, who are responsible for regional planning. Meetings concerning regional planning and policies are held regularly there with the aim to promote the implementation and development of EU regional policies.

In addition, there are 20 standing committees within the European Parliament. Three committees of them, namely Regional Policy Committee, the Committee on Transport and Tourism, Environment and Public Health and Consumer Protection Committee are closely related to regional policy issues.

The second level is the governments of EU member states. They generally have their own regional policies; however, they accept the unified EU regional policy coordination and integration at the same time. Their main power is mastered by the central authorities, particularly by the Parliament. All the laws related to regional policies are dealt with by the Parliament.

The third level is the local governments of the member states. Regional development fund provided by the central government and structure fund and cohesion fund is used by these local governments voted by local residents. Since regional policy is necessarily local-oriented, in order to improve the efficiency of regional policy, local governments have full freedom in using appropriate policy tools. Meanwhile, they are fully authorized by the central government to ensure high efficiency in the use of funds.



As a regional policy coordination mechanism, the EU multi-level governance model has made new exploration in many aspects such as guidance, coordination and coordinated management to promote regional development. It is a means of cohesion funds, structure funds as well as a powerful support for industrial transfer and innovation. To a certain extent, it has optimized government management and it has redesigned the traditional state apparatus and government organisations. So far, this approach has efficiently coordinated different regions and stakeholders in the regional competition and cooperation relations.

Making Regional Planning Scientifically to Realize Multi-level Governance

Good regional planning is crucial for reducing regional disparities. Therefore the EU has formulated and implemented many multi-level and multi-regional regional policies. These policies usually contain very clear concepts and concrete aiding methods and are often used as guidance documents by various regions to speed up the regional development. In the process of compiling the policies, the EU has always endeavoured to put theory into practice. On the one hand, a large number of experts in various fields are invited to participate in the planning process; on the other hand, it has listened carefully to other voices to make sure their interests can also be fully protected.

So far, the EU has implemented the six-year plan (1994-1999) and the seven-year plan (2000-2006). Another seven-year plan (2007-2012) is being conducted. In the EU 2020 Strategy published in March 2010, three core concepts concerning the EU future economic development are introduced: smart, sustainable and inclusive growth. Smart growth refers to economic growth based on knowledge and innovation. Sustainable growth means to achieve a resource-efficient, greener and more competitive economic growth, while inclusive growth means to achieve economic, social and employment growth so that the fruits of economic growth can be shared by all the people. The strategy has also set five goals: to 2020, the current employment rate (69%) of the population aged from 20 to 64 should be raised to 75%; the R&D investment for the GDP proportion should be increased from the current 1.9% to 3%; Carbon dioxide emissions should be cut by 20% compared with the amount of the year of 1990; Energy consumption should be cut by 20%; the proportion of renewable energy should be raised to 20% of the final energy consumption; the poverty-stricken population should be reduced by 20 million.

As far as the national level is concerned, some EU member states such as Germany have 4 levels to manage their regional development: federal, state, regional and town. Every level has its own rights and functions. The federal government is responsible to formulate the framework in accordance with the EU regional development planning, while local governments are responsible for implementation of corresponding policies in the light of their own local conditions. For example, innovation is the common goal of all state governments in Germany, however, each state government must consider how to conjunct its local concrete realities (the realities of its agriculture, industry and high tech industry etc.) to promote innovation. In the process of planning and implementation, many details shall be constantly revised and improved according to the actual situation.

Using Regional Development Funds Reasonably to Enhance the EU's Cohesion

During the EU integration process, especially in the less developed regions, the EU has adopted many means to reduce the negative impact of economic restructuring. The major financial instrument at the current stage is called “structure funds” which includes European Social Fund, Cohesion Fund and European Social Fund. Structure Funds function as a main supporting tool of EU regional policy and has accounted for about 1/3 of the total EU budget. The focus of structure funds is to support the development of backward areas whose per capita GDP is below 75% of the European average. Cohesion Fund was established in 1994, mainly used to develop the infrastructure and environmental protection facilities in less developed regions, which are mainly in Eastern Europe. The cohesion fund helps to

narrow the development gap between developed areas and less developed areas so that the EU's cohesion and economic policy coordination can be improved and a balanced economic and monetary union within the EU can be realized. The support provided by the EU cohesion fund can be up to 85% of total investment of EU projects. Established in 1958, European Social Fund (ESF) was is one of the main regional policy instrument in the EU. It is committed to increasing employment opportunities, improving work efficiency and reducing social exclusion. A multi-level management model is adopted in the use of the EU regional funds. This has been reflected in the following three aspects:

Main application process

The application for these funds and the use of the funds both reflect the EU's multi-level governance. Every application has to be made in accordance with the procedures step by step. Firstly, if the conditions are complied, local government can make a concrete application for specific funds and submit it to the local council for discussion and adoption. Secondly, local funding program shall be submitted to the state/provincial government or the regional government and then be forwarded for parliamentary discussions. Thirdly, the discussed and adopted programs will be submitted to the national level and will be unified and audited there. Forth, the aggregated programs at the national level will be submitted to the European Regional Commission, who forwards the programs to the European Parliament for consideration and decision.

