

CETREGIO Chinese European Training on Regional Policy EU-China Regional Policy Dialogue

A project of the European Commission, Directorate General for Regional and Urban Policy, 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 2013

25 February 2014

This project is financed by the Directorate General for Regional and Urban 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 2013 (contract N° 2012CE160AT034).

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Date: 25/02/2014

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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 2013 the CETREGIO programme, a Chinese European Training on Regional and Urban Policy. Participants included representatives from China and European Union member states. 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 selected by the Chinese National Development and Reform Commission (NDRC).

The three sessions in Europe consisted of study tours in different European Union countries (six in total), including lectures, interactive workshops and field visits to best practices of regional and urban development. The activities opened spaces for mutual exchange and learning. Sessions started already in China with briefing meetings in Beijing.

The first workshop in China consisted of a five-days training for Chinese and European experts dealing with integrated territorial rural-urban development. The seminar took place in three cities of Guangxi Province (Nanning, Beijing and Tianjin), in the south west area of China. The second activity in China took place in three Chinese cities (Wuhan, Beijing and Tianjin) in order to create synergies with the EU-China Sustainable Urbanisation Partnership Forum.

The main aim of the activities in Europe and China was to decentralise cooperation and establish direct working relations between Chinese and European regions.

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 activity.

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1. EXECUTIVE SUMMARY

The first activity was a two-week information session that took place in May/June 2013 in the United Kingdom (West Midlands) and Germany (Hamburg). It focused on integrated territorial rural-urban development. 17 Chinese delegates met regional policy makers at local and provincial level as well as civil society representatives. They also held meetings with representatives of the European Parliament, the European Commission and the Committee of the Regions in Brussels. Meetings and field visits in the West Midlands and Germany focused on the role of the business community for a balanced regional development between urban and rural areas. Several partnerships were presented and concrete working actions were identified to foster cooperation.

The second activity took place in China from 18 to 22 June 2013 and was conceived as a follow-up to the session in Europe. Four representatives from Germany, the UK and the Netherlands explored direct cooperation chances in integrated territorial development project in three cities of Guangxi province (Nanning, Beihai and Guilin). The Chinese delegation was composed of 20 regional-level officials and representatives of the National Development and Reform Commission (NDRC) coming from 8 Chinese provinces. Including the European delegates, a total of 24 experts were involved in the training. 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, regions or cities.

The third activity consisted of a one-week information session in Europe and took place from 08 to 15 October 2013. Training focused on regional innovation and territorial development and was designed for a Chinese delegation of 10 delegates from the public and private sector coming from two provinces (Beijing and Guangdong). The programme included field visits in selected urban and rural areas in Ireland as well as full-day workshops in Paris (OECD) and Brussels (EU-China High Level Seminar on Regional Policy).

The fourth activity took place in three European countries (Germany, Italy and Austria) from 04 to 13 November 2013 and involved 21 Chinese participants. The programme focused on regional innovation and its role within the EU Danube Strategy. Case studies were selected in accordance with its relevance for the Chinese reality as well as on the links established between regions during previous programme activities.

The fifth activity took place in three Chinese cities (Wuhan, Beijing and Tianjin) from 18 to 22 November 2013 in order to create synergies with the EU-China Sustainable Urbanisation Partnership Forum. In Wuhan, the programme involved 10 European experts from nine countries and 20 Chinese delegates from different cities of Hubei province. In Beijing, European delegates absolved field visits in the Chinese Technological Development Area (Beijing E-Town), meeting several business representatives. They also participated at the EU-China Sustainable Urbanisation Partnership Forum. In Tianjin, European delegates and five members of the European Commission' DG REGIO visited the Tianjin Economic Development Area and met key decision makers of Tianjin city.

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The annual programme was implemented by a team composed of one project coordinator, one project assistant and the backstopping manager at GIZ. Mr Pablo Gándara was appointed as project coordinator for GIZ and leaded the preparation, implementation and reporting of the project. He was supported by the project assistants Mr Volker Kienast and Mr Shi Xin. 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).

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 the United Kingdom, Germany, Netherlands, Spain, Italy, Poland, Ireland, Austria 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, clusters, 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.

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

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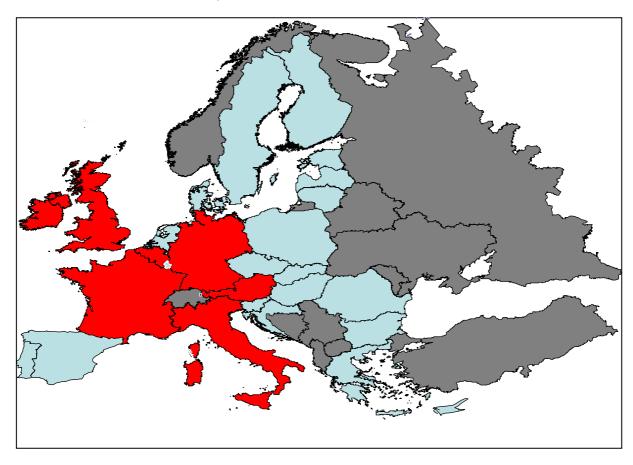
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European Commission (DG REGIO), the European Parliament and the Committee of the Regions.

Cooperation with Chinese institutions included several innovation and industry clusters (especially in Beijing, Tianjin and Wuhan) as well as regional and local authorities in six Chinese cities.

3. REGIONAL COVERAGE

The countries and regions involved 2013 were chosen in coordination with DG REGIO and NDRC. 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 2013 Light blue: EU Member States not visited during the information sessions Grey: Countries, which are not members of the European Union

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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 made 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.

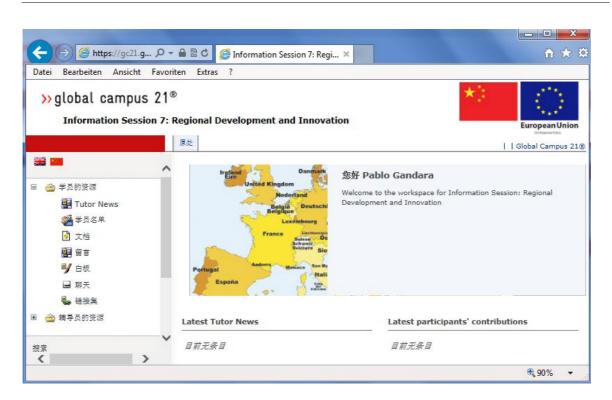
With regard to methodology, training was based on a mix of lectures, dialogue and study visits which was particularly welcomed by the participants due to their relevance for their future work. The approach included three phases. During the preparatory phase, contents interests and preferences of DG REGIO 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, 3 and 4 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 two EU member states representing the geographical or economic 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, Italy, Spain, Austria, Ireland and the United Kingdom.

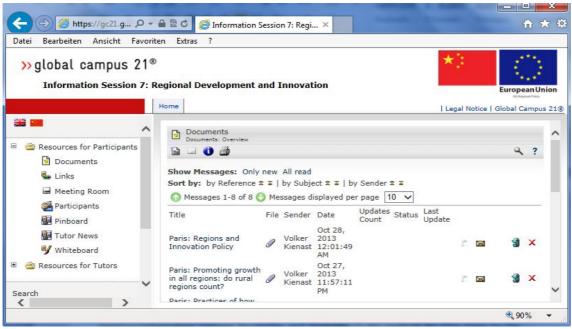
The learning method applied during the information sessions and trainings included class-room sessions of max. 90 minutes with enough time for discussion between participants and speakers. Field visits allowed Chinese delegates to see on the spot the diversity and complexity of regional policy-making 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.

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Screen shots of the bilingual e-learning module Global Campus 21©

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5. MEDIA COVERAGE

The most effective way to stir public debate and to create public awareness about the EU regional policy dialogue with China is through appearances in the mass media. Therefore, the working team ensured extensive coverage of the training activities in Europe and China, including newspapers as well as appearances on TV and radio. This coverage was a very important to give visibility to the programme as well as raise local awareness in the cities and regions involved.



BBC Website covering the Chinese visit to Shropshire. 25 May 2013 http://www.bbc.co.uk/news/uk-england-shropshire-22666534



Report on the website of Hamburg's Managing Authority for ERDF. www.hamburg.de/efre



Coverage in Guangxi Television on 24.06.2013 http://video.sina.com.cn/p/news/v/2013-06-24/190762587133.html



Coverage by Guangxi Development and Reform Commission

http://www.gxdrc.gov.cn/zwgk/wnyw/201307/t 20130704 483750.htm

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6. MAIN FINDINGS OF THE CHINESE EXPERTS' REPORTS

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. In general, Chinese participants stated that - as an emerging country – China faces much higher regional disparities than Europe, especially regarding the urban-rural gap as well as the regional innovation. Following findings have been extracted from the reports elaborated by the Chinese participants:

(A) The creation of functioning coordination mechanisms between central and local governments to strengthen rational division of labour. This includes:

- a. Intervention by the national area in the formulation of general principles and development programmes, including financial support for provinces and local governments.
- b. Meanwhile, local governments should give full support to the initiative. The EU has developed a management mechanism including specific development plans, milestones, project monitoring and evaluation (measures of success).
- c. Organise the implementation of the development first through bottom-up and then through top-down procedures in accordance with the local realities.

(B) Promote the rapid development of urbanisation in China to match the coordinated development of urban and rural interaction.

- a. By the end of 2012, China's urbanisation rate was 51%, while the EU's urbanisation rate was 78% (the stage of development is quite different). For China, it is inspiring that EU has achieved a balanced development of urban and rural areas, especially based on effective coordination mechanisms, However, also for Europe cities remain the drivers of economic development, which has been refected in DG REGIO's renaming to include urban development policies.
- b. The European urban development policy includes measures to support for urbansuburban partnerships to support the development of rural areas, as well as to promote the development of medium-size cities around the central city. These are valuable references to China since they strengthen the linkages among rural and urban areas as a strategy for diversity and sustainable development.
- c. China should deeply study the effectiveness of its urbanisation policies in order to promote coordinated regional development. The access to public services (especially social security and education) is a key issue. The development of rural areas with the characteristics of small towns should be promoted and coordinated.

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(C) A stable financial basis for regional policy

- a. According to the "Treaty of the European Union," the relevant provisions of EU's regional development policy is mainly to take a cooperative approach with Member States, common to the Member States and the development of backward areas facing structural difficulties, and in particular to provide the necessary assistance for areas affected by the decline of traditional industries.
- b. The funding regulations force regions convergence to invest own funds and human resources in order to receive EU money. This strengthens local ownership.
- c. Coordination of regional investment is an important driving force of economic development. However, China has no clear regional coordination or regional development funds and project concepts (except for poverty areas). Of course, in recent years, China has gradually increased the coordinated regional development aspects of the investment, but the fiscal policy is not an investment but rather a transfer of payments. It should be based in a more systematic concept.
- d. In the long run, it is necessary to gradually establish a form of national or regional level, coordinated regional development funds under the concept (project) management allocation mechanism, and gradually some co-ordination. We should also strengthen consultation and enhance the participation of local governments, to attract social capital to participate in the project construction, the formation of the use of funds, project management and supervision of the work of policy implementation mechanisms.

(D) To deepen regional cooperation.

- a. Even in highly market-oriented European countries, due to regional interests and the impact of the administration, to some extent regional split is widespread, leading to duplication and excessive competition for resources and other issues. Cooperation for efficient allocation of resources and to create win-win solutions and crossregional cooperation is thus being promoted.
- b. In the EU, promoting cross-border and inter-municipal cooperation includes areas like infrastructure, environmental protection and industrial or innovation parks. We looked at cooperative management and governance mechanisms at the Birmingham i54 industrial park and at the tourism development project in the outskirts of Hamburg. In both cases, wanagement was shared by several counties.
- c. The potential for China to promote greater regional cooperation is huge, especially from in the Yangtze River or between Beijing, Tianjin and the Bohai Sea. Also from Shandong and Henan border regions to the Yangtze River as well as with Gannan and western Fujian.

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d. China should increase its efforts to strengthen guidance and coordination to break administrative barriers, to break the monopoly interests. It should promote the establishment of coordination mechanisms, benefit distribution mechanisms to strengthen planning guidance and top facilitate integrated space development

(E) Improving regional policy implementation, analysis and monitoring.

- a. EU establishes powerful and comprehensive statistics, analysis, evaluation, supervision and work system for regional development. Relatively speaking, we are weak in this area, and should strengthen the formation of a strong regional economy assessment system.
- **b.** First, we must strengthen the policy planning and the inspection, evaluation, supervision and implementation of work. Only by this means problems can be detected timely.
- **c.** Second, China should strengthen regional economic analysis, to establish an effective data to support quantitative analysis.
- **d.** Third is to strengthen the systematic and comprehensive assessment of regional development. This should be achieved through the development of forecasting, a clear direction for regional development and regional policy recommendations.

(F) To expand the regional cooperation with the EU.

- a. China was the first non-EU country to sign a regional policy dialogue with the EU. Since 2006, solid progress has been achieved in the cooperations of regions and cities. This basis can achieve a greater role as a platform for regional economic cooperation.
- b. Expand the cooperation body. During the visits to Europe, officials have expressed their aspirations and expectations to strengthen exchanges between local levels and even create long-term partnerships. The activities could include non-governmental organisations especially from the business and civil society sector. Exchanges and cooperation between civil society organizations and between enterprises should be promoted.

(G) To institutionalise cooperation thorugh a long term programme.

a. Existing training activities have become a series. However, joint pilot projects on specific issues of regional development should be developed in order to strengthen direct exchanges among regions and technical assistance cooperation. Interregional cooperation is also an important topic to be included. Within this institutional framework, regions from and Europe could benefit for instance through business cooperation.

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Further reflexions by Chinese delegates during the follow-up workshop in Guangxi

- a. China has well developed plans for urban-rural cooperation at national and provincial level. It does however lack of funds for the implementation of long terms programmes that ensure urban-rural cooperation on equal terms.
- b. Also tailor made programmes for urban-rural cooperation at local level need to be developed. The EU has provided good examples of how to involve different stakeholders.
- c. A systematic mechanism of rural-urban cooperation is needed in order to set incentives for peri-urban cooperation. Training is needed for rural habitants in order to develop bottom-up solutions and to trigger a mind-set change.
- d. In China there is a very strong localism and regionalism towards economic development. The development of functional zones is crucial in order to avoid negative competition among cities.
- e. Urban development often challenges rural development by hindering untapped potentials. However, policies are still developed to favour cities since they are seen as the engine of economic development. This view is rather simplistic, since cities promote development of urban areas and not of whole regions. The impact of urban development in the regions should be better monitored.
- f. Chinese policy makers at national and provincial level are aware of the key importance of balanced urban-rural development. The issues of agricultural development and farmers' empowerment are very well known since decades. However, cities have benefited much more from economic development than the countryside. The EU has shown several experiences that are relevant to China.
- g. The social protection system covers currently only urban population. The basic services (proper access to education, health care and transportation) need to be expanded to rural areas.
- h. Twinning programmes between European and Chinese regions should be developed in order to deeper exchange experiences on issues of economic development.
- i. Some Chinese officials proposed the establishment of a joint EU-China fund to develop common projects like regional added value chains.