Six principles of using the funds

To ensure the effective functioning of the EU funded projects and to motivate the member states and their local governments, the EU has developed six basic principle in the aspect of using EU funds.

(1) Principle of concentration. The European Commission has developed funds for three priority objectives: to improve the level of development and structural adjustment of less developed regions; to help regions with structural adjustment difficulties conduct economic and social transformations; to help backward regions improve policies on vocational education, training and employment. For each objective, the European Commission has developed the details on applicable conditions and application steps. Only the member states and their local governments in line with the above objectives are allowed to apply for and obtain financial assistance. Therefore, funds are used in a focused way.

(2) Principle of partnership. In the implementation process of a funded program, the relationship between the funded country or region and the European Committee is partnership rather than superior-subordinate relationship. The European Commission only provides guidance, advice and recommendations, and the regional government can have its own detailed development plan, including the plan on fund usage in full consultation with the European Commission. In this way, regional administration can be effectively supervised and the flexibility to choose and develop appropriate projects can be guaranteed. The coordination and cooperation of the EU and the member states can also be strengthened and as a result, to a maximized extent, the common regional policies can be adapted to the actual needs of different regions.

(3) Principle of programming. The recipient of the regional administration must develop a detailed project plan and submit it to the European Commission for the record. The funds shall be strictly properly used according to the plan. Blind expenses shall be prevented. The management of EU funds is strengthened through the development of regional development strategy and medium-term action plan. Therefore the financial support of the EU level is of stability and predictability.

(4) Principle of additionally. EU funds are neither a subsidy for member states nor a substitute for the public functions of the member states in the regional development. Member state must provide matching funds for the EU funded projects. According to this principle, the financial support a member state provides should be equivalent to the amount it obtains from the structure funds.

(5) Principle of subsidy. The financial assistance of the European Union can only be used as auxiliary financial means for the development of backward areas. The regional administration must guarantee a certain amount of fiscal expenditure for the development of the project. It cannot be fully dependent on the financial assistance from the EU. Only at the level of most need will the EU take actions to implement regional projects. The EU funded projects are undertaken by the most practical institution. According to this principle, member states will let the EU to be responsible for projects concerning cross-border or border areas and they themselves retain the management rights for the other projects as much as possible.

(6) Principle of efficiency. To ensure the efficient usage of funds and to achieve the desired objectives, the EU funded projects should be assessed, tracked and controlled. Firstly, member states should conduct serious assessment on the projects applying for EU funds, giving full consideration to the possible impacts on the environment; secondly, the EU and member states must pay close attention to the implementation and process of the project to ensure that it can be completed on schedule; finally, to strengthen the control and supervision of the usage of funds, rigorous audit of project expenditure must be conducted.

(C) Supervision and management of the funds.

To effectively implement the plan of the funded projects, specific bodies for management and evaluation should be established and at the same time, close contact with the European Commission should be maintained.

(1) Establishing project management bodies. Their duties are: making detailed project plan and ensure its consistency with the guiding principles; collecting statistical data and technical information; developing annual implementation reports; conducting early- and mid-term evaluation of the project.

(2) Establishing project supervising bodies. Their duties are: to review the drafted project plans made by project management bodies; review and approve annual project implementation report; supervise early- and mid-term assessment to ensure their impartiality and effectiveness.

(3) Strengthening cooperation with the EU. The Project Management Committee and the European Commission exchange information and opinions through the annual meeting mechanism. Any adjustment and modification of the existing project plan must be timely notified to the European Commission and the other member states. At the same time, the Commission will send observers to participate in the project supervising work. Regional governments must accept the macro supervision and management of the European Commission. The early- and mid-term evaluation of the project shall be completed by the regional government, but the post evaluation of the project shall be carried out by the European Commission. Since 2000, all member states shall take 4% of the received funds as reserved, which shall be used as additional investment means for successful cooperation projects. That is to say, if the regional government has taken proper measures, additional financial aid can be received for the implementation of projects.

(D) Taking a Multi-level, Multi-centre Network Model to Promote the Development of Urbanisation and Regional Integration Process

Similar as other countries and regions, Europe's urban population agglomerations were seen as the main even the sole motivating factor for economic growth. During the long period of industrialisation, the centre of European regional economic development has gone through several stages such as the stage of the Mediterranean coast, the stage of the English Channel and the stage of the North Sea coast, forming a perfect point shaft area layout model. That is, several important axes of development were established along the main transportation routes during the industrial era. All of the major European economic centres were distributed along these axes, while the economically relatively backward regions were distributed in relative isolated zones. This model directly resulted in dense distribution of residential areas and increasing land prices. Many other problems arose as well, such as over-crowdedness, dense population, environmental pollution and increasing crime. Especially in mature economies, the economic benefits of urbanisation are often offset by these mentioned problems. Therefore, the EU came to realize that big cities are not and should not be the only driving force for economic growth in Europe; instead, the medium-sized cities begin to play an important role in terms of connecting big cities, small towns and remote rural areas. The role of rural local centre shall not be ignored. Gradually, a multi-level, multi-centre development pattern has been formed and ultimately a balanced harmonious development of the EU as a whole can be expected.