European participants expressed that the EU can learn from the rapid development and flexibility of the Chinese economy. However, the EU could provide experience on innovative governance structures to develop hidden potentials. Former participants of CETREGIO activities in Europe expressed that they have applied several measures learnt in Europe in their work in China. They mentioned that Europeans can also learn from the Chinese experiences and expressed their satisfaction with the training.

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ANNEX I - SUMMARIES OF THE ACTIVITIES

1. INFORMATION SESSION IN THE EU (MAY - JUNE 2013)

Title: Sustainable Urban and Regional Development, 26 May – 05 June 2013

Programme Overview

Day	General Issues	Cities / Regions	
1 st training week			
Sunday, 26 May 2013	Briefing session in Beijing	Beijing (CN)	
Day 1 - Monday, 27 May 2013	Flight Beijing > London (11:15 – 14:50, BA 0038) Transfer to Birmingham	Beijing (CN) - London (UK)	
Day 2 – Tuesday, 28 May 2013	Morning: Meetings in Birmingham (OP) Afternoon: Field visits (ERDF co-funded) Accommodation in Birmingham	Birmingham (UK)	
Day 3 - Wednesday, 29 May 2013	Morning: Meetings in Staffordshire Afternoon: Field visits in Shropshire Accommodation in Birmingham	Staffordshire, Shropshire (UK)	
Day 4 - Thursday, 30 May 2013	Transfer to Brussels (20:00 – 22:05, BA 0404)	West Midlands (UK) – Brussels (BE)	
Day 5 - Friday, 31 May 2013	Meetings in Brussels	Brussels (BE)	
Day 6 - Saturday, 1 June 2013	Workshop in Brussels	Brussels (BE)	
Day 7 – Sunday 2 June 2013	Transfer through London Heathrow to Hamburg (11:50 – 16:05, BA0393 and BA0974)	Hamburg (DE)	
2 nd training week			
Day 8 - Monday, 3 June 2013	Morning: Meetings with regional authorities Afternoon: Field visits	Hamburg (DE)	
Day 9 – Tuesday, 4 June 2013	Morning: Visit of IBA – International Urban Development Exhibition Afternoon: Workshop	Hamburg (DE)	
Day 10 - Wednesday, 5 June 2013	14:20 – 15:00 Flight Hamburg > London (BA 0969) 16:40 – 09:30 (+1) Flight London > Beijing (BA0039)	Hamburg (DE) – London (UK), Beijing (CN)	

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Minutes of the sessions

Sessions in Beijing

The programme started with a briefing session in Beijing. After an introduction to the EU regional and urban policy by the project coordinator, Mr Zhou Yiren, Director at the Department for Regional Economy of NDRC delivered a welcoming speech. He introduced the training cooperation programme CETREGIO as one of the pillars of the EU-China Regional Policy Dialogue and noted that since 2010 more than 120 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 measure more accurately 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.

Mr Christian Junge, a Beijing based architect and urban planning expert, delivered an introduction to the urban-rural linkages and related policies in the European Union. He referred to the territorial agenda of the European Union since the Lisbon Treaty as well as to the striking regional imbalances regarding population, economic growth and unemployment. He referred to inter-regional and inter-city cooperation as well as to the urban-rural and peri-urban cooperation. EU's policy instruments promote a polycentric territorial development; encourage the integrated development in cities and rural regions, and aim at transforming cross-border regions to functional regions. Mr Junge noted that territorial cohesion does not mean equalisation, but coordination and (coordinated) differentiation. With regard to the urban-rural partnerships, Mr Junge explained soft and strong coordination in areas like transportation, land use, service infrastructure, environmental protection and migration. Focusing on examples of England and Germany, Mr Junge illustrated the success factors for urban-rural partnerships, including political support, common identity, equal representation, a critical mass of projects and funding. He also showed some polycentric city networks in Europe, including Randstad (Netherlands) and Ebro region (Spain). Summing up, Mr Junge stated that there is a shift in EU's territorial cohesion strategy from a mere support to rural areas towards the promotion of specific sectors with comparative advantages in the rural-urban relations.

Sessions in Birmingham

The first working day in Europe consisted of a full-day of lectures and discussions with representatives of Birmingham's City Council and the West-Midlands Region.

Mr Stuart Russon, representing the European and International Division (REID) at Birmingham's City Council, welcomed the delegation and delivered some key facts about the second largest city of the UK. Birmingham has an urban population of 977,100 inhabitants, 44% under 30 years. It is an education hub in England with 56,000 students at 3 universities. Urban regeneration has been a key area for the city, mobilising more that £500 million of European Union investment since 1980s. This has lifted up to £1.3 billion funding from private sector. The city has more than 23 million business visitors per year. Mr Russon explained the areas of action for EU funds

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(ERDF, ESF), including up-skilling labour force, tackling long-term unemployment and inequality (both ESF) as well as tackling areas of industrial decline (ERDF). He illustrated some examples of ERDF investments (Aston Science Park, Millennium Point, International Congress Centre, etc.) and noted the importance of EU funds for the economic, physical and social regeneration of Birmingham. The City Council ensures close partnerships with various groups and organisations as key requirement for successful investments. Mr Russon also introduced the project "PURPLE - Peri Urban Regions Platform Europe", an EU-funded cooperation between peri-urban areas across Europe that aims to achieve a balanced territorial development in Europe.

Mr Andrew Dunbar, Head of International Public Affairs at the City Council, welcomed the delegation and explained that - since 2003 - Birmingham attracted more Chinese investment projects than any other UK city (after London), receiving £80m in capital investment and creating around 600 jobs. He mentioned that - since 2004 - the number of Chinese students in Birmingham has increased from 2,500 to approx. 4,000 today. Birmingham has a team of experts in Beijing looking at FDI leads. Mr Dunbar also referred to the 13 main Chinese investments to the city in the last ten years, including Shanghai Automotive (SAIC), owner of MG Motors. Close relations to China are a strategic priority for the City Council since 2004, leading to high-ranking political delegations, business and cultural exchange. Mr Dunbar also explained the main relations with the sister cities of Guangzhou (Guangdong Province), Nanjing (Jiangsu Province) and Changchun (Jilin Province).

Mr Clifford Hill, representing the Planning & Regeneration Department at Birmingham's City Council, gave an overview of the European financial incentives to improve investments in urban areas. Mr Hill introduced the priority areas for infrastructure investment and explained programmes and incentives to boost private investments, including the *Property Assistance Programme* (maximum grant value of £100,000) and the *Key* Opportunities Programme (grants of up to 35% of the eligible project costs, from a minimum grant value of £100,000). He noted that without these incentives, many SMEs would not be able to expand. Mr Hill explained the management of ERDF funds and stated the importance of a public authority ensuring the proper use of funding. A result of ERDF investment is the creation of more than 600 direct jobs. Mr Hill focused on the ERDF-supported land and property areas of Tyseley, East & North West Birmingham as well as Digbeth and the Jewellery Quarter. The Tyseley Industrial Area covers over 230 businesses and around 100 hectares of traditional industrial and employment land. The location needs investment in the physical environment - particularly in underutilised sites and premises. More information can be received at http://www.birmingham.gov.uk/erdf.

Mr Mohamed Zahir, Head of Business Enterprise and Innovation at Birmingham City Council, explained the city council's strategy is to support the Local Enterprise Partnership (LEP) to create 100,000 jobs by developing a culture and climate where innovation and enterprise can thrive, prosper and invest in infrastructure, which supports private sector development and business growth.

Mr Mark Schneider from the West Midlands European Service explained the regional features, having 2 large conurbations (Birmingham/Black County/ Wolverhampton/ Solihull/ Coventry) and

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North Staffordshire (Stoke). It has also rural areas to the West, North and South. The West Midlands were historically the centre of manufacturing (industrial revolution). Today, manufacturing is still important although reduced (employment: 1996 22%; 2012 11% (285,500 people). It has a GVA of £11.83 billion (2009) or 13.1% of West Midlands, higher than the national GVA. Mr Schneider explained the key economic areas including transport equipment, food, ceramics and aerospace. The region has a total population of 5.6 million (8.9% of UK), and Birmingham is the largest local authority with population 1.1 million. Mr Schneider explained that the total EU funding budget for the WM is approximately (2007-2013) of £770 million, including £400 million European Social Fund (ESF), £300 million European Regional Development Fund (ERDF) and £70 million European, Agricultural Fund for Rural Development (EAFRD). He explained the main differences in the UK for the 2014-20 period, including no Regional Development Agencies, national programmes with local priorities set locally (localism is the key) and with Local Enterprise Partnerships (LEPs) at the centre.

Chinese delegates were then able to walk thorugh the city centre in to see urban development projects co-financed with ERDF.

Sessions in Staffordshire and Shropshire

The next day, Chinese visitors were able to visit Staffordshire and Shropshire in the West-Midlands. Philip Atkins, Leader at Staffordshire County Council welcomed the delegation and explained the predominant character of the county. Staffordshire is a rural county (74% of land area) with a strong and important agricultural sector but comprising a number of industrial and market towns and within easy reach of a number of major cities – Birmingham, Manchester, Liverpool, and Derby all less than an hour away. It is home to 850,000 people (1,100,000 including City of Stoke on Trent) and is located in a strategic position in the heart of the UK. Staffordshire is home to major international companies JCB, Wedgwood, Michelin, Alstom and Jaguar Land Rover. Similar to Staffordshire Jaguar Land Rover is building a new factory at Changshu, Shanghai.

Mr Nick Bell, Chief Executive at the Council, provided some economic and policy context for the visitors. Staffordshire ambitious plans with UK government are to create 50,000 new jobs in the private sector and grow the GVA of our economy by 50% over the next 10 years. With regard to peri-urban development, Mr Bell noted that to realise this ambition and achieve balanced and sustainable growth, the Council is focusing on: a) Recognising the importance of the roles and inter relationship of urban centres, smaller towns and communities, and settlements across rural areas; b) Accommodating the development needs of land-locked cities and urban conurbations for housing and employment land without damaging the natural environment, and c) Where possible utilising underused or derelict brownfield land before allocating greenfield sites for development. Mr Bell explained some examples demonstrating the importance of the peri-urban agenda in Staffordshire, for meeting the needs and ambitions of the own economy and residents, as well as the more strategic development requirements of the neighbours.

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Chinese participants were then able to visit the i54, an industrial area on the boundary of South Staffordshire and Wolverhampton which is under development for a technology-based business park. Mr Steve Winterflood, CEO of South Staffordshire Council and Coordinator of i54, explained the unique cooperation between Staffordshire County Council, Wolverhampton City Council and South Staffordshire District Council. They are committed to enhancing access to the site from the motorway network and to attract the biggest and the best to set up shop at the heart of the UK economy. The area has a skilled workforce on tap with easy commuting distance of the site. Mr Winterflood noted that there's around 800,000 people within a 30 minute drive, and 2.7m people within a 60 minute commute. Also nine universities are located in the West Midlands providing a graduate pool of 50,000. The technology synergies are all there with the Midlands providing a hotspot for engineering, manufacturing and high tech entrepreneurial energy. i54 South Staffordshire has recently been awarded Enterprise Zone status – making it an even more attractive business opportunity for investors. Chinese delegates had the chance to visit the construction site and receive detailed information by the regional leaders.

In the afternoon, Chinese delegates visited Shropshire. Mr Andrew Evans, Head of Economic Growth and Prosperity, welcomed the delegates at Shrewsbury Flax Mill Maltings, the world's oldest iron-framed building. Elizabeth Perkins, Project Manager Flaxmill Malting's and Alan Moseley, Friend of Flax mill Maltings Chairman, explained to the delegates the history of the building and the projected use after renewal. The Flax mill construction was initiated 1796, as the woollen industry in Shrewsbury was declining and the town offered skilled workers, good transport links and a ready market for its products, e.g. carpet weaving in Kidderminster and Bridgnorth. The Flax Mil factory was employing about 800 employees in the early 1840s. Since malting production closure in 1987, the site has remained vacant since.

Mr Evans explained that since 2005, the land adjacent to the Flax Mill site has been acquired by Shropshire Council. This has enabled the design of a scheme that will provide a suitable, high quality setting for these internationally important buildings. It also provides a site big enough to consider new buildings to help stimulate the wider area. Funding bids worth £18m are to be submitted by the county council to restore the main historic buildings. The authority said work could begin as early as August 2013 if its bids are successful. A bid for £11.6m is to be submitted to the Heritage Lottery Fund along with a bid for £6m to the European Regional Development Fund.

Delegates also visited the home of *HEART of ENGLAND* (HEFF), a state of the art facility built to house twelve start-up or growing food production businesses. The Shropshire Food Enterprise Centre is the first of its kind in the West Midlands and as well as providing high specification production premises it also houses a conference suite, café and foyer area for informal business meetings. There are twelve production units that are available to let for a period of up to six years; eight are 1500 square feet and four are 3000 square feet. All are built and equipped to the latest industry standards containing a large production area, walk in cold room and dry store with separate office, toilet and changing room facilities; each unit has its own allocated parking. The centre was co-financed with ERDF under the operational programme West Midlands.

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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).

Sessions in Hamburg

Work in Hamburg started with meetings at the State Ministry for Urban Development and Environment of the Free and Hanseatic City of Hamburg. Mr Guido Sempell explained the Chinese delegates some key facts about Hamburg, Germany's second largest city (1.7 million inhabitants). Hamburg has a diversified economic structure that secures positive employment data in areas including harbour / logistics, aviation, media, services, manufacturing and chemistry. The city has approx. 200.000 inbound commuters and is the Gateway to Northern Germany (seaport, airport, transport network, communication). Mr Sempell focused on the metropolitan governance as well as on the urban-rural partnerships. He noted that linkages and interdependencies exist not only between Hamburg and close range, but also between the core city and the more remote rural area in the metropolitan area and beyond. Interactions in terms of mobility, economic cooperation, regional products, provision of goods and services are fostered through new forms of urban-rural partnerships. Particularly the Project Partnership North (PPN) aims to improve living conditions in the various areas of northern Germany. This should help in particular in partnership of urban centres, urban and rural areas in the surrounding area of the PPN. Mr Sempell noted that administrative structures and economic features are increasingly differing. Networks and clusters are relevant. There is a need for Functional Urban Areas (FUA) consisting of a larger city (metropolis) and its hinterland, growth poles and more peripheral areas innovative / suitable type of metropolitan governance. The idea of a strategic partnership of urban and rural is essential for achieving territorial cohesion. Mr Sempell explained the governance of these schemes and delivered several examples of cooperation in areas like regional food chains, renewable energy, universities, touristic promotion and life sciences.

Further examples of rural-urban cooperation were delivered by Mr Wolfgang Mertens of the Hamburg Transport Association and Mr Zacharias of the Hamburg Water Company. The "rural-urban energy partnership" promotes the use of renewable energy in the north part of Germany.

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The aim is to develop common approaches to energy policy and to maintain value added in the region.

In the afternoon, Chinese delegates visited the Company Süderelbe AG, member of the Logistics Initiative Hamburg, a cluster for the logistics and logistics-related business based in the metropolitan region of Hamburg. The initiative was founded in 2006 as a public-private partnership and is supported by the Free and Hanseatic City of Hamburg as well as companies and institutions. With around 470 member companies and institutions from industry, trade, services, research and development, and numerous public institutions, the Logistics Initiative Hamburg is the largest industry network in Germany. The purpose of this public-private partnership is to further develop the role of the Hamburg Metropolitan Region as a leading logistics metropolis in northern Europe and to support logistics-related companies and institutions.

Chinese delegates then visited several ERDF co-funded projects, including the Regional Park Rosengarten. This filed visit allowed delegates to learn about regional parks as an instrument of cooperation between Hamburg and surrounding area. The project is being co-financed through ERDF.

The next day, Chinese delegates visited the International Architecture Exhibition (IBA). The IBA is a German tool for urban engineering and architecture, designed to show new concepts of social, cultural and ecologic ideas. Mr Uli Hellweg, General Manager of IBA Hamburg (2006-2013) explained the exhibition's focus on the slogan "Leap across the Elbe", i.e. the merging of the northern and southern part of Hamburg. The focus is therefore on the Elbe islands with the districts of Hamburg-Veddel and Hamburg-Wilhelmsburg between Norderelbe and Süderelbe to the south of the Elbe finale for the Harburg port of Hamburg-Harburg. The field visit included several ERDF co-financed projects, including the Energy Bunker and the Energy Mountain.

The seminar ended with a half-day workshop in Hamburg. 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 June 2013" attached to this report.

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Composition of the Chinese delegation

Delegates from NDRC to participate at the China-EU Training in Regional Policy (CETREGIO) - Various European Locations - from 27 May to 05 June 2013

N°	Name	Gender	Position
1	LIU Xiaoming	Male	Director, Regional Economy Department, NDRC
2	XIONG Lijun	Female	Programme Officer, Regional Economy Department
3	ZHAO Yunfen	Male	Deputy Director, Economy Development Department, Financial Ministry
4	LUO Haoji	Male	Programme Officer, Engineering Institute of Qinghai
5	LIU Jin	Male	Deputy Director General, Commerce Department Shanxi
6	MENG Qinglong	Male	Director, Development and Reform Commission (DRC) of Neimenggu
7	JIN Xian	Female	Director, DRC of Liaoning
8	KE Yan	Male	Deputy Director, DRC of Sheyang, Liaoning
9	WEN Xiaotian	Male	Deputy Director, DRC of Jilin
10	HUANG Longquan	Male	Deputy Director, DRC of Taixing, Jiangsu
11	ZHOU Yun	Female	Programme Officer, DRC of Anhui
12	WANG Mingju	Female	Deputy Director General, Regional Cooperation Office of Hubei
13	ZHANG Jinglong	Male	Deputy Director, DRC Meizhou, Guangdong
14	LIANG Zhiqiang	Male	Deputy Director General, DRC Guangxi
15	YU Yunfeng	Male	Secretary of Baise, Guangxi
16	YAN Jianzhong	Male	Deputy Director, DRC of Ningxia
17	TANG Shengrong	Female	Director, Development and Reform Commission of Xinjiang

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Pictures Gallery



Mr Mark Schneider, West Midlands European Service and NDRC Delegates in Birmingham



NDRC Delegates at Birmingham New Street Station, EDRF co-funded.



NDRC Delegates at the European Congress Centre, EDRF co-funded.



NDRC delegates discussing with Birmingham authorities (Mr Dunbar and Mr Hill).



Welcoming Words in Staffordshire by Mr Philipp Atkins



NDRC delegates at the i54 in the West Midlands

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Field visit of the Flex Mill at Shrewsbury



BBC Radio Reporter Mr James Bond interviewing NDRC delegates



Alan Moseley, Friends of Flaxmill Maltings Chairman, explaining malting process



Andy Evans, Shropshire City Council welcoming NDRC delegates at HEFF



Mr Guido Sempell and colleagues explaining the Rosengarten Project, a Hamburg urban-rural partnership



Visit of the Energy Bunker in Hamburg

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2. FOLLOW-UP IN CHINA (JUNE 2013)

Title: Sustainable Urban and Regional Development, 18 - 22 June 2013

Programme

Saturday, 22 June 2013 - Travel Day

European experts flight from several European cities to Amsterdam

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

Sunday, 23 June 2013

Curicay, 20 curic 2010		
Arrival in Hangzhou Airport		
Transfer by Shuttle to Hangzhou City		
City Tour in Hangzhou		
Transfer flight to Nanning (China Southern, CZ 3758)		
Arrival in Nanning		
Check-in and dinner		
Accommodation in Nanning Wodun International Hotel		

Monday, 24 June 2013 – Workshop in Nanning

Accommodation in Nanning Wodun International Hotel

Venue: Headquarter of NDRC Guangxi

09:00 - 09:30	Welcoming words by Mr Huang Fangfang, Chairman of Guangxi NDRC
09:30 – 10:30	Introduction to EU Regional Policy and to the CETREGIO Programme Lecturer: Mr Pablo Gándara, CETREGIO Project Coordinator for GIZ
10:30 – 10:45	Coffee Break
10:45 – 12:15	Introduction to Regional Policy in Guangxi Province and Nanning City, NDRC
12:00 – 14:00	Lunch Break
14:00 – 15:00	Rural-Urban Partnerships in Europe – an Introduction Lecturer: Dr Rupert Kawka, Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR), Bonn, Germany
15:00 – 16:00	Peri-Urban Development in the West Midlands Lecturer: Mr Andrew Evans, Head of Economic Growth and Prosperity, Shropshire Council, UK
16:00 – 17:00	Sustainable Urban Development and Rurban linkages: City Region Amsterdam Lecturer: Mr Anne Joustra, Director, City Region of Amsterdam, Netherlands
17:00	End of Seminar Day 1
18:00	Dinner

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Tuesday, 25 May 2013 - Field Visits in Nanning Area

09:00 - 09:30 Transfer to Qingxiu Mountain

09:30 - 10:30 Field visit in Qingxiu Mountain - Industrial Park

Description: Guilin High-tech Industrial Development Zone

Nanning National Economic and Technological Development Zone (NNETDZ) adopts the management model of "Three Parks and Two Areas" including Jinkai Industrial Park in the east part is, Yinkai Industrial Park in the west part, Konggang Economic Zone in the south part, and Northern Wan Science and Technology Park and the Central Business District (CBD) in the middle part. All

parks and areas have complementary functions.

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

11:00 – 12:00 Field visit in Medical Herbal Garden

Description: Guangxi Medicinal Botanical Garden is one of the biggest medicinal botanical

gardens in China with a total plantation of over 2.100 varieties of plants. Similar as the field visit to Qingxiu, the session will reflect on the significance of tourism

for peri-urban cooperation in Guangxi Province.

12:00 - 14:00 Lunch

14:00 – 17:30 Transfer by bus to Beihai (225 km)

Accommodation in Beihai

Wednesday, 26 June 2013 – Field Visits in Beihai Area Venue: City Council Beihai and City of Beihai

10:00 – 11:00 Sustainable Urban Development in Hamburg

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

Hamburg, Germany

11:30 – 12:30 Field visit (under discussion)

12:30 - 14:00 Lunch

14:00 – 14:30 Transfer to Yintan, Beihai City

14:30 – 17:30 Field visits in Yintan, Beihai City

18:00 – 20:00 Dinner

Accommodation in Beihai

Thursday, 27 June 2013 - Field Visits in Beihai Area

09:00 - 11:00 Transfer to Fangcheng Port

11:00 - 12:30 Filed visit of Fangcheng Port

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Description

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

12:30 - 14:00 Lunch

14:00 - 15:30 Field visit of the border trade with Vietnam

15:30 - 18:00 Transfer to the airport of Beihai

19:45 - 20:45 Flight to Guilin (G52612)

Accommodation in Guilin

Friday, 28 June - Field visits and closing workshop

Venue: City Council Guilin

09:00 - 10:00	Introduction of Guilin Regional Development Policy
	Lecturer: Representative of DRC Guilin

10:00 - 12:00Workshop – European and Chinese integrated territorial development strategies Chair: Mr Pablo Gándara, CETREGIO project coordinator for GIZ

12:30 - 14:00 Lunch

14:00 – 17:30 Field visit of Xiangbi Mountain

18:00 - 20:00 Dinner

Accommodation in Guilin

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

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

The 10 officials return to their hometowns

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

Accommodation in Beijing

Sunday, 30 June 2013 - Flight Back to Europe

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

Shuttle flights to final European destinations

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Summary of the working sessions

Sessions in Nanning

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

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

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

Mr Cheng Weiguang, Vice Director-General at DRC Guangxi delivered a speech on the regional economic strategy for the development of the Beibu Gulf Economic Region since 2009. The "two regions - one belt" strategy is based the regional potential as gateway to Asia for Western China. The economic rim has emerged as a new highlight of China-ASEAN cooperation, especially

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between China and Vietnam. In China, the area covers parts of the provinces of Guangdong, Hainan and Guangxi. Since 2009, the economic growth in the gulf area has reached 15.3% annually. The implementation of the strategy has resulted in many construction projects, especially in Guangxi province. A second belt of development is formed by the Xi Jang River economic belt, covering seven cities along the western tributary river of the Pearl River. Mr Wang referred to the regional comparative advantages in terms of natural resources. Guangxi bears great potentials to promote tourism and services for elderly people.

Mr Tang Weiwing from Guangxi DRC focused on the division of 109 areas and counties within the Guangxi province. 47 counties are within the category of prioritised development (29% of Guangxi's surface), 43 are focus of restricted development (40% of the regional territory) and 29 counties are within the area of forbidden economic development (31% of the land coverage), especially since they face desertification challenges. Mr Tang referred to the urbanisation challenge, since until 2020 the urban space is expected to cover 3.300 km2 instead of currently 2.200 km2. He mentioned to the provincial schemes for urban planning and coordination with rural areas. The province will focus urban growth in four city clusters (Nanning, Beihai, Guilin and Liuzhou) and 4 city belts.

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

DRC experts also presented further case studies for successful rural-urban partnerships in Guangxi province. The first one was the Chaonan pattern, a poor agricultural area that covers 120 hectares and reached 2009 a per capita GDP of less than 5000 RMB (approx. 600 Euro). In 2009, local farmers created a cooperative for the management of their products an allowed private investment. A company formed by a farmer that has been trained by the Development and Reform Commission in Guangxi lend the surface and took over the management, improving the facilities. This included sports and recreation areas for the farmers. In 2012, the cooperative had increased the shareholders' welfare to 20.000 RMB per capita GDP, empowering several migrant farmers to return to their area. Due to spill-over effects, the whole village improved its GDP that 2013 doubled the provincial average.

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

The first discussion round between European and Chinese experts centred on the criteria for the classification of regions within the province, the support measures for them (financial transfers,

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visibility for private investment, etc.), the bottom-up approaches towards rural cooperation and the importance of education and training in rural areas.

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

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

Mr Andrew Evans from the Shropshire County Council (UK) explained the Marches Local Enterprise Partnership (LEP) that covers 634.000 people, 28.000 Businesses and 2.300 square miles. The LEP is one of 39 in the UK and was established after the abolishment of the Regional Development Agencies in 2010. The area shows a strong public sector employment rate (29%) and its private sector is mostly composed of micro companies (less than 5 employees). The LEP Marches is chaired by the private sector and includes members from business, research and politics. The motivation of the central government for creating the LEP was to give more power to the local entities. Mr Evans also explained the regional strategy for growth 2013-2022, including businesses support, physical infrastructure, skills enhancement, new business investment and low carbon economy. Some successes achieved by the LEP (and the former Regional Development Agency) include the creation of the Hereford Enterprise Zone (Defence & Securities), a Marches Redundant Building Grant, Marches Growing Places Fund (£28m). The key business sectors are food & drink production & processing, advanced manufacturing, environmental technologies, tourism & leisure, social enterprises and defence & securities. Mr Evans gave some examples of urban-rural cooperation including the conversion of former barns to manufacturing floor space and offices.

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Mr Anne Joustra – Director of the City Region Amsterdam – introduced the metropolitan area that is made of 16 municipalities with 1.4 Mio inhabitants. The City Region Amsterdam is run by the Amsterdam region in join partnership with the other 13 stakeholders. It coordinates spatial development, traffic and transport, economic affairs, housing and youth welfare issues of the municipalities with a total annual budget of 600 million Euros provided by the central government. He mentioned that competition is one of the key principles for allocating resources, and noted that the transportation system of Amsterdam will be tendered soon. He also emphasised the significance of coordinating economic development among the different municipalities. Finally, Mr Joustra mentioned a positive external evaluation of Stadsregio and commented some future challenges.

Discussions centred on lessons learned by the UK, Germany and Netherlands with regard to urban sprawl and growth, the state intervention measures and the state aid prohibition by EU law. Also the decision making mechanism between several municipalities and the instruments for the reduction of regional disparities were at the centre of the discussions.

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

Sessions in Beihai and Fanchengong

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

Mr Wang also referred to the development of rural areas within the city's administrative area, including rural road, the construction of affordable housing and rural reconstruction, accelerating

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the construction of a new socialist countryside to support and benefit the agricultural development as a drive to alleviate poverty. In 2012, the disposable income of urban residents reached 21.202 RMB, three times higher than the rural areas. However, rural areas GDP increased by 15.7 % in 2012. With regard to ecological environmental protection, Beihai has of China's best air and water quality. Several waste treatment plants have been built with 165 kilometres of sewage pipe network. It has been awarded as one of China's Top Ten Liveable Cities.

With regard to a coordinated urban development, Mr Wang explained firstly explained the benefits of the new urbanisation. Urban planning integrates focused on green development including the promotion of walking areas, smart city concept and low-carbon solutions. The plan aims to avoid urban sprawl by improving existing urban areas. Also to cooperation between small towns located in the Hepu county (900.000 inhabitants) should enhance the attractiveness of rural areas. Illegal land use and construction along the Gulf of Lianzhou is being cracked down. Mr Wang also referred to the urban-rural infrastructure integration, e.g. roads, water supply, public transport, internet and public services. Also the promotion of the free flow of production factors between urban and rural areas should be improved. Also the development of agro-industry should lead to a dynamic rural economy. The DRC strongly supports labour-intensive industries, service industries and SMEs to create more jobs and opportunities. This is channelled through vocational training, expanding social insurance coverage and consolidating the urban and rural residents' social pension insurance system. DRC Beihai also promotes financial capital investment in order to accelerate the construction of affordable housing projects.

Chinese presentations were followed by a lecture of Mr Guido Sempell, from the State Ministry for Urban Development and Environment of the Free and Hanseatic City of Hamburg. Mr Sempell explained to the Chinese delegates some key facts about Hamburg, Germany's second largest city (1.7 million inhabitants). Hamburg has a diversified economic structure that secures positive employment data in areas including harbour / logistics, aviation, media, services, manufacturing and chemistry. The city has approx. 200.000 inbound commuters and is the Gateway to Northern Germany (seaport, airport, transport network, communication). Mr Sempell noted that the port is at the centre of the city and is not expanding along the Elbe River. There are many green areas in the city, that are highly protected and do not allow settlements. Mr Sempell focused on the metropolitan governance as well as on the urban-rural partnerships. He noted that linkages and interdependencies exist not only between Hamburg and close range, but also between the core city and the more remote rural area in the metropolitan area and beyond. Interactions in terms of mobility, economic cooperation, regional products, provision of goods and services are fostered through new forms of urban-rural partnerships. Particularly the Project Partnership North (PPN) aims to improve living conditions in the various areas of northern Germany. This should help in particular in partnership of urban centres, urban and rural areas in the surrounding area of the PPN. Mr Sempell noted that administrative structures and economic features are increasingly differing. Networks and clusters are relevant. There is a need for Functional Urban Areas (FUA) consisting of a larger city (metropolis) and its hinterland, growth poles and more peripheral areas innovative / suitable type of metropolitan governance. The idea

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of a strategic partnership of urban and rural is essential for achieving territorial cohesion. Mr Sempell explained the criteria for selecting projects, e.g. the additional regional added value, the combination of urban with rural partners, innovative settings, the economic impulses and a solid budget / financial contribution. He also explained the governance of these rural-urban partnership schemes and delivered several examples of cooperation in areas like regional food chains, renewable energy, universities, touristic promotion and life sciences.