As a result, the EU regional development model is under fundamental change, which means that the development of regional integration is speeded up; regional economic layout is updated from the point-axis model of the industrial era to a network development model of post-industrial era. In accordance with this new model, the construction of transportation facilities has been accelerated to form regional network structure. Basically, regional integrity with good accessibility, low transport fees and transaction costs has been realized. After nearly 30 years of efforts, the development of EU regional integration and economic structure model has been initially formed, whose framework is as the following:

1. Promoting the Development of Metropolitan Economic Circle. Normally, ultra-large-scale urban areas such as the capital and big cities tend to become a world-class or European-level urban enclave which

often become huge locomotive for economic development in Europe and worldwide. The Great London area, the Ile-de-France region, the Frankfurt metropolis circle, the Brussels region, the Amsterdam region, the Great Copenhagen area, the large metropolitan area of Stuttgart, Munich metropolitan area are typical examples of metropolitan radiation to drive the development of the surrounding area.

2. Promoting the Transformation and Rise of Old Industry Bases. Take the Ruhr region of Germany, the Manchester region of the UK, or the Maas River Valley region of Holland and Belgium as an example, we could see that such old industrial bases have gone through comprehensive economic structural adjustment. They have vigorously developed high-tech industries such as information technology and have eliminated and transformed traditional industries. They have actively developed modern service industries such as finance, technology consulting and real estate and have endeavoured to improve the ecological environment to create liveable cities. As a result, the old industrial bases have been restored with vitality and once again they have become a regional and even European economic centre.

3. Promoting the Rise of Emerging Mid-Distance Outlying Areas. The big technological changes have provided backward areas such as Ireland, Barcelona regions a rare opportunity to catch up with developed areas. Some EU innovation Zones and innovative urban areas are concentrated in these areas.

4. Promoting the Development of Remote Outlying Areas such as remote islands, seaside fishing village. In the information age, these areas have got rid of the status of a forgotten corner through the development of modern transportation and tourism.

Inspirations

Over the years, the EU has regarded promoting harmonious development of regional economy as an important task. To do so, a multi-level system of regional governance with diversified regional governance means has been established. A variety of regional governance models have been established. Experience has been accumulated to solve problems raised from unbalanced regional development. All of these provide China very useful reference.

(A) Establishment of a System of Multi-level Governance

In order to develop and implement regional policies effectively, the EU has established special regional management and executive bodies and each member state has set up similar bodies for regional development as well. However, in China the regional policy-making functions are distributed in various departments, which are lack of overall coordination with each other. As a result, implementation of regional policies in China tends to be unsmooth. In order to meet the requirement of coordinated regional development, an institutional reform is in need. Some scattered institutions should be merged; an organically integrated high-level regional management institution should be established. At the same time, vertically, the relationship between central- and local government and the relationship between local governments should be well handled, so that all interests and needs could be well considered. Horizontally, effective cooperation between various regions, smooth coordination between government sectors, active participation of various social groups, non-governmental organisations and public should

be established. Step by step a multi-level governance system with good linkage and good function should be established.

(B) Strengthening Regional Planning with Specific Guidance for Regional Development

The EU multi-level regional planning is the basis of multi-level governance. The EU attaches great importance to the regional planning and regards it as the basis of the arrangements for project and funding. After years of development, in China, specific planning including overall plan for national economic and social development, the main functional area planning, regional planning, land use planning, urban planning, planning on infrastructure, ecological environment, science and high-tech talents, public services are in place. In particular, the presence of overall planning has made up for the long-term absence of spatial planning.

In future, learning from the experience of the EU, China will continue improving regional planning and refining the overall strategy of regional development. A new efficient regional developing pattern with complementary advantages will be developed. Firstly, China will pay more attention on key cities and key city circles to accelerate inter-provincial regional planning. Strategic positioning and the main function and direction of development will therefore become clearer. At the same time, the trend of major infrastructure, industrial layout, ecological construction and environmental protection will be stressed. Problems such as excessive competition between urban space layout and low-level redundant construction will be properly solved. Secondly, regions will be divided into different areas according to the actual characteristics of regional economic and social development, and corresponding regional planning will be made such as planning for contiguous poor areas, resource-exhausted cities, major grain producing areas and important ecological function areas.

(C) Improving the Differentiated Regional Policy System to Promote Regional Coordinated Development

EU regional policy takes specific support policies for specific areas which are diversified, standard, refined and differentiated. Recent years, China has promulgated a series of specific regional policies for specific areas, which have played an important role in exploiting the comparative advantages and promoting the development of different types of areas such as key economic zones, special function zones, open border zones and contiguous poor areas. Regional policies in China go towards a refined and differentiated direction.