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

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

Sessions in Guilin

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

Mr Wei Liping from Guilin DRC explained rapid economic growth of Guilin (10%p.A.) and the focuses of the regional development strategy. These include the international cooperation, the concentration on pillar industries like tourism, agriculture, automotive and biochemical. A master-plan for cooperation alongside the Xi River (Xijiang) has been recently approved. Particularly an integrated development plan with the city of Hezhou is being undertaken. The idea is to set up a comprehensive cooperation mechanism in transportation, rural networks, science & technology and culture. Mr Wei also referred to the recent improvement in infrastructure including a high-speed train to Hunan 2013 (to Guizhou by 2014), the current

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construction of metro lines, the expansion of Guilin's international airport and the industrial park (1.3 bn RMB public investments). Particularly the tourism sector is of key advantage for the city. Guilin is one of the most touristic destinations of China and as such it held 2012 the 6th International Forum on Tourism. Also the health industry is increasing considerably and bears potential for cooperation.

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

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

- China has well developed plans for urban-rural cooperation at national and provincial level. It does however lack of funds for the implementation of long terms programmes that ensure urban-rural cooperation on equal terms.
- Also tailor made programmes for urban-rural cooperation at local level need to be developed. The EU has provided good examples of how to involve different stakeholders.
- 3) A systematic mechanism of rural-urban cooperation is needed in order to set incentives for peri-urban cooperation.
- 4) Training is needed for rural habitants in order to develop bottom-up solutions and to trigger a mind-set change.
- 5) In China there is a very strong localism and regionalism towards economic development. The development of functional zones is crucial in order to avoid negative competition among cities.
- 6) Urban development often challenges rural development by hindering untapped potentials. However, policies are still developed to favour cities since they are seen as the engine of economic development. This view is rather simplistic, since cities promote development of urban areas and not of whole regions. The impact of urban development in the regions should be better monitored.
- 7) Chinese policy makers at national and provincial level are aware of the key importance of balanced urban-rural development. The issues of agricultural development and farmers' empowerment are very well known since decades. However, cities have benefited much more from economic development than the countryside. The EU has shown several experiences that are relevant to China.

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- 8) The social protection system covers currently only urban population. The basic services (proper access to education, health care and transportation) need to be expanded to rural areas.
- 9) Twinning programmes between European and Chinese regions should be developed in order to deeper exchange experiences on issues of economic development.
- 10) Some Chinese officials proposed the establishment of a joint EU-China fund to develop common projects like regional added value chains.

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

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

Composition of the delegation

N°	Name	Position
1	Mr Guido Sempell	Department for Urban Development, City of Hamburg, Germany
2	Mr Anne Joustra,	Director, City Region of Amsterdam, Netherlands
3	Mr Andrew Evans	Head of Economic Growth and Prosperity, Shropshire Council, UK
4	Mr Rupert Kawka	Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR), Bonn, Germany
5	Ms Shi Qinghua	DRC Guangxi
6	Ms Luo Manman	DRC Guangxi
7	Ms Yan Yan	DRC Guangxi
8	Mr Liang Donglin	DRC Hubei
9	Mr Wu Yousong	DRC Hubei
10	Mr Xu Wang	DRC Hubei

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11	Mr Huang Jianguang	DRC Chongqing
12	Mr Ling Yongsan	DRC Guangdong
13	Mr Chen Chengcheng	DRC Shanxi
14	Mr Ma Pengxiang	DRC Liaoning
15	Ms Liu Yiya	DRC Anhui
16	Ms Wu Hongmei	DRC Fujian
17	Ms Wang Weiyu	DRC Hunan
18	Mr Wang Guanghui	DRC Guangxi
19	Ms Zhao Yan	DRC Guangxi
20	Mr Qiao Changen	DRC Guangxi
21	Mr Li Qinggong	DRC Guangxi
22	Ms Sun Qingge	DRC Guangxi
23	Mr Wang Jinghuan	DRC Guangxi
24	Mr Liang Xiaohong	DRC Guangxi
25	Mr Liu Kaipin	DRC Guangxi
26	Mr Dai Kunhong	DRC Guangxi
27	Mr Liu Baiquan	DRC Guangxi
28	Mr Zhang Jianmin	NDRC Beijing
29	Ms Li Qinfang	NDRC Beijing
30	Mr Li Chunguo	NDRC Beijing

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Pictures Gallery



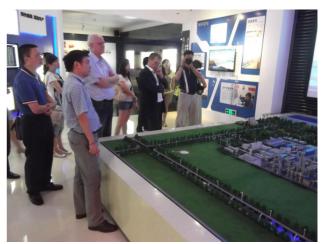
Workshop in Nanning



Speech by Anne Joustra, CityRegio Amsterdam



Workshop in Beihai.



Field visit in Beihai petrochemichal complex



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



Mr Guido Sempell and Chinese experts in Fancheng Port

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Closing workshop in Guilin



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



Working Group $N^{\circ}2$ in Guilin – coordination by Mr Guido Sempell



Working Group $N^{\circ}3$ in Guilin – coordination by Mr Rupert Kawka



Working Group $N^{\circ}4$ in Guilin – coordination by Mr Andrew Evans



Presentation of the workshop results

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INFORMATION SESSION IN THE EU (OCTOBER 2013)

Title: Sustainable Urban Development and Regional Innovation, 08 – 15 October 2013

Programme Overview

Day	General Issues	Cities / Regions
Day 1 - Tuesday, 08 October 2013	07.50 – 10.15 Flight Islanbul – Brussels (1K1937)	
Day 2 - Wednesday, 09 October 2013	Morning Participation at the Open Days Regional Policy Afternoon: Meeting with DG REGIO 21:10 – 21:45 Flight to Dublin (El0639) Accommodation in Dublin	Brussels (BE) – Dublin
Day 3 - Thursday, 10 October 2013		
Day 4 - Friday, 11 October 2013		
Day 5 - Saturday, 12 October 2013		
Day 6 - Sunday, 13 October 2013	Cultural Programme	Paris (FR)

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Day 7 - Monday, 14 October 2013	Morning: Meeting at OECD headquarters 18:15 – 22:45 Flight Paris – Istanbul (TK1828)	Paris (FR)
Day 8 - Tuesday, 15 October 2013	00:35 – 15:05 Flight Istanbul – Peking (TK0020)	Beijing (CN)

Composition of the Chinese delegation

Delegates from NDRC to participate at the China-EU Training in Regional Policy (CETREGIO) – Field visits in various EU countries from 09 to 14 October 2013			
N°	Name	Gender	Position
1	Mr Fan Hengshan	NDRC Regional Development Division	Director General
2	Mr Zhou Yiren	NDRC Regional Development Division	Director
3	Ms Wang Mingli	NDRC Regional Development Division	Vice-Director
4	Mr Lv Yongzhong	Beijing Development & Reform Commission, Planning Department	Director
5	Mr Li Hongwei	Luogang District, Guangzhou	Governor
6	Mr Zhou Chengjiu	Industry Division of Development and Reform Bureau in Guangzhou Development District.	Director
7	Ms Liu Lifeng	Luogang District of Guangzhou, Price Supervision Office, Guangzhou Development District	Deputy Director
8	Mr Li Yuanfeng	Guangzhou Valuda Group Corp.	Chairman

Chinese experts were supported by Mr Pablo Gándara (CETREGIO coordinator) and Mr Shi Xin (CETREGIO assistant) as well as by local interpreters.

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Pictures Gallery



Speech by Mr Geraoid O'Keeffe, Dublin



Prof Jürgen Barkhoff, Director of the Trinity Long Room Hub, ERDF-funded, Dublin



Visit of the Smithfield area, Dublin



Speech by Mr Stephen Blair, Waterford



Visit to the TSSG at the Waterford Institute of Technology (picture is property of WIT)



Meeting at the Mayor's Office in Waterford

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Summaries of the working sessions

Meetings in Brussels within the VIII EU-China High Level Seminar on Regional Policy

Introduction by Mr Walter Deffaa, Director General, DG REGIO

Mr Deffaa started by stocktaking the progress achieved within the EU-China Regional Policy Dialogue. He particularly referred to the Chinese-European Training on Regional and Urban Policy (CETREGIO) programme that since 2010 has facilitated exchange between more than 200 Chinese and European experts in both regions. CETREGIO shows the value and the viability of decentralised cooperation between cities and regions.

Mr Deffaa focussed on innovation and competitiveness as the key factors to tackle the economic crisis in Europe. Both factors are at the core of Europe 2020 strategy, aiming at achieving a smart, inclusive and sustainable growth. According to Mr Deffaa, the regional level is the one where innovative solutions will be delivered, based on a triple-helix-cooperation approach between public institutions, research and business.

With regard to the way forward, the next financial period 2014-2020 concentrates European public investment to specific topics. 50% of funds will be allocated to the less developed European regions focussing on innovation, small and middle size business, key enabling technologies for new industries and energy efficiency. Regions will have to design smart specialisation strategies as a prerequisite for receiving European funds. The ex-ante conditionality will be based on the comparative advantages of regions. Mr Deffaa stated that cohesion policy is very much about cooperation and that this is the reason why the EU supports building clusters. 90% of clusters in Europe have received European support through the ERDF. However, internationalisation of clusters is still insufficient since only 10% of them have partners overseas. Sharing information between China and Europe within this seminar will support companies in both regions. Mr Deffaa also expressed his gratitude to the European Parliament that has made possible the deep cooperation between China and Europe on regional and urban development issues.

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. He mentioned the training and research programmes implemented within the dialogue have involved the vast majority of European Union member states and all Chinese provinces. Mr Fan stated that the activities have had an important impact in the elaboration and implementation of the 11th and 12th Five-Years-Plans.

China's regional development policy has contributed to developing the western and central area as well as to revitalising old industrial areas. Also poverty alleviation has been at the centre of the efforts: since 2012, there is special support to 11 poverty areas. Mr Fan stated that this is also a result of EU-China cooperation. Mr Fan stated that China is currently at a transition stage

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upgrading industrial development. However, the complex local and international context has had negative impact on the economic development, leading to an unbalanced development. The Chinese government is trying to support efficiency by strengthening innovation. The key challenges to be tackled include:

- 1. Equalising public services by using the market economy as the key driver
- 2. Improving the regional policy system developing tailor-made strategies for specific areas
- 3. Promoting better coordination and management through a better governance and legal framework
- 4. Promoting urbanisation in a coordinated way with new types of city clusters with Chinese characteristics

Mr Fan explained that NDRC learns from the European Union while developing its regional policy.

Session 1: Interregional Cooperation

Chairman: Mr Ronald Hall, Principle Advisor of DG REGIO

Mr Michel Lamblin, Programme Director, INTERREG IV C Joint Technical Secretariat

Mr Lamblin introduced the Interreg IVC programme that aims at fostering interregional cooperation. The programme contributes to improving the effectiveness of regional development policies and instruments through large-scale information exchange and sharing of experience (networks). It promotes exchange between regional and other public authorities across the entire EU territory and neighbouring countries, allowing regions without joint borders to work together in common projects and develop networks of co-operation.

In the current period (2007-2013) there have been more than 1350 applications and 204 projects have been funded. 90% of European Union's regions have been included, with a focus on innovation (55%) and environmental protection (45%). Since 2003, INTERREG has compiled a large database of best practices in Europe that can be used for the exchange with China. In the next financial framework (2014-2020), the programme will concentrate in two pillars: innovation and knowledge economy.

Mr Lamblin referred to the cooperation potential with China, especially through disseminating the regional policy dialogue results across Europe. He also proposed to make INTERREG's system of indicators, tools and databases available to Chinese policy makers in order to contribute to a sustainable development in China.

Mr Zhou Yiren, Director, Regional Economy Department, National Development and Reform Commission

Mr Zhou focused on the special functional areas with regard to industry clusters and innovation development. Although China has made remarkable progress in coordinated regional

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development, regional development disparities still prominent, improper competition and duplications between regions still serious; mechanisms and systems still incomplete for coordinated regional development. Although special economic zones have boosted economic growth and regional innovation capacity, regional development imbalances have increased. Also the extensive land use has caused serious environmental pollution.

Therefore, the Chinese government aims at establishing principal function areas, defined according to resources and environmental capacity. Also the current development intensity and consequences for population distribution, land use and urbanization will play a key role on this. The idea is to determine the direction of development, improve development policies, control development intensity, regulate development order and gradually shape a landscape of land space development with harmony among population, economy and resource/environment.

This new special functional areas are comparable to the EU's smart specialisation strategies, since they aim at taking the natural specific conditions as a key driver for development. This allows differentiation of principal functions and an environmentally friendly economic development.

Session 2: Regional Innovation

Chairman: Mr. Zhou Yiren, Director, Regional Economy Department, National Development and Reform Commission

Mr Lv Yongzhong, Director, Planning Department of Beijing Development and Reform Commission

Mr Lv stated that since 2012, Beijing has been developing with the slogan "Innovation driven city", with a focus on research and development. Beijing is a centre of R&D with more than 300 research centres (30% of the country's total). Since 2013, a new cooperation mechanism ("6+1") has been put in place to improve inter-ministerial cooperation.

Beijing has made huge progress on regional innovation, including the Zhongguancun district, also known as the Silicon Valley of China. The site encompassed 48 research centres and science parks and is responsible for 1/7 of the total innovation output in China. Endogenous innovation will be further improved by reforming the institutional structures. Also more public resources will be allocated to innovation driven companies. Beijing's Municipal Development and Reform Commission aims at further improving cooperation between universities and companies. Also the evaluation system of economic development management should be further improved based on European experiences.

With regard to clusters, there are more than 150 clusters in Beijing, many of which are implementing more than 1.000 R&D based projects. Since 2012, Beijing has strongly developed

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electric vehicles and nanotechnologies. These and other areas give a large base for cooperation with European business, cities and regions.

Mr Li Hongwei, Governor of Luogang District (Guangzhou)

Mr Li introduced the Guangzhou Development District (GDD), one of the first group state-level economic and technological development districts set up in China. With a total planned area of 78.92 square kilometres, GDD has the unique "four-in-one" administration system consisting of national Economic and Technological Development District, High-tech Industrial Development District, Free Trade Zone and Export Processing Zone. There are over 6000 companies from more than 60 countries and regions investing in GDD, among which over 2900 are foreign-invested projects and 112 are invested by Fortune 500 companies. GDD is a state-level innovative science-tech area, attracting 1258 companies and 386 R&D institutes. In 2012, the R&D investment volume accounted for 3.85% of GDP.

Mr Hongwei mentioned that more than 2000 overseas talents and students set up their business in GDD with over 700 newly established enterprises. In 2012, the Guangzhou Science Park reached the total business revenue of 29 billion Euros and a total industrial output of 16.2 billion Euros. He also stated that the Guangzhou International Biotech Island will cover an area of 1.8 square kilometres with functional clusters of industrial incubation area, R&D area and industrial service area, etc.

Mr Li Hongwei also referred to the GDD Innovation Relay Center, aiming at facilitating the knowledge flow and technology transfer. He also explained the Innovation Alliance of New Hightech Industry, focusing at establishing an industry-university-research cooperation system. He also mentioned that Local government's investment in science and technology grows constantly. Mr Hongwei also shown some examples of innovation centres at GDD, including the South China New Medicine Innovation Center and the Knowledge City that covers a planned area of 123 square kilometres with a 10-square-kilometer Start-up Area. The goal is to build a new highland for internationalized knowledge economy. Regarding GDD innovation with Europe, he mentioned the Sino-UK Biotech Bridge for international biotechnology and the cooperation with Sophia Antipolis in France.

With regard to the urban-rural cooperation, Mr Li stated that in 2005, In 2005, to fully utilize the radiation effect of GDD, Guangzhou Municipal Government set up a new administrative district (Luogang District) by integrating the surrounding rural areas of GDD with a total area of 393 square kilometers and a population of 370 thousand. The rural areas cover 80% of GDD with a rural population of 130 thousand. The infrastructure of roads, water supply and public services like culture, education and health are gravely insufficient. However, there are several measures undertaken to change the underdevelopment of rural areas.

Mr Mark Schneider

Mr Schneider focused on the Structural & Investment Funds (2014-2020) in the West Midlands (WM) and their potential to support the development of international markets. The West

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Midlands A region of contrasts: 2 large conurbations (Birmingham/Black Country & Stoke) and Rural areas to the West, North and South. It has been historically centre of manufacturing (industrial revolution). Although manufacturing is still important, it is been largely reduced (1996 22%, 2012 11%), but it is still above the UK average (13.1%). High value manufacturing areas include transport technologies, intelligent mobility, high performance engineering, automotive and aerospace. Also environmental and green technology, including low carbon vehicles have production sites in the West Midlands. Other areas of technological innovation include food production, horticulture, medical technologies and gaming.

Mr Schneider focused on the key areas of investment of the European Structural & Investment Funds (SIF). Particularly the ERDF priorities for 2014-2020 are research, technological development & innovation. Also the enhancing the competitiveness of SMEs and supporting the shift towards a low carbon economy in all sectors is a key area of investment. Moreover, promoting climate change adaptation, protecting the environment and resource efficiency and promoting sustainable transport are further fields of action. For the next financial period, SIF in the UK will be delivered through 39 LEPs (Local Enterprise Partnerships) instead of 9 Regional Development Agencies for the last period. LEPs are partnerships between public and private sectors to drive economic development. West Midlands' LEP will concentrate inter alia on increasing the numbers of 'growth firms', the numbers of businesses investing in innovation and developing new markets (internationalisation).

In this context, in May 2013 an inward mission from China to WM through the CETREGIO programme focused on urban-rural dynamics, visiting Shropshire (Flax Mill & Food Technology Centre) and Staffordshire (JLR I54 site). As a follow-up, in June 2013 a member of Shropshire County Council visited China (Guangxi) to explore new business possibilities. In November 2013 two representatives of the West Midlands will participate at the regional innovation workshops planned in China (Wuhan and Tianjin) as well as at the EU-China Urbanisation Forum in Beijing. In the 1st half of 2014, the West Midlands are targeting a pilot Business to Business mission on high value manufacturing (Ceramics, Agri-Food) to China. These steps are being coordinated with UKTI and supported through SME Internationalisation (ERDF project).

Mr Iñigo Bilbao, Head of the Strategic Planning Department, City Council of Vitoria-Gasteiz

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 Bilbao 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.

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Mr Bilbao 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 Bilbao 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 Bilbao also referred to the cooperation with China since his city's involvement in the CETREGIO programme. Vitoria-Gasteiz is preparing twinning activities with cities in Fujian province as well as in Tianjin city. Mr Bilbao expressed his gratitude to the European Commission since the CETREGIO programme has been the key driver of this cooperation.

Discussion and closing remarks

Ms Yiu Limiao, a student in the UK, asked about the decentralised cooperation mechanism at the local level in China. Mr Li Hongwei answered that the new focus is to give more power to local authorities. Mr Fan complemented that tax exemption is no longer an instrument for attracting innovative companies, but that the vision is rather providing a platform for innovation.

Ms Sigrid Winker from Austrian TMG in Linz gave some examples of best practices in Upper Austria and invited Chinese delegates to establish links with her region. She also mentioned that the EU-Danube Strategy is a good practice for China since it contributes to creating innovation chains. China has similar cross-regional cooperation mechanisms that offer good experiences for Europe.

Mr Tin Pajil from the Internationalization Board at Zagreb' City Council explained the longstanding cooperation with Shanghai city but aimed at boosting exchange in areas like tourism and innovation.

Discussions further centred on creating a joint investment platform for the EU and China and involving more business representatives in the CETREGIO programme. The sectors will depend on the comparative advantages and special features of the regions involved, including green development

Mr Fan Hengshan expressed his gratitude to the European Commission for a productive workshop. He referred to the contents discussed about innovation and its value in overcoming the financial crisis.

Mr Hall referred to the future focus of the dialogue on urban areas, since DG REGIO is concentrating on new priorities. DG REGIO will not be able to involve all themes and areas, but will involve business representatives in the activities scheduled for 2014.

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Working sessions in Ireland

Meetings in Ireland started at the Department of Public Expenditure & Reform in Dublin. Mr Gearoid O'Keeffe, Head of Unit, explained the European Cohesion Policy work in Ireland and the key issues the next period (2014-2020). Since joining the EU in 1973, Ireland has received 20 billion Euros from the structural funds. At that time, it was the poorest country of then 12 member states – nowadays Ireland is the ranks at place 11 out of 28 EU countries. Mr O'Keeffe referred to the decision making process between the European and the national level regarding cohesion policy funds. He explained the importance of cooperation with the European Parliament and the Council of Ministers. For Ireland, not only cohesion policy, but also agricultural policy is particularly relevant (even more funds available for the country). Mr O'Keeffe also referred to the deep recession that began in 2008, that forced the public sector to inject money into the Irish banking system. As a consequence, national debt increased from 20 per cent of GDP in 2007 to 84 per cent of GDP in 2012, and the general government debt increased from 25 per cent of GDP in 2007 to 117 per cent of GDP in 2012.

Discussions centred on the main areas of investment with EU money (ICT, energy efficiency, labour training), the top-down and bottom-up approaches for the design and implementation of the ERDF in the country as well as about similarities of regional policy between China and Ireland.

Participants then visited the Trinity College in Dublin, especially the *Trinity Long Room Hub*. The institute is one of five flagship research centres of the University, and the one dedicated to promoting and facilitating innovative research across its seven Arts and Humanities member Schools. The director of the centre, Professor Jürgen Barkhoff, explained the features of the new building that has been built with the support of the ERDF. In the afternoon, participants visited the Smithfield Quarter, which has been enhanced with the support of the ERDF. The project was delivered by Dublin City Council at a cost of €4.8m (ERDF, national and Dublin City Council funds). A visit to the Centre for Research on Adaptive Nanostructures and Nanodevices (CRANN) had to be cancelled due to logistic problems of Chinese delegates (later arrival from Brussels due to flight cancellation).

After arrival in Waterford, Chinese participants met Mr Stephen Blair, Director of the Southern & Eastern (S&E) Regional Assembly. Mr Blair delivered a speech about ERDF in Ireland. The country has a total population of 4.4 million inhabitants and covers an area of 70,000 sq. km. The country's GDP is 30% higher than the EU average. Mr Blair explained that Ireland became one of the models states for the use of European funding for catching-up with the economic level of more developed EU countries. He explained the main priorities of investments in different programming periods, focusing on the current one (2007-2013). The EU structural funds have made a modest but important contribution, supporting (but not driving) economic convergence. Other factors that explain the "Celtic Tiger" are favourable demographics, wider effects of EU membership (macroeconomic policy, FDI, political stability).

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Mr Blair mentioned that the estimated long-run impact of EU Funds has added about 3 per cent to GDP. He also summarised some key features of the Irish implementation system for ERDF, including a centralised approach, the key role of Finance Ministry, an implementation dominated by government bodies and agencies under a strong partnership approach with the private sector. The Regional Assemblies manage the Regional Operational Programmes (ROPs), monitor and make proposals in relation to the general impact of all EU programmes in the regions. The current S&E ROP (2007-13) acts under changed circumstances since no Irish Regions qualify under EU's Objective 1 (Convergence Regions). This has meant a drastic reduction in Structural Funds coming to Ireland and the S&E ROP now has total budget of €680m. Mr Blair stated that the scope is much more restricted regarding the type of activities that are eligible for co-financing (emphasis on Innovation & Knowledge Economy).

Mr Blair also explained some key lessons learned, including 1) concentration of spending on human resources (different to other EU countries that focused on infrastructure); 2) FDI have played a key role in the adaptation of the regional development strategies; 3) the catch-up process takes decades (Irelands needed 20 years since EU membership) but you have to keep in the right track and develop long term strategies; and 4) financial commitment by the central government (pre-financing) plays a key role in achieving certainty that is crucial for attracting private capital. Discussion with Chinese experts focused on the leverage caused by public investment, the role of local authorities in shaping priorities and developing projects.

Chinese participants then met Mr Michael Walsh, City Manager. Mr Walsh explained the tasks of the city in the areas of infrastructure, planning and regulatory control. The Council decides about the expending of an annual budget of € 59 Mio. The fund is financed through the national government (1/3) and locally generated income (2/3), especially through taxation. Mr Walsh explained that the municipality cannot generate substantial debt since the budget needs to be approved by the central government. The local taxation level is decided by the City Council (within a certain range). Discussions with Chinese experts centred on the management of projects on the spot (senior management teams for 4 areas) and the establishment of direct channels of cooperation between Chinese cities and Waterford. Delegates agreed that the Director of Economic Development of Waterford could act as liaison officer and establish a work programme with an NDRC expert. The focus would be on support to SMEs of both countries in order to boost bilateral trade.

In the afternoon Chinese delegates visited the Waterford Crystal Visitor Centre, an ERDF cofinanced Flagship project. They also visited the Waterford Institute of Technology (WIT), meeting Dr Ruaidhri Neavyn (President) and Dr Willie Donnelly (Head of Research and Innovation). Mr Neavyn explained that Waterford has only 100.000 inhabitants, but is at the centre of a 500.000 people south-eastern region of Ireland. WIT designs courses based on the industry needs, hereby achieving a high employment rate of graduates (95%). WIT aims at strengthening the regional value by optimising agricultural output and further developing agribusiness in general. The WIT has strong ties with China and NDRC delegates could actually meet 4 Chinese students currently at WIT. European and Chinese experts agreed to establish a pilot project between WIT and the Guangzhou Development District.

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Chinese delegates were taken to the Telecommunication Software and Systems Group (TSSG), an international centre of excellence for ICT innovation (http://www.tssg.org/2012/02/research-innovation-at-wit/). TSSG strongly cooperates with EU programmes. Dr Willie Donnelly introduced several cooperation projects with leading telecommunication companies including Nokia and Ericsson. He stated that TSSG has positioned as regional hub for research and innovation. Through arclabs, the TSSG has supported 84 start-ups that today employ 250 people with an annual turnover of approx. €30 Mio. Dr Donelly also explained major research areas including biotech and advanced materials. TSSG cooperates with China in monitoring the quality of milk – a key issue for China since a few years. He also showcased Feedhenry, a ground-breaking mobile cloud platform company.

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4. INFORMATION SESSION IN THE EU AND OPEN DAYS (NOVEMBER 2013)

Title: Danube Strategy and Regional Innovation Instruments and Practices, 4-13 Nov 2013

Programme Overview

Day	General Issues	Cities / Regions
Sunday, 03 November 2013	Briefing meeting in Beijing	Beijing (CN)
Day 1 - Monday, 04 November 2013	Flight Beijing > Frankfurt Flight Frankfurt > Munich Accommodation in Munich	Beijing (CN) – Munich (DE)
Day 2 – Tuesday, 05 November 2013	Morning: Meetings in Munich Transfer by bus to Passau (200km) Afternoon: Meetings in Passau Accommodation in Passau	Passau (DE)
Day 3 - Wednesday, 06 November 2013	Morning: Field visits in Passau Afternoon: Field visits in Passau region Accommodation in Passau	Passau (DE)
Day 4 - Thursday, 07 November 2013	Morning: Transfer by bus to Munich (200km) 18:55-20:25: Flight to Rome (Alitalia) Accommodation in Rome	Rome (IT)
Day 5 - Friday, 08 November 2013	Morning: Meetings in Rome Afternoon: Field Visits in Rome Accommodation in Rome	Rome (IT)

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		<u> </u>	
Day 6 - Saturday,	Morning: Workshop in Rome		
09 November 2013	Afternoon: Free	Rome (IT)	
	Accommodation in Rome		
	06:30 – 07:15 Transfer to the airport		
Day 7 – Sunday	09:15 – 10:50 Flight to Munich	Rome (IT) – Munich (DE) -	
10 November 2013	11:30 – 14:30 Transfer by bus to Linz (270km)	Linz (AT)	
	Accommodation in Linz		
	Morning: Meetings with regional authorities in Linz		
Day 8 - Monday,	Afternoon: Field visits	Linz (AT)	
11 November 2013	Accommodation in Linz		
	Morning: Transfer to Munich by train		
Day 9 – Tuesday,	10:50 – 12:00 Linz-Frankfurt	Munich (DE) – Beijing (CN)	
12 November 2013	17:00 Flight Frankfurt-Beijing		
Day 10 - Wednesday,	09:30 Arrival in Beijing		
13 November 2013			

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Composition of the Chinese delegation

Vari			Delegates from NDRC participating at the China-EU Training in Regional Policy			
vaii	Various European Locations - from 04 to 12 November 2013					
N°	Name	Gender	Institution	Position		
1	Wang Xinhuai	Male	National Development and Reform Commission (NDRC)	Director-General		
2	Yang Yinkai	Male	National Development and Reform Commission (NDRC)	Director		
3	Gao Wei	Male	National Development and Reform Commission (NDRC)	Officer		
4	Pang Hong	Male	Guizhou Development and Reform Commission	Vice-Director		
5	Zheng Liping	Female	Heilongjiang Development and Reform Commission	Director-General		
6	Wang Jingyou	Male	Jilin Development and Reform Commission	Vice Director- General		
7	Liu Guoxiang	Male	Fujian Development and Reform Commission	Director		
8	Zhang Yongnan	Male	Guangdong Development and Reform Commission	Director		
9	Gu Wanjun	Male	Guangdong Development and Reform Commission	Director		
10	Li Changping	Male	Guangzhou Development and Reform Commission	Officer		
11	Pang Huang	Male	Guangxi Development and Reform Commission	Vice Director- General		
12	Wei Hanquan	Male	Guangxi Development and Reform Commission	Vice-Director		
13	Zhong Guilian	Female	Guangxi Development and Reform Commission	Officer		
14	Wang Hui	Male	Chibi City Development and Reform Commission, Hubei	Director		
15	Li Qinggong	Male	Hubei Development and Reform Commission	Director		

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16	Ma Zhongxing	Male	Hubei Economic Commission	Vice Director- General
17	Lan Xiaoping	Female	Sichuan Development and Reform Commission	Vice-Director
18	Tao Jianfeng	Male	Sichuan Development and Reform Commission	Director
19	Dai Kunhong	Male	Sichuan Development and Reform Commission	Officer
20	Liu Yibing	Male	Henan Development and Reform Commission	Officer
21	An Limin	Male	Tianjin Development and Reform Commission	Vice-Chairman

Summary of the working sessions

Sessions in Beijing

The programme started with a briefing session in Beijing. After an introduction to the EU regional and urban policy by the project coordinator, Mr Zhou Yiren, Director at the Department for Regional Economy of NDRC delivered a welcoming speech. He introduced the training cooperation programme CETREGIO as one of the pillars of the EU-China Regional Policy Dialogue and noted that since 2010 more than 120 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.