However, China's regional policy system and institutional mechanism is far from being perfect. The cohesion and convergence of policies is in need of more coordination. To learn from the experiences of the EU, China shall do the following to promote regional coordinated development.

Firstly, China shall continue to follow the principle of "different treatment for different regions, specific guidance for specific regions". On the basis of adhering to the overall regional development strategy and the strategy for the main functional areas, within the basic developing framework of the four sections (west-, northeast-, middle- and east China), China shall classify different types of regions. According the actual situation of the regions, current regional policies shall be integrated. New differentiated regional

policies with more accuracy and precision for smaller geographical units shall be made. Relevance and effectiveness of regional policy shall be improved.

Secondly, to promote regional coordinated development policy system, a good job for the convergence between regional policy and fiscal policy, monetary policy, investment policy, industrial policy, land policy and environmental policy shall be made.

Thirdly, more comprehensive evaluation of the effect of regional policy implementation shall be conducted. An evaluation index system and evaluation program shall be established so that regional planning can be carried out and mid- and final-term evaluation can be conducted.

Fourthly, the legislative process shall be speeded up. It will promote regional coordinated development of successful policies in legal form and as a result, the work concerning promoting regional coordinated development will be gradually incorporated into the legal track.

(D) Taking Different Measures to Promote Regional Cooperation

Promoting regional cooperation to form a balanced win-win pattern of complementary advantages is an effective measure to maximize overall interests in promoting regional development. The EU always pays attention to the direct cooperation between regions and member states to narrow economic gap between countries, which is of great reference for China. China shall further the domestic and international regional cooperation to boost its development of regional integration and allocate resources in a larger space and range.

Firstly, regional integration shall be furthered. Focusing on the development priority zones, with the help of neighboring key cities and urban agglomerations, a cross-region coordination mechanism shall be established to promote the integration of market, industry, transportation, environmental protection and public services.

Secondly, the limitations of administrative divisions shall be eliminated. With the existing foundation, drawing on the EU urbanisation development network model, a number of metropolitan area economic zones and inter-provincial, inter-city economic circles shall be cultivated, so that the development of regional integration can be vigorously promoted and regional coordinated development can be gradually realized.

Thirdly, domestic regional cooperation shall be deepened. This can be done by making cooperation planning, creating cooperation platform and developing innovative cooperation models and mechanisms. Wide-ranging cooperation in depth shall be extensively conducted to promote mutual benefits.

Fourthly, the measures and policies on counterpart cooperation shall be improved. More aid for finance, industrial development, exchange of cadres and personnel training and employment shall be provided.

Fifthly, regional cooperation with border provinces and neighboring countries shall be actively expanded. Taking key port cities and key cities as joint points, the construction of border economic cooperation zones, cross-border economic cooperation zones and key development open test zones shall be speeded up.

(E) Increasing Efforts to support Regional Innovation and Industrial Transfer

The goal of regional policy is not only to reduce regional development disparities, but also to develop comparative advantages of different areas and to enhance regional competitiveness. The EU has always focused on improving its innovation and R&D capabilities and has always paid much attention on developing knowledge economy to promote the competitiveness and self-development capabilities of underdeveloped areas. In the process of making and implementing regional policies and planning, it is necessary to intensify efforts to support regional innovation and industrial transfer.

Firstly, in associated with the development priorities of the national strategic emerging industries, starting from the reality, an industry-university-research institution integrated mechanism shall be established so that scientific and technological achievements can be industrialized more quickly. The emerging industries with characteristics shall also be supported so that their innovation capabilities can be constantly enhanced.

Secondly, governments of all levels shall increase investment in research and development so that economic growth based on knowledge and innovation can be supported and competitiveness of industries can be constantly enhanced.

Finally, governments of all levels shall reasonably guide and conduct industries transfers. Planning and policies on promoting industrial transfer shall be made and improved so that corresponding guidance, coordination and support can be timely provided.

ANNEX IV – REPORT BY CHINESE DELEGATION 2 (NOVEMBER 2012)

TRANSLATION (parts of it already included in section 6)

Experiences and Inspirations of Sustainable Urban and Regional Development of the European Union

Report by the NDRC-Delegation after the Information Session N° 2 China-EU Regional Policy Dialogue

In order to learn experience of EU regional policy and urban sustainable development, with the invitation of EU DG regional policy and GIZ, NDRC delegates went to Europe for regional policy training from 16 to 28 November 2012. The situation is as follows:

I Background Information

This training is a pilot project of European Commission to promote regional policy and enhance regional cooperation on a global scale. It is the 2nd training of this year according to collaboration agreement signed by NDRC and EU DG Regional Policy. The 20 delegates are officials in charge of regional economy from NDRC, China Development Bank and 16 local DRC including Beijing, Tianjin, Sichuan, Liaoning, Guizhou, Hubei, Jiangxi, Hebei, Fujian, Chongqing, Jiangsu, Shandong, Anhui, Guangdong, Guangxi and Yunnan. This training is implemented by GIZ, and supported by 2 GIZ staff (project coordinator and assistant) and one interpreter.