Mr Pablo Gándara, coordinator of CETREGIO, delivered a presentation on the EU regional policy, focusing on regional innovation and the Danube Strategy of the European Union.

Mr Christian Junge, a Beijing based architect and urban planning expert, delivered an introduction to the urban-rural linkages and related policies in the European Union. He referred to the territorial agenda of the European Union since the Lisbon Treaty as well as to the striking regional imbalances regarding population, economic growth and unemployment. He referred to inter-regional and inter-city cooperation as well as to the urban-rural and peri-urban cooperation. EU's policy instruments promote a polycentric territorial development; encourage the integrated development in cities and rural regions, and aim at transforming cross-border regions to functional regions. Mr Junge noted that territorial cohesion does not mean equalisation, but coordination and (coordinated) differentiation. With regard to the urban-rural partnerships, Mr

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Junge explained soft and strong coordination in areas like transportation, land use, service infrastructure, environmental protection and migration. Focusing on examples of England and Germany, Mr Junge illustrated the success factors for urban-rural partnerships, including political support, common identity, equal representation, a critical mass of projects and funding. He also showed some polycentric city networks in Europe.

Sessions in Germany

Work in Germany started in Munich. Mr Markus Theuersbacher gave an overview of the Bavarian influence in European policy making, especially on regional policy issues. As one of the strongest EU regions, Bavaria advocates for a further EU funding of competitive European regions, rather than concentrating all EU funds on weaker areas. He then referred to the macroregional EU Danube Strategy as a voluntary agreement of the countries and regions in a definable geographical area (14 countries, 100 million inhabitants) about common strategic objectives. There are huge economic disparities within the region. The strategy aims at strengthening regional identity and to create new levels of governance and cooperation. Regions are committed to cooperate and coordinate actions since they share a number of common issues. The strategy addresses these various topics through 4 pillars organized in 11 priority areas. Mr Theuersbacher explained that for the implementation there are 3 main conditions: no new legislation, no new institutions and no fresh money. Regions are called to better align existing funding, coordinate more efficiently existing instruments and develop new ideas for cooperation. Discussion with Chinese delegates focused on the selection criteria for projects, the role of regions in defining the priority areas and the action plans and similar mechanisms of cooperation in China (for instance alongside the Yangtze River and Pearl River).

The programme in Passau started with a field visit to the Roman Museum Biotro. Dr Jörg-Peter Niemeyer explained to the Chinese experts the importance of the museum for the development of tourism and culture and for the attractiveness of the city. The museum presents archaeological finds from the East Bavarian region from the Stone Age through the subsequent Metal Age, the Roman period, the Middle Age until the modern time. The new conception of the exhibition has been co-funded through ERDF within the EU-Danube Strategy (priority cultural heritage and tourism). Chinese delegates were then transferred to City Hall, where they first met Mr Adolf Hofstetter, Director of the project Baroque Art and Culture in the Danube Region. This is a project of the city of Passau in the framework of the EU Strategy for the Danube Region. The project established Bavarian-Austrian cooperation in cultural, scientific and tourism development. By using the cultural heritage of the Danube region of the 17th and 18th Century, both countries aim to deepen and take advantage of tourism opportunities. Discussion with Chinese delegates focused on the Baroque influence in China, the cross-border cooperation programmes in China and the importance of culture as a factor for economic development.

Chinese participants also met Ms Barbara Dapfner, manager of the European Region Danube-Moldova. This functional region – formally established in June 2012 - covers a population of 6 million inhabitants in Germany (Bavaria), Czech Republic (Bohemia) and Austria (Upper Austria). A large number of cooperation projects have been launched in the areas like research

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& development, renewable energy and energy efficiency, industry clusters, tourism, mobility, culture, social development and education. Projects are mostly co-financed with support of the ERDF. Several participating municipalities and sub-regions have established networks across borders, increasing the attractiveness of the whole region. Ms Dapfner explained that though the newly created Regional association, the cross-border interests of municipalities can be better catalysed at the European level. Chinese delegates asked about the differences of Euroregions with metropolitan and peri-urban regions, the role of the Danube Strategy for the regional association and some concrete projects on building networks of clusters.

The next day, Chinese delegates were transferred to the Technology Centre Energy (TZE) of the University of Landshut in Ruhstorf, a small town close to Passau. Mr Josef Huber, from the business administration department explained to the Chinese experts the role of TZE for regional innovation and regional development. The TZE is a branch of the University of Landshut. The structure of the research and development facility is financed by the Bavarian State. The market town of Ruhstorf ad Rott and the district of Passau support the active centre by providing the necessary technology transfer surfaces. The centre was launched 2011 and aims at creating regional added value to the rural area of south-east Bavaria. The TZE provides laboratory capacity for electrical engineering, especially for the development of lithium cell production. It is also a demonstration site for Decentralized Energy Systems and develops energy efficiency services for adjacent municipalities and industries. The CEO of the centre, Dr Reinhardt Schwaiberger took the Chinese participants to a site tour to the laboratories and energy saving devices. Discussions with Chinese experts centred on the incubation role of the TZE for start-ups, the cooperation of municipalities and the provincial government for funding the centre, possible EU-projects to be run by the TZE, cooperation possibilities with universities and research centres in China.

In the afternoon, Chinese participants visited a brewery in Hutthurm, a small village close to Passau. The manager of the site, Mr Markus Kapfenberger, explained to Chinese participants the importance of the middle-sized brewery for the region and shown some innovative products that could be exported to China.

Sessions in Italy

The next day, Chinese participants started full-day training in Rome. The first meetings took place at the Technology Park Tecnopolo Tiburtino in the north of the city. Rome's technology park system was conceived with the objective of creating organized areas capable of attracting high-tech companies and projects, in order to increase and improve development and employment rates in the Rome metropolitan area. Dr Angela Ciancia, Head of Services and SME Cooperation, explained that Tecnopolo Tiburtino is situated on a property of about 70 hectares close to the industrial district hosting Italy's most important aerospace and electronics companies. The area is well connected with the railway and subway systems, and can be reached easily from the international airports of Fiumicino and Ciampino. The Tecnopolo Tiburtino site supports local SMEs through convenient real estate solutions and technology

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development services. More than 100 companies are located in the park area, especially from the aerospace, energy, ICT and mechanical engineering.

The park is run by the Research Consortium Roma Ricerche (CRR), whose director (Mr Lino Fiorentino) explained the company's structure and main focuses. The RRC is a non-profit organization made up of private and public entities, in order to achieve institutional linkages between the university and industry and to promote the transfer of innovative technologies and support the competitiveness of the industrial system. With the experience gained over the years, the CRR has well-established partnerships with national and European partners, mainly within the Framework Programmes for Research and Technological Development of the European Union. CRR is also involved in the Regional Innovation Strategy (RIS) of the Lazio Region. Professor Carlo Giovanella, Scientific Director of the Creative Industries Cluster of CRR, delivered a presentation about smart-city solutions developed at Roma Ricerche. Ms Manuela Bistolfi, Manager for EU Projects, presented some results of innovative projects developed under within the framework programme already mentioned.

Chinese participants also had the chance to visit the ITech, a regional start-up incubator cofunded by the Regional Government partly through ERDF means. Ms Andrea Cosentino, Start-Ups Tutor, explained that BIC Lazio supports the development of the region through the creation of new businesses and the expansion of existing ones. Due to its extensive experience and presence in the region, it is able to listen to the demands of the local economy and transfer them to those players who intend to initiate new activities. Chinese participants visited the facilities of the start-ups (offices, common creative areas, etc.) and met two innovative start-up interested in developing and research ties with China: Overtechnologies commercial (www.overtechnologies.com) for home automation system and SmartEye (www.smartinteraction.com), an intelligent system to reduce the energy consumption for public lighting and to provide interactive services for Smart City.

In the afternoon, participants had a half-day seminar at the Representation of the European Union in Rome. Mr Carlo Rossi, Director for Decentralised Cooperation at the Region of Lazio, introduced some basic facts about the region, one of the most developed of Italy and Europe. With regard to innovation, Lazio is home to most of Italy's public research institutes (23% of the country's researchers work here). One of the Lazio Region's major strengths is represented by its network of industrial districts and local production systems. Lazio Region manages EU structural funds and is directly and indirectly involved in numerous European projects. The Regional Operational Programme 2007-2013 has a budget of € 743.5 million and is mainly focused on research, innovation and strengthening the productive base.

Ms Enrica Bagnolini, International Department Manager at the regional development agency Sviluppo Lazio, explained some new tools to strengthen collaboration between SMEs. Sviluppo Lazio is the in-house company of the Lazio Region for the implementation and management of the development policies for local actors like enterprises, local authorities and citizens. It was founded in 1999 and today it has 137 employees with an annual turnover of 20 Million of euro. 80% of the company shares belong to Lazio Region, and the remaining 20% to the Chamber of Commerce of Rome. Ms Bagnoloni explained that Sviluppo Lazio is working on a new and innovative concept of productive cluster. She stated that, in fact, the old definition of industrial

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cluster is not more valid and useful to describe the regional productive system. Nowadays territorial company networks are transversal and extremely flexible. She stated that a peculiarity of the Italian and regional productive systems is the presence of small and micro companies with 4 to 5 employees that represent the majority. These companies require support by the regional actors in order to develop common projects and prosper. Financial support is provided through calls for proposals at the agency's website (www.sviluppo.lazio.it)

Mr Andrea Romagnoli, Project Manager at the Financial Investment Agency of the Regione Lazio (FILAS), explained its mission in assisting the Regional Government in innovation policy programming and providing tools for the modernization of regional SMEs. FILAS manages tools related to innovation, new technologies and the net economy in order to strengthen the competitiveness of regional SMEs both in terms of regional product growth and external investment incentives. Mr Romagnoli explained the management of European funds within the framework programme, the ERDF's ROP for Lazio and the cooperation in the smart specialisation forum. He also gave some examples of projects in the so called DTC district (culture, tourism and technology).

Ms Manuela Giacobbi, Head of Business Department at BIC Lazio, explained the innovative support for start-ups in the region. Business Innovation Centres were created almost 20 years ago by the European Commission to support innovation, entrepreneurial development and employment in local economies. BIC Lazio was created in 1990 by the Lazio Region and is the regional agency responsible to encourage local development through the promotion of an entrepreneurial culture and support the creation and development of business initiatives. BIC Lazio is one of the 7 Italian incubators certified to support innovative start-ups in areas including food chains; high tech industry and space applications; culture and creative industries; energy efficiency and alternative energy. BIC Lazio is part of the European BIC Network (EBN) and the Enterprise Europe Network (EEN). Ms Giacobbi explained the focus on training activities for start-ups and the incubation support centres for start-ups (one of which had been visited by the Chinese participants in the morning).

The seminar's last presentation dealt with innovation in the agriculture. Mr Stefano Carrano, manager at the Regional Agency for Agriculture Innovation (ARSIAL), explained some support policies to improve the performances of small, not very integrated farms. He also explained some European Trends on farming innovation, including the European Innovation Partnership (EIP) launched 2012.

Sessions in Austria

The working sessions in Linz included meetings at the Technology Agency of Upper Austria (TMG) and visits to innovative companies in Linz and Hagenberg. Mr Bruno Lindorfer, CEO at the TMG explained some basic facts about the region. Upper Austria is one of the wealthiest regions of Europe and has an unemployment rate of 4.7%. The region has highly qualified and motivated personnel, a strong industrial base (it is the leading Austrian region regarding technological export and patents), well balanced economic structure (mix branches & sizes). It is also a leading innovation region in Europe and its geographic position (In the heart of Europe)

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allows for efficient transport infrastructure. The region is also deeply integrated with Central and Eastern Europe. Mr Lindorfer explained the regional innovation strategy that concentrates resources on six focus areas: mechatronics, information and communications technology, life sciences, innovative materials, logistics and energy. The TMG is a think tank and coordinator of activities of the region of Upper Austria regarding economic growth, prosperity and the creation of new jobs. As such, it is in charge of developing the strategic economic and research programme INNOVATIVE UPPER AUSTRIA 2020, with more than 50 Mio € annually regional investments on innovation projects. Mr Lindorfer also referred to the Horizon 2020 programme and the great opportunities for collaboration on innovation with China.

Chinese participants asked about the governance system of regional innovation in Upper Austria, the cooperation between companies and public bodies in defining the regional innovation strategies, the selection criteria for projects to be promoted through the regional agency, the internationalisation of clusters and overall effect of public investment in the regional economy.

Mr Lindorfer's presentation was followed by a speech by Dr Sigrid Winkler about the role of Upper Austria in the EU Danube Strategy. The region is charge of creating networks between clusters in the Danube area. DanuClus is the response of the Working Group "Clusters of Excellence" to the new EU funding period 2014-2020. It will coordinate projects for a wide target audience of clusters in the Danube Region. Ms Winkler also explained the overall impact of ERDF on regional innovation activities in Upper Austria. In the afternoon, Chinese participants visited the RECENDT (Research Center for Non Destructive Testing GmbH). The innovative company has on-the-edge technologies non-destructive testing of materials, contactless material characterization, quality control and quality assurance for products & processes as well as prototype construction for contactless sensors. Participants also visited the Hagenberg Softwarepark, a spin-off of the University Linz. It has 12 research facilities, 60 IT companies, 1.560 students and 1.000 employees.