From Nov.11th to 15th, delegates had the first session in CAG. Mr Pablo Gandara, GIZ project coordinator, did a basic introduction of EU regional policy, urban development policy and destinations of this training. Mr Joan Prat i Coll, representative of government of Catalonia delegation to EU introduced history and urbanisation of EU, major considerations for the implementation of cohesion policy and basic information of Catalonia. Mr Laurent Javaudin from EU delegation in Beijing introduced EU energy policy and sustainable urbanisation. Delegates discussed contents of the training as well.

We set off on November 16th, visited Netherland, Spain, Slovakia, Belgium and Germany. We heard more than 20 presentations given by city officials and experts on regional policy and urban sustainable development. We visited Vitoria and Bilbao in Spain, Bratislava and Nitra in Slovakia, Brussels and Bonn, and understood best practice and experience of EU urban sustainable development, projects supported by EU regional development fund, and operation mechanism of EU major organs.

The whole training is a combination of presentations and field visits, on one hand we visited local government institutions or related organisations and learnt local situation on urban sustainable development and implementation of EU cohesion policy; on the other hand we visited different practices of urban sustainable development and projects subsidized by EU cohesion policy tools (ERDF, ESF or cohesion fund). The organizer of the training made excellent arrangement, which covers general

introduction of the policy level and research of particular projects; we visited both developed and underdeveloped areas in EU. Rich contents broaden and deepen delegates' understanding of EU urban sustainable development and regional policy.

This training pays great attention to exchange and communication between delegates and EU experts. We had question time after each presentation for exchange of views and workshop at the end of the session, which reflected on major topics of the training and we discussed EU urban sustainable development and regional policy and its relevance to Chinese challenges. Finally we had a closing ceremony at GIZ headquarter in Bonn.

II Typical case of EU urban sustainable development and practice experience of regional policy

EU and China pay great attention to urban sustainable development. At present, 80% of EU population lives in cities and surrounding areas. As developed area, EU countries have rich experience in urban sustainable development. With China's rapid urbanisation process, the focus of this training is innovative sustainable urban planning approaches (compact city, smart city, eco city, eco settlements, urban rural linkage and etc.), polycentric development strategies and linkage between cities and regions will build the red line of the seminar. The case studies have been carefully selected by the organizer according to the diversity of European sustainable urban development experience. Different typical cases could be visited and discussed by the delegates. We visited role model of sustainable development (Vitoria in Spain), city with successful traditional industrial transition (Bilbao in Spain), polycentric city (Bonn in Germany), and city with rapid industrialisation (Nitra in Slovakia). Through field visits and exchange with EU experts, we have further understanding of EU urban sustainable development and regional policy implementation.

Key Lessons

F) Make overall plan and promote urban sustainable development systematically — Vitoria in Spain as a typical case

Vitoria in the Basque Country of Spain won the European Green Capital title from European Commission in 2012. Vitoria is the 2nd biggest city in the Basque Country in Spain with a population of 240,000, like a medium or small city in China. Vitoria has a lot of best practice and advanced experience in urban sustainable development, summarize as the following points:

6. Create urban green space.

Vitoria built urban "Green Belt", which is comprised of several concentric circles. The Green Belt, a semi-natural green area partially reclaimed from degraded areas, surrounds the centre and brings nature into the city. The third circle is dominated by forestry and mountains. The city has a high proportion of green public areas, ensuring that the entire population lives within 300m of an open green space. Through the construction of Green Belt, people in Vitoria own 45 square meters of green space on average.

7. Develop green transportation

Distinguish urban “through traffic” and “local traffic”; build passage for through traffic around the city. Meanwhile set speed limit on main roads in the city, thus 80% of urban roads will become “quiet” road. Take measures to reduce the use of private cars, re-plan public transportation routes, and increase departure frequency of public transportation from every 30 minutes to every 10 minutes, target at crossing the city within 25 minutes and one transfer. Promote the use of all-purpose card, and encourage citizens to take public transportation. With all these measures, the number of people takes public transportation increased 80% in six years. They encourage the use of bicycles and set up bicycle lanes, when doing urban district plan, they make it convenient to walk or bicycle from district centre to different places. The use of bicycle grew three times in four years. Moreover, they build trams and use special line to connect places can't be reached.

8. Protect historical and cultural heritage, balance traditional features with urban plan and construction

Vitoria pays great attention to protection of history and culture. They are doing projects like renovation of St Maria Cathedral. With unified and coordinated urban construction, urban reconstruction projects follow the traditional Mediterranean style, without abrupt modern “forest” of armoured concrete in the city. Buildings in the new city are not very tall, and have large open space in between. Beautiful natural environment fuses together with cultural environment. The whole city is circled by forests, with rich history and comfortable environment everywhere is great scenery.

9. Establish advanced, efficient and green waste treatment and water treatment system.

Vitoria established advanced underground vacuum waste transport and treatment system, greatly reduced the use of garbage trucks, increased waste treatment efficiency and promoted city image. In terms of water treatment, combined with suburbs' wetland protection, use wetland near the city to do water treatment; Create beautiful wetland on the outskirts of the city, at the same time provide habitat for wildlife, and promote biodiversity protection.

10. Focus on the participation of citizens, social service and community construction.

Vitoria achieved equalisation of public service, with a general coverage of social welfare, citizens are treated equally. 70% of the neighbourhood in the suburbs is subsidized by the government. Establish a series of well functioned social welfare centre for citizens in different districts, and host different kinds of exchange activities, provide service for citizens and handle various certificates. In order to fulfil various needs of citizens on social activity, government has adequate public consultation before launching projects and measures (punish parking along the street in downtown areas) relevant to urban construction and development, thus to win support and cooperation of citizens.

Experience of Vitoria shows urban sustainable development is a systematic project. Urban development of Vitoria follows three principles: policy planning, technical development and responsibility shared by

citizens. Urbanisation is not decided by the scale of a city, but by scientific plan, systematic consideration and overall planning and all-round consideration. Among which scientific plan is of great importance. Vitoria spent more than one year re-planning public transportation routes, and implemented it overnight. The results are excellent without any traffic disturbance, which shows high level and scientific planning.

G) Cultural industrial development and urban transformation — Bilbao in Spain as a typical case

Bilbao in the Basque Country of Spain has rich experience in industrial transformation, urban construction and managing city by creating city image. It is a successful model of urban transformation and development. 100 years ago, the pillar industries for urban development in Bilbao are steel, shipbuilding and banking. When the democratic government took the power last century, they turned closed economy to open economy. The traditional steel and shipbuilding industries declined, backward infrastructure did not fit with the competitive environment in Europe. Meanwhile, many towns within the city had cutthroat competition; urban development faced great challenge.

In order to promote transformation development in Bilbao, they founded the Association for the Revitalisation of Metropolitan Bilbao-“Bilbao Metropoli-30”- brings together more than 130 public and private representative partners. It provides a long-term sustainable development vision and involvement of civil society in the construction of the objectives of the metropolis of Bilbao for their future. The key issues of transformation development in Bilbao is human resources, service industry and manufacturing industry, environmental protection and recovery, urban revitalisation, cultural development, cooperation of public and private sectors and social welfare. Bilbao paid great attention to redesigning city image, developing modern transportation infrastructure, transforming traditional factory area and ship wharf on the river band, and constructing new community in the process of transformation. In particular they took the opportunity of the construction of the Guggenheim Museum of Modern Art to develop culture industry. The Guggenheim Museum of Modern Art attracts millions of visitors to Bilbao annually and promotes relevant service industry and urban social economic development.

The Bilbao experience shows that in urban development, we should have crisis awareness and foresight, foresee future industrial transition and plan beforehand. When facing crisis, we should have innovative thinking and bring citizens sense of pride and sense of belongs, and restructure urban development. Urban development is not only about expansion, increasing added value or extending industrial chain, the important thing is to find the soul of a city, foster a spirit, forge an image, improve quality and create brand name.

H) Polycentric urban development mode - Bonn in Germany as a typical case

Bonn was the capital of West Germany. German capital moved to Berlin after the reunification in 1991. Bonn is not the capital any more, however, not all government departments moved to Berlin, some government institutions and German bodies of the UN stayed in Bonn. There are one million people in Bonn region and 320 000 live in the city. As capital of West Germany for 40 years, Bonn has many advantages in urban development, like developed service industry, a lot of experience in international

cooperation – one of GIZ’s headquarters is located in Bonn, abundant human resources from University of Bonn, located in the pivot area of the Rhine River, and hometown to the famous musician Beethoven.

Major problems for Bonn in urban development are limited bearing capacity and development space. Thus Bonn implemented the “decentralized” strategy, changed some urban traditional functional districts for other purposes, and dispersed some urban functions to surrounding cities and districts. For instance, Bonn changed the former administrative building into a R&D centre; changed deserted factories to high-end office with modern interior; built industrial parks in cities surrounding Bonn and public infrastructure like transportation and education accordingly, in order to attract enterprises to set up offices around them; and set up technical college around Bonn to drive economic growth. Meanwhile, establish overall planning for Bonn and surrounding towns and cities to reduce double construction of large public infrastructure (like opera house). Bonn paid great attention to farmland and environmental protection while developing areas around the city: Bonn cooperated with neighbouring cities to protect fertile farmland, and set up signs and notice at important landscape and transitional region between urban and rural areas. With a series of “decentralized” measures, Bonn dispersed urban functions to neighbouring districts, integrated with neighbouring cities and regions, highlighted respective features, complemented each other’s advantages, achieved dislocation development and prevented “metropolis” problem.

I) Practice of EU regional policy in developed and underdeveloped areas

The Basque Country of Spain is a developed region in EU, while Slovakia is an underdeveloped region in EU. The practice of EU regional policy in developed and underdeveloped regions are different.