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Pictures Gallery



Meeting at the Bavarian State Chancellery



Museum's visit in Passau (ERDF project)



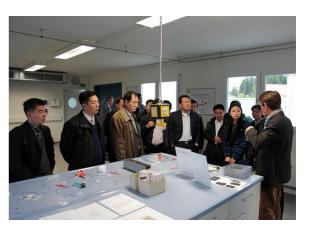
Speech by Ms Barbara Daferner, Europe Region Danube Moldova, Passau



Discussions at the City Hall of Passau



Visit of the innovative at brewery processed at Hutthurm



Visit at the Energy Technology Centre, Technical University Landshut

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Dr Schwaiberger and Chinese delegates at the Energy Technology Centre, Bavaria



Speech by Ms Manuela Bistolfi, Innovation Department, Roma Ricerche



Group picture with Italian workshop's experts at the EU representation in Rome



The Innovation Centre ITech at BIC Lazio



Speech by Mr Bruno Lindorfer, CEO of TMG Upper Austria, Linz



Visit of research laboratory of the company RECENDT at the University of Linz

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5. FOLLOW-UP IN CHINA AND EU-CHINA FORUM (NOVEMBER 2013)

Title: Sustainable Urban Development & Regional Innovation, 18-22 Nov 2013

Programme Overview

Friday, 16 November 2013 - Travel Day

European experts flight from several European cities to Paris

Departure flight from Paris to Wuhan: Air France 132 (16:10 – 10:00 + 1 day)

Saturday, 16 November 2013 - Travel Day

- 10:00 Arrival in Wuhan
- 12:00 Check-in and lunch
- 14:00 City tour of Wuhan
- 18:00 Dinner at invitation of Hubei Economic Commission

Accommodation in Wuhan

Hotel Wanda Realm Wuhan (http://www.wandahotels.com/publish/whwdjheng/index.html)
No.105 Donghu Road, Shuiguohu Street, Wuchang District, Wuhan, Phone: +86 27 5900 8888

Sunday, 17 November 2013

- 09:00 Visit of Hubei Museum and art gallery of Hubei
- 12:00 Lunch
- 14:00 Visit of Donghu Lake and Muo Mountain, visit of Yangtze River beach at Hankou
- 18:00 Dinner with representatives of Hubei NDRC

Accommodation in Wuhan

Hotel Wanda Realm Wuhan (http://www.wandahotels.com/publish/whwdjheng/index.html)
No.105 Donghu Road, Shuiguohu Street, Wuchang District, Wuhan, Phone: +86 27 5900 8888

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Monday, 18 November 2013 – Workshop in Wuhan

Monday, 18 November 2013 – Workshop in Wuhan Venue: Hotel Wanda Realm Wuhan Simultaneous interpretation CN-EN-CN				
09:00 – 09:10 Welcoming words by Li Chungen, NDRC				
09:10 – 09:20 Welcoming words by Ding Fanzang, Vice-chairman of Hubei NDRC				
09:20 – 09:30 Welcoming words by Mr Stefan Unseld, GIZ				
09:30 – 10:00 Introduction to EU Regional Policy and to Regional Innovation in the EU Mr Pablo Gándara, CETREGIO Project Coordinator				
10:00 – 10:30 Introduction to Regional Policy in Hubei Province and Wuhan City, NDRC Mr Sun Dazhong, Director of Regional Policy, Hubei NDRC				
10:30 – 11:00 Regional Economic Development in Europe – Case Study West Midlands Mr Mark Schneider, West Midlands European Service				
11:00 – 11:15 Coffee Break				
11:15 – 11:45 Regional Innovation in Europe – Case Study Upper Austria Ms Sigrid Winkler, Programme Manager Danube Strategy and Innovation, Technology Agency Upper Austria (Linz)				
11:45 – 12:15 Regional economic development in Europe – Case Study Flemish Brabant Mr Thomas Jansen, Policy Officer Internationalisation, Directorate of Knowledge Economy Department of Economy, Province of Flemish Brabant				
12:15 – 14:00 Lunch				
14:00 - 14:20 Investment opportunities in Hubei Province Mr Chen Juan, Director, Commerce Department, Hubei				
14:20 – 14:40 Business Cooperation for Regional Innovation – Case Study Lazio Mr Carlo Rossi, Director Decentralised Cooperation, Region of Lazio				
14:40 – 15:00 Business Cooperation for Regional Innovation – Case Study Lower Silesia				
(Wroclaw) Ms Barbara Kaśnikowska, President, Wałbrzych Special Economic Zone (WSEZ)				
15:00 – 15:20 Business Cooperation for Regional Innovation – Case Study Ireland Mr Stephen Blair, Director, South Eastern Regional Assembly Ireland				
15:20 - 15:40 Tea break				
15:40 – 16:00 Commerce Dept. of Wuhan, Vice Chairman Liu Danping				
16:00 – 16:20 Commerce Dept. of Xiangyang, Vice Chairman Guo Jian				
16:20 – 16:40 Commerce Dept. Yichang, Vice Chairman Zheng Zhiwen				
16:40 – 17:00 East Lake Hi-tech Zone, Vice Director Zhang Quan				
17:00 – 17:20 Commerce dept. East-West District of Wuhan, Lu Yan				

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17:20 – 17:40 Asia-Africa Energy saving Corp. President Cui Haichao

17:40 – 18:00 Enshi City, Vice Mayor Mr Zhang Wei

18:00 - 19:00 Dinner

Accommodation in Wuhan

Hotel Wanda Realm Wuhan (http://www.wandahotels.com/publish/whwdjheng/index.html)

No.105 Donghu Road, Shuiguohu Street, Wuchang District, Wuhan, Phone: +86 27 5900 8888

Tuesday, 19 November 2013

09:00 - 12:00 Field visits in Wuhan East Lake High-Tech Industrial Park (http://en.wehdz.gov.cn/)

Companies to be visited:

Fiber Home International Technologies, www.fiberhomegroup.com Yangtze Optical Fibre and Cable Company (YOFC), www.yofc.com

12:00 - 12:30 Transfer to Wanda Hotel

12:30 - 13:30 Lunch

13:40 – 14:30 Transfer to the Airport

16:45 – 18:50 Flight to Beijing (CA1874)

Accommodation in Beijing

Hotel Crowne Plaza BEIJING WANGFUJING * * * * *

http://www.ihg.com/crowneplaza/hotels/us/en/beijing/pegwf/hoteldetail

No. 48 Wangfujing Avenue, Dongcheng District, Phone 00861059119999

Wednesday, 20 November 2013

09:30 – 12:00 Field visits in Beijing

Beijing Economic-Technological Development Area BDA (http://www.bda.gov.cn/cms/)

12:00 - 13:00 Joint Lunch at BDA

13:00 - 14:30 Transfer to NDRC

15:00 - 16:00 Meeting with Mr Fan Hengshan, General Director, NDRC

16:00 – 17:00 Transfer to Beijing Financial District (CBD)

17:00 – 18:00 Meeting with Mr Chen Haiwei, Chairman & CEO, Beijing Hong Jin Fortune Investment Fund Management (www.hjfamc.com)

18:30 Dinner

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Accommodation in Beijing

Hotel Crowne Plaza BEIJING WANGFUJING * * * * *

http://www.ihg.com/crowneplaza/hotels/us/en/beijing/pegwf/hoteldetail

No. 48 Wangfujing Avenue, Dongcheng District, Phone 00861059119999

Thursday, 21 November 2013

08:00 - 08:30 Transfer to Presidential Beijing Hotel

09:00 Participation at the Sub-Forum on "The Green and Inclusive City" (Simultaneous interpretation throughout the meeting)

Theme: The Green and Inclusive City – Creating an attractive city and promoting the harmonious co-existence of citizens and the natural environment.

09:00 - 09:20 Opening Session

Moderator: Mr Sun Anjun

Mr Qiu Baoxing, Vice Minister of MOHURD

Mr Ronal Hall, Principal Advisor, EU Commission for Regional and Urban Policy

Ramón Valcárcel Siso, President of the Committee of the Regions

09:20 - 9:45 The First Session: Towards a holistic approach to smart, green and inclusive growth in cities (including integrated economic development)

Moderator: Ye Qing, Secretary General of Ecological City Research Committee of Chinese Society for Urban Studies, President of Architecture Science Research Co Ltd in Shenzhen

Speakers:

Mayor of Suining

George Ferguson, Mayor of Bristol, United Kingdom

Mr Xu He, professor, School of Environment in Nankai University.

Piero Fossino, Mayor of Torino, Italy

Paul Bevan, Secretary-General of EUROCITIES

09:45 - 10:15 Discussion

10:15 - 10:45 The Second Session: Towards Sustainable and Inclusive Cities - new approaches (including technological development for the low carbon city)

Moderator: Bruno Rebelle, CEO at TRANSITIONS-DD

Speakers:

Mayor of Qingdao

Claus Bjørn Billehøj, Head of Division "Sustainable Urban Development", City of Copenhagen

Mr Wu Zhiqiang, Vice-President of Tongji University

Michael Geißler, CEO of the Energy Agency Berlin, Germany

Wu Shunze, Vice-President of Institute of Environmental Planning

Ian Short, Climate-KIC Governing Board member

10:45 - 11:15 Discussion

11:15 - 11:35 Tea-coffee Break

11:35 - 12:05 The Third Session: Developing an Integrated Approach to City Development (including urban planning and energy-efficiency).

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Moderator: Long Weiding, Director of Research Center of Architecture Energy-Saving and Energy-Planning at Tongii University

Speakers:

Mick Dunford, Professor at the University of Sussex, United Kingdom

Jiang Yi, Professor at Qinghua University

Anna-Kaisa Ikonen, Mayor of Tampere, Finland

Mr. Yang Xubin, Executive Director of Leye Shareholding Co., Ltd.

Andrew Richmond, Policy and Strategy Manager - Energy and Waste Development, Enterprise and Environment Directorate. Greater London Authority

Business representatives of China (Shijiazhuang)

12:05 - 12:35 Discussion

12:35 - 12:55 Closing Session

Leaders from Chinese and EU side make ending speeches. 10-min each

Ronald Hall, Principal Adviser European Commission, Regional and Urban Policy DG Vice Minister of the Ministry of Environmental Protection

13:00 - 14:00 Lunch Break

14:00 – 14:30 Transfer to the People's Hall and Security Check

Participation at the EU-China Urbanisation Partnership Forum

14:30 - 15:00 Opening Ceremony (30min)

Moderators:

Mr Xu Xianping, Vice-Chairman of NDRC

Mr Philipp Lowe, Director-General of DG Energy, European Commission

Opening remarks:

Xu Shaoshi, Chairman of NDRC (10min)

Guenther H. Oettinger, Energy Commissioner (10min)

15:00 - 15:25 High Level Dialogue: the Role of Central and Local governments in Urbanisation Moderator: Director-General XU Lin, Department of Development Planning, NDRC

Mr. Yang Weimin, Vice Minister, Office of the Central Leading Group on Financial and Economic Affairs, CPC (5min)

Mr. Ramón Valcárcel Siso, President of the Committee of the Regions (5min)

Mr. Zhou Qiren, Professor of Beijing University (5min)

Mr Hans-Joachim Wilms, Vice-President of the European Economic and Social Committee (5min)

15:25 - 16:05 City-to-City Networking and Exchange of Best Practices in Urbanisation (40min) Moderator: Steve Quartermain, Chief Planner for England and Wales

Mr Carsten Mogens Hansen, Minister of Housing, Rural and Urban Affairs of Denmark (5min)

Mr Al Baojun, Deputy Mayor of Shanghai city(5min)

Ms Elzbieta Bienkowska, Minister of Regional Development of Poland (5min)

Mr Huang Yangrong, Deputy Governor of Sichuan Province (5min)

Mr Piero Fassino, Mayor of Turin, Italy, President of the ANCI (5min)

Mr Xu Qin, Mayor of Shenzhen city (5min)

Ms Lena Malm, Lord Mayor of Gothenburg (5min)

16:05 - 16:20 Tea/Coffee Break (15min)

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16:20~16:50 Social Participation, the Power of the Enterprises in Urbanisation (30min)

Moderator: Mr Michele Pappalardo-FR China Development Bank (5min)

Mr Davide Cucino, EUCCC President (5min)

ENN GROUP: The Green Development of Urbanisation (5min)

Mr Gérard Magnin, Covenant of Mayors (5 min)

Beijing Capital Group: Innovation in the Management during the Urban Planning (5min)

16:50~17:20 Report of Sub-Fora: New trends in Urbanisation Development (30min)

Moderator: Mr Wang Yiming, Executive President of Academy of Macroeconomic Research, NDRC

Report by Representatives of the Chinese and European sides from the Innovative city Sub-Forum, Green city Sub-Forum, Smart city Sub-Forum, Cultural city Sub-Forum and Urban Mobility Sub-Forum (5 persons with 5min each)

17:20~17:30 Entrance of China and EU leaders to chair the Closing Ceremony

17:30~17:50 Closing Ceremony (20min)

Moderators of Closing Ceremony: Mr Xu Shaoshi, Chairman of NDRC Mr Johannes Hahn, Commissioner for Region, EU

High-level Deliverables Session

Representatives from pairing cities and regions under the China-EU Urbanisation Partnership signed cooperation agreements:

The launch of the EC-LINK ("Europe-China Eco-Cities Link") is announced

Joint Dinner of CETREGIO delegation

Accommodation in Beijing, Hotel Crowne Plaza BEIJING WANGFUJING * * * * * No. 48 Wangfujing Avenue, Dongcheng District, Phone 00861059119999

Friday, 22 November 2013

Field visit to Tianjin City and to TEDA (Binhai New Area)

Tianjin is one of four cities direct-controlled by the Central Government and the fourth largest in China (13 Mio. inhabitants). Tianjin City recorded 2012 China's highest per-capita GDP and has become the pilot city with the most industrial investment funds in China. Its pillar industries are electronic information technology, automotive, bio-tech and pharmaceuticals, metallurgy and petrochemicals industries. The new coastal area, consisting of Tianjin Port, Tianjin Economic and Technology Development Area (TEDA) and Tianjin Bonded area, has attracted numerous world-famous businesses.

Binhai New Area lies along the southeast coast of Tianjin. 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. The Binhai New Area is being developed into a gateway for northern China as well as a base of modern manufacturing and R&D transformation.

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07:45 - 08:00	Check-out (leaving luggage at the Hotel)		
08:00 - 08:15	Transfer to Hotel Regent – Picking up EU Commission		
08:15 – 09:15	Transfer to Beijing South Railway Station		
09:30 - 10:03	Train to Tianjin City (120km)		
10:15 – 11:00	Introduction at the Urban Development Centre of Tianjin		
11:00 – 12:00	Transfer to Tianjin Economic Technological Development Area (TEDA)		
12:00 – 13:00	Lunch		
13:00 – 14:30 Visit to TEDA Innovation Centre (http://www.tradeteda.org/en/), including the incubator and SMEs			
14:30 – 15:30 (<u>www.tjab.org</u>)	Visit to the Tianjin International Joint Academy of Biotechnology and Medicine		
15:30 – 16:30	Transfer to Tianjin City		
17:00 – 18:00	Meeting with Vice Mayor of Tianjin City.		
18:00 – 19:00	Dinner with Vice Mayor of Tianjin and further representatives of Tianjin		
19:00 – 19:20	Transfer of EU Commission delegates to Train Station		
19:30 – 20:03	Train C2068 from Tianjin at 19:30 in Beijing South		
CETREGIO delegates stay in Tianjin			

The Astor Hotel, 33 Taier Zhuang Road, Heping District, Tianjin, Phone: (86)(22) 2331 1688

Saturday, 23 November 2013

09:00 – 09:35 Transfer to Beijing (Fast Speed Train)

Transfer to the airport

Cultural Programme in Beijing (Great Wall)

20:00 Dinner in Beijing upon invitation of Sanming City. Mr Huan Lanchun, Director Beijing Office

Sunday, 24 November 2013

22:00

01:50 AM Flight Back to Paris (arriving at 05:40 AM on the same day)

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Summary of the working sessions

Sessions in Wuhan (Days 1 and 2)

The programme started with welcoming words by Mr Li Chungen from NDRC in Beijing. Mr Li referred to the long standing cooperation between NDRC and the DG REGIO within the EU-China Regional Policy Dialogue. He mentioned that approx. 200 Chinese officials have been involved in several training measures in China and Europe since 2010. Also a joint study comparing the regional policy realities in the European Union and China has been published. Mr Li expressed his gratitude to the European Commission and the European Parliament for making this work programme possible that aims at achieving mutual learning in a series of issues like regional and urban innovation, rural-urban balance and cross-border cooperation. He also underlined CETREGIO's objective of establishing and strengthening decentralised cooperation between regions and cities in cooperation with the business community.