The Basque Country of Spain is near the sea with convenient transportation and prosperous economy, it is a developed region in EU. The Basque Country has a unique national identity with higher autonomy in Spain. With the disappearance of national border of EU countries, its independent tendency is disappearing as well. However, on the other hand, from the aspect of economic development, we focus on the concept of region instead of country as the interest body, the developed Catalonian region in Spain has similar tendency.

EU cohesion policy projects in the Basque Country fall in the category of “regional competition and employment”, the total budget is about 0.5 billion euro. The important target of the project is polymer effect, which is to integrate and develop with the most advanced region in EU in technology and society. This major target decides priority of the projects: stimulate innovation and knowledge economy; promote sustainable development and risk prevention; strengthen local and urban regional cohesion.

As a developed region in EU, the Basque Country still welcomes EU cohesion fund projects. Although a small amount of money (only 0.06% of local GDP annually, it has great influence on economic social development. On one hand, contributors in EU, developed countries like Germany and France are willing to participate in the redistribution mechanism instead of granting the money to recipient countries directly. On the other hand, through EU cooperating mechanism, they will cooperate with different parties: civil society, government institutions, enterprises and NGOs and combine the strength of various parties. Moreover, developed countries and regions can receive some money, usually used for R&D of

new technology, innovation and knowledge economy. National governments will arrange a large sum of local funding to better guide economic social development.

Slovakia Republic is a small country with a population of 5.4 million. Its economy and population are not very centralized, and facing major challenges like social inclusion, obvious polarisation effect in economic growth, and great disparity between East and West of the country. From 2007 to 2013, Slovakia received 11.7 billion euro from EU cohesion policy, among which 10.9 billion euro is for aggregation, 0.5 billion euro is to promote regional competition and employment, another 0.2 billion euro is for regional and local cooperation projects. West, middle and East of Slovakia are the major areas covered by cohesion policy, only Bratislava belongs to the category of promoting regional competition and employment. In the 2007 – 2013 period, Slovakia already implemented 11 projects according to cohesion policy plan. The emphasis is on educational infrastructure, social service, cultural heritage protection, community reconstruction, transportation infrastructure, and technical support and construction projects relevant to competing for Europe Cultural Capital in 2013. This is an important opportunity for self-improvement and publicity of the city. As a relatively developed region, its emphasis is on public service and transportation infrastructure, knowledge economy, technical support and innovation.

Nitra accounts for 12.9% of the area of Slovakia, 48.5% of the population live in the city. The financial budget of Nitra project for cohesion target is about 1.8 billion euro, among which 1.55 billion euro is from the investment of EU regional development fund. 32.9% of the money is used for urban regeneration projects, for 20 districts experiencing economic entity degeneration or social exclusion. From the field visits we see, EU cohesion fund actively supports reconstruction of educational system in Nitra and the development of competitive SME.

Slovakia has something in common with China. Since it's an underdeveloped country in EU, labour cost is relatively cheap. With traditional industrial base and convenient transportation like neighbouring with developed western European countries, it has comparative advantages in developing industrial parks. For instance, Nitra is developing industrial parks actively. At present there are two industrial parks with many foreign enterprises, meanwhile, Nitra is building a China Town.

Inspirations and Suggestions

Generally speaking, according to field visits, under EU cohesion policy framework, EU regional policy has positive impact on developed and underdeveloped countries. Of course, there are some problems in the arrangement, allocation and usage of cohesion fund, in particular the examination and approval procedure is miscellaneous, slow and inefficient, thus a great sum of cohesion fund within the budget could not be spent, which affects the efficiency of regional policy. Moreover, some countries decide who gets EU funds themselves, the distribution process lacks necessary supervision, we doubt whether it is fair, just and transparent.

According to what we learnt through this training, we think that China should learn from EU in urban sustainable development and regional policy, we should further study and research the EU experience.

Urbanisation promotion is of great importance to China in changing economic development mode, boosting domestic demand, releasing household consumption potential, maintaining reasonable growth of investment, and promoting economic equilibrium and sustainable growth. On one hand, urbanisation is the potential for China's future development. Since 2002, the average annual growth of urban population in China is more than 20 million. In 2011, China's urbanisation rate reached 51.3%. It is estimated that in the coming 10 to 20 years, China will still have rapid urbanisation process. China will invest trillions of RMB in green public transportation, social housing, water utilities, building energy conservation, renewable resources, satellite cities and etc. On the other hand, China faces many challenges and problems in the urbanisation process. One is to solve the problem of "dualistic economy", there is a big gap between urban and rural areas in China, and how to reduce the gap during urbanisation promotion is a major issue facing China. At present, China is strengthening urban rural overall development, trying to speed up the perfection of institutional mechanisms of urban rural integrated development, promoting integration in urban rural plan, infrastructure, public service and etc., promoting equal exchange of urban rural elements and balanced allocation of public resources, and forming new types of industrial-agricultural, urban-rural relations.

Secondly, China is strengthening urban planning. China's urbanisation is yet to be improved, we should pay attention to scientific plan of urban scale and layout during large scale urbanisation promotion, try to handle relations between central cities and neighbouring small and medium towns to avoid "metropolis" problem, and promote development of small and medium cities and towns. Third, combine urbanisation with arable land protection. China has limited arable land resources, we should observe the red line of arable land protection strictly, increase land utilisation efficiency and optimize land space exploitation layout. Fourth, promote development of urban and rural infrastructure and supporting industries. At present, China faces great pressure in upgrading industrial structure and transformation of economic development mode, we should combine urbanisation with economic structure adjustment and industrial transformation and upgrade. Fifth, pay attention to historical, cultural and environmental protection. Pay attention to cultural relic's preservation during demolition and urban construction; try to maintain city's traditional historical style with humanistic value. Strengthen pollution discharge, construction of waste treatment system and environment protection and improve urban environment. Among all these issues, how to promote sustainable urbanisation with limited resource, severe environment pollution and degraded ecosystem is an important issue facing China. Through this visit to EU countries, we think we should learn advanced experience in urban sustainable development from EU.

At present, the promotion of urbanisation cooperation between EU and China is of practical significance for the overall cooperation between EU and China. First, China and EU pay great attention to urban sustainable development. As estimated that until 2050, four fifths of Europeans will live in cities; in the coming 20 to 30 years, China's urbanisation rate will keep growing. In terms of urban sustainable development, EU has technology, projects and experience, and China has a vast market. Further cooperation and exchange between China and EU in urban sustainable development will expand Sino-European trade, tackle financial crisis and meet interests of both parties. From January to November 2012, EU and China's total volume of trade in goods is 495.7 billion US dollars; decreased 4.1% on year-on-year basis, China's export to Europe decreased 7%. Europe's investment to China in the first 10 months dropped 5%. In the face of the debt crisis, EU protectionism comes up, and implements remedy

measures against Chinese PV industries and etc., which leads to intensified trade friction. Meanwhile, China and EU rely on each other, try to achieve mutual benefit and win-win situation; this cooperation mainstream didn't change. Both parties are willing to strengthen cooperation and expand their cooperation in urbanisation and other sectors, which is of great importance for the consolidation of comprehensive strategic partnership between China and EU.

Secondly, China, as a big and responsible developing country, needs to learn advanced experience from EU and other countries in the world, transform the economic growth model, change extensive and inefficient economic development pattern, strengthen ecological civilisation construction, and promote urban sustainable development. At present, the EU and China already launched cooperation in urban sustainable development, they decided to hold China - EU Majors Forum annually since 2012. In May, 2012, the successful visit of vice Premier Li Keqiang to EU headquarter opened a new page for urbanisation cooperation between the EU and China.

Of course, cooperation on urbanisation between China and the EU should match the actual situation in China. On one hand, EU's economic development and urbanisation level are much higher than China, we should learn successful experience from EU; on the other hand, EU and China are in different development stages, and have different environment and historical conditions for development. When we learn the experience from EU we must consider our own situation. For instance, during our training in Bilbao of Spain and Bonn of Germany, some EU experts could not understand the large scale urbanisation promotion in China, they think China should not encourage farmers to come into cities, instead, China should perfect basic public service in rural areas and keep farmers in rural areas for unique agricultural development. They suggested that we learn from rural economic development experience in France and other European countries. We understand that developed countries and regions in EU (the Basque Country in Spain) completed the process of farmers coming into cities about 50 years ago. At present, there is no big difference between urban and rural areas, which is very different from the "dualistic economy" in China. We exchanged our ideas with EU experts on this topic and had mutual understanding.

In terms of regional policy, we should learn from EU in the overall arrangement, concentrated usage and emphasis of the structural funds. We should consider establishing a coordinated and unified system of plan and counterpart funding arrangements to avoid the situation that regional plan and capital arrangement are separate. Moreover, in order to promote cooperation between China and the EU in regional policy, we suggest setting up China-EU regional cooperation fund to guide and support regional coordinated development between China and the EU and to deepen mutual cooperation.

This training also achieved great cooperative results. During the visit, Sanming in Fujian province signed a collaboration agreement with Vitoria-Gasteiz in Spain to cooperate in sustainable urban development. Later, from 17 to 19 December, two officials from Vitoria visited Sanming city, they inspected sustainable development in Sanming, had friendly exchange with local people, and proposed policy suggestions. In addition, during the training delegates learnt that Slovakia is constructing a Chinese industrial park to attract investment from Chinese enterprises. As a lagging-behind country in the EU, Slovakia has competitive advantages like relatively cheaper labour cost and closeness to developed countries in Western Europe. Chinese companies could enter EU market by setting up manufacturing base in Slovakia.

Closing remarks

In conclusion, this training has deeply promoted cooperation between China and EU in regional policy and urban sustainable development. Delegates agree that this kind of training help them to understand EU urban sustainable development and cohesion policy, and promote EU and China's exchange and cooperation in regional policy. This kind of training is excellent and we suggest we keep it in the future to promote cooperation between China and EU. Meanwhile, delegates will apply best practice and experience in their work to improve regional work performance.