Mr Ding Fanzhang, Vice-chairman of Hubei NDRC, mentioned the regional and urban development goals agreed during the 18th CCCP meeting in Beijing in November 2013. Chinese regions are willing to exchange experiences with European partners. He explained that Hubei province has a total population of 57.8 million inhabitants, 12 prefecture-level cities and a territory of 180.000 square kilometres. Mr Ding mentioned some economic features of Hubei province, the economic hub of central China. Hubei is crossed by the Yangtze River, offering huge development possibilities with western and eastern China. Regarding R&D, Hubei is the 3rd largest education hub of China, also in high-technology research. Mr Ding also introduced the regional development strategy that identifies several hubs and spokes building networks that are intercommunicated. He mentioned some urban-rural development projects within the Wuhan City Circle, including the Tschungo Industrial Park. Wuhan consists of three cities: Hankou, Hanyang, and Wuchang, which are located where the Han and Xunshi rivers join the Yangtze River.

Mr Stefan Unseld welcomed Chinese and European delegates on behalf of GIZ, the German Agency for International Cooperation that has been implementing the CETREGIO programme since 2011. Mr Unseld gave some information about GIZ experiences in China and mentioned that the China office located in Beijing could always be a key partner for cooperation projects with China.

Mr Pablo Gándara, Coordinator of the CETREGIO programme, introduced some key facts about the European integration, the EU Regional and Urban Policy as well the EU Innovation Policy. He also explained the programme's rationale, the main expectations for the workshop and introduced the European delegates.

Mr Sun Dazhong, Director of Regional Policy at Hubei NDRC, further introduced regional policy in Hubei Province, the 9th most prosperous of China (per capita GDP of 6.500 US\$). He stated that the province currently faces economic challenges since the international demand for industrial products has diminished. However, Hubei's largest challenge is reducing economic disparity within the province. Whereas Wuhan city has a per capita GDP of 13.000 US\$, the poor areas of the province have a value of 2.000 US\$. NDRC's "two circles-one belt" strategy

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focuses on the regional strengths of manufacturing, logistics and transportation in ten demonstration parks. Whereas three cities take the lead of the strategy (Wuhan, Xiangyang and Yichang), it is important to reduce competition among them by achieving smart specialisation. Therefore, the provincial government has developed a multi-layer governance system that is continuously monitored. Mr Sun also referred to external cooperation for regional development, mentioning projects with Russia, 6 provinces in the central area of China 4 provinces in the Yangtze River, a water conservation project with Beijing and Tianjin as well as poverty reduction projects in Hunan. With regard to regional innovation, Mr Sun stated that Hubei province is behind the national target for innovation of 2% (1.5% in 2013).

Discussions centred on specific policies towards tackling regional disparities, issues of migration from rural to urban areas (also to small cities), equal access to services and fiscal transfers within the province, regional policy governance (top-down and bottom-up approaches) and the financial setting of public investment.

Mr Mark Schneider from the West Midlands European Service (WMES) explained the regional features, having 2 large conurbations (Birmingham/Black County/ Wolverhampton/ Solihull/ Coventry) and North Staffordshire (Stoke). It has also rural areas to the West, North and South. The West Midlands were historically the centre of manufacturing (industrial revolution). Today, manufacturing is still important although reduced (employment: 1996 22%; 2012 11% (285,500 people). It has a GVA of £11.83 billion (2009) or 13.1% of West Midlands, higher than the national GVA. Mr Schneider explained the key economic areas including transport equipment, food, ceramics and aerospace. The region has a total population of 5.6 million (8.9% of UK), and Birmingham is the largest local authority with a population of 1.1 million. Mr Schneider explained that the total EU funding budget for the WM is approximately (2007-2013) of £770 million, including £400 million European Social Fund (ESF), £300 million European Regional Development Fund (ERDF) and £70 million European, Agricultural Fund for Rural Development (EAFRD). He explained the main differences in the UK for the 2014-20 period, including no Regional Development Agencies, national programmes with local priorities set locally (localism is the key) and with Local Enterprise Partnerships (LEPs) at the centre. Regarding cooperation with China, Mr Schneider stated that the WMES will organise a business fact-finding mission to China in the second quarter of 2014.

Ms Sigrid Winkler, Project Manager at the Technology Agency of Upper Austria (TMG), explained some basic facts about the region. Upper Austria is one of the wealthiest regions of Europe and has an unemployment rate of 4.7%. The region has highly qualified and motivated personnel, a strong industrial base (it is the leading Austrian region regarding technological export and patents), well balanced economic structure (mix branches & sizes). It is also a leading innovation region in Europe and its geographic position (In the heart of Europe) allows for efficient transport infrastructure. The region is also deeply integrated with Central and Eastern Europe. Ms Winkler explained the regional innovation strategy that concentrates resources on six focus areas: mechatronics, information and communications technology, life sciences, innovative materials, logistics and energy. The TMG is a think tank and coordinator of activities of the region of Upper Austria regarding economic growth, prosperity and the creation of new jobs. As such, it is in charge of developing the strategic economic and research

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programme INNOVATIVE UPPER AUSTRIA 2020, with more than 50 Mio € annually regional investments on innovation projects. Ms Winkler also referred to the Horizon 2020 programme and the great opportunities for collaboration on innovation with China. Dr Winkler also explained TMG's role within the EU Danube Strategy, as coordinator of the Working Group "Clusters of Excellence" to the new EU funding period 2014-2020.

Mr Thomas Jansen, in charge of internationalisation at the Department of Economy of the Provincial Government in Flemish Brabant, introduced the region located in Europe's most urbanised and populated area (227 million consumers within reach). He stated that Flemish Brabant is an ideal test market and a magnet to multinationals. It is also located very close to the EU headquarters and to 1000 other international institutions. The region is a logistics hub in Belgium with 500,000 tons of air freight and more than 270,000 tons transit cargo by road (direct flights between Brussels and Beijing). Conmpanies are mostrly specialised in pharmaceuticals, perishables and automotive. Mr Jansen introduced the main innovation clusters of smart logistics (multimodal transportation, intelligent supply chain management, intelligent transportation), life sciences (red biotech, additive manufacturing, medical devices, functional food and nanoelectronics) and cleantech (smart building, materials, e-mobility and grids and renewable energy). The Cleantech cluster is a cross-border cooperation with Dutch and German regions. Mr Jansen also introduced the bilateral cooperation between Chengdu City and the Province of Flemish – Brabant that focuses on the above mentioned clusters.

Mr Chen Juan, Director of the Commerce Department in Hubei, focused his speech on the investment chances for European companies in Hubei Province and in regional innovation. There are 200 universities, more than 1.3 million students and around 180.000 researchers. The region is a role model for reducing red-tape. He stated that the EU is the destination for 16% of Hubei's exports (2012) and that companies from Hubei have invested over 1 billion Euros in European Union countries. Until October 2013, European companies have invested 3 billion US\$ in Hubei Province.

Mr Carlo Rossi, Director for Decentralised Cooperation at the Region of Lazio, introduced some basic facts about the Lazio region, one of the most developed of Italy and Europe. With regard to innovation, Lazio is home to most of Italy's public research institutes (23% of the country's researchers work here). One of the Lazio Region's major strengths is represented by its network of industrial districts and local production systems. Lazio Region manages EU structural funds and is directly and indirectly involved in numerous European projects. The Regional Operational Programme 2007-2013 has a budget of € 743.5 million and is mainly focused on research, innovation and strengthening the productive base.

Ms Barbara Kasinikowska, CEO of the Walbrzych Special Economic Zone in Lower Silesia (Poland), introduced the economic situation of Poland and the major investments from China. Main sectors of investments are electronics, industrial machinery, renewable energy, automotive, chemical industry, packaging and IT. The forms of investment are renting / buying of production floor, acquisitions of existing companies and outsourcing of services (practically no greenfield investments). She mentioned other areas of interest of Chinese companies like power engineering (participation in tenders for the construction of power station: CNEEC, Shanghai Electric, Guodian), Environment (desulphurization in Turow – participation of SPC Beijing) and

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infrastructure (Sinohydro – has participated in the tender for the renewal of the Odra River banks). Ms Kasinikowska stated that the total value of Chinese investment in Poland is approx. US\$ 328 Mio (2010) and that 509 companies have Chinese capital (85% of them are microcompanies with up to 9 employees). The biggest Chinese investment was a steal plant purchase by Liugong in 2012 (US\$ 100 Mio). The Walbrzych Special Economic Zone offers preferential conditions for business until 2026. Entrepreneurs operating in the zone are entitled to receive public aid in form of income tax exemption. Ms Kasinikowska stated that the WSEZ "INVEST-PARK" is the biggest in Poland, consisting of 41 subzones, located in 4 Provinces, located at the heart of Europe, directly at the German and Czech borders. Since 1997, 60 companies have invested 5.3 billion US\$ creating 34.500 direct jobs. Ms Kasinikowska encouraged Chinese companies to invest in the WSEZ since 860 ha of investment grounds are still available.

Mr Stephen Blair, Director of the Southern & Eastern (S&E) Regional Assembly in Ireland, explained the country's macroeconomic situation of the last two decades. Until 2007, the so called 'Celtic Tiger' achieved real growth rates of nearly 6%, very high for European countries. Due to the deep recession that began in 2008, real GDP declined by 9% from peak values and unemployment rose from 4% to 14%. The public sector was forced to inject money into the Irish banking system. As a consequence, national debt increased from 20 per cent of GDP in 2007 to 84 per cent of GDP in 2012, and the general government debt increased from 25 per cent of GDP in 2007 to 117 per cent of GDP in 2012. He mentioned that a modest recovery in GDP growth of 1.4% in 2011 and 0.9% in 2012 was recorded. Total exports grew by 2.9% in 2012 to reach their highest level ever, providing Ireland with a positive trading balance. Mr Blair mentioned that Ireland has shown its economic resilience and despite the recession remains around 30% above the EU average GDP per capita. It remains one of world's most globalised economies. Mr Blair explained the importance of FDI for the country's economy, especially in knowledge intensive activities. Many of the world's largest technology companies have chosen Ireland as their European HQ's and much of their global R&D work is conducted there. Ireland has a number of clusters of international scale, including a major ICT cluster around Dublin, a Pharmaceutical cluster around Cork and a Medical Devices cluster around Galway. The southeastern region covers 75% of the Irish population. It is the powerhouse of national economy and has a GDP figure of 144% of EU average. Mr Blair encouraged Chinese companies to invest in knowledge and innovation activities, since the region has very good rankings on Innovation, Business Sophistication and Technological Readiness.

Mr Blair's speech was followed by the Vice-Chairman of Wuhan's Commerce Department, Mr Liu Danping. Mr Liu explained that the EU is one of the main trade partners of Wuhan enterprises. By the end of October 2013, there were 595 EU companies in Wuhan with a total investment of US\$ 9.02 billion. 47 EU Fortune Global 500 companies have invested in Wuhan. By the end of October 2013, the import-export volume between Wuhan and EU has totalled US\$ 3.715 billion. The import amounts to USD 1.629 billion while export is USD 2.086 billion. Wuhan City has a leading position in the industries of automotive, equipment manufacturing, electronic information, energy and environment protection, food processing, iron and steel, bio-medicals and petro-chemicals. Mr Liu stated that Wuhan is also called The Optics Valley of China since it is a State-level Independent Innovation Demonstration Area (along with Zhongguancun in Beijing). Wuhan occupies an important place in the world's optoelectronic information industry.

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Its optical fibers, optical cables, and optoelectronic devices take up 25% of the global market share. With regard to transportation, Wuhan has eight national trunk railways and 14 expressways. The city also opened an Asia-Europe freight train which travels along the route of Wuhan-Xinjiang-Europe. Wuhan New Port is the biggest inland port, with the capacity of 100 million tons (2012). Mr Liu stated that 195 among Fortune Global 500 have invested in Wuhan. With regard to innovation, he mentioned that by 2016, Wuhan shall build itself into a first-class national innovation centre, promoting 10 key projects to enhance its independent innovation capability. Mr Liu explained some investment incentive policies for innovative industries. He proposed that EU and Wuhan enhance cooperation in the following aspects: economic and trade cooperation (achieve win-win results by further opening markets and promoting mutual investment), enterprise cooperation (encouraging effective mergers), and cooperation on education and science (promoting youth exchanges between Europe and Wuhan and provide convenience for tourist visa processing).

Ms Guo Jian, Vice Chairman at the Commerce Department of Xiangyang, introduced her city, the second largest of the province. Xiangyang has a population of 6 million inhabitants and is located in the heart of three central provinces with the densest population in China. The economy covers a population of 30 million, a big consumer market. Xiangyang is a city with characteristic industries and a complete industrial system. It main cluster is the automobile industry, one of the largest in China (with French investments of the companies Peugeot and Citroen). The cluster includes over 200 manufacturing enterprises with more than 70.000 employees. Ms Guo stated that Xiangyang is one of China's leading cities on energy saving and renewable energy vehicles. She also explained the innovation activities of the automobile industry and the technological achievements (e.g., over 5.000 patents). Ms Guo also introduced the aviation industry plan as well as Xiangyang's Economic and Technology Development Zone. She encouraged European delegates to start bilateral cooperation on innovation activities through twinning and training measures.

A further presentation was held by Mr Zhang Wei, Vice Mayor of Enshi City. Mr Zhang explained that the city's population is 3.8 million inhabitants. Enshi is also the only part of Hubei which has been included in the Chinese government's Western development programme and over the next 5 – 10 years will receive about 50 billion RMB for regional development matters. Mr Wei introduced the very convenient traffic conditions as well as water, electricity, roads and infrastructure facilities. With regard to innovation, Mr Wei mentioned the Dragon and Phoenix Industrial Parks, located in the city's low-carbon dragon district, covering an area of about 1.800 hectares. The park offers special conditions for investments including tax exemption. He especially promoted cooperation with the European regions attending the conference on the areas of innovation & research (East Lake Park to be developed) and tourism.

European and Chinese delegates also discussed with representatives from companies and further Chinese cities of Hubei province. The next day, European delegates visited the Wuhan East Lake High-Tech Development Zone (ELHTZ). ELHTZ is China's largest production centre for optical-electronic products with key players like Changfei Fiber-optical Cables (the largest fibre-optical cable maker in China), Fenghuo Telecommunications and Wuhan Research Institute of Post and Telecommunications (the largest research institute in optical

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telecommunications in China). Wuhan ELHTZ also represents the development centre for China's laser industry with key players such as HUST Technologies and Chutian Laser being based in the zone ((http://en.wehdz.gov.cn/).

Experts also visited FiberHome Technologies Group, a major provider of optical fibre communications, data networking communications, wireless communications and smart applications. Ms Jenny Zhang, Vice-President, explained that FiberHome is also well-known as the cradle of optical communication technology in China, and is a State Key Laboratory of Optical Communication Technologies and Networks as well as National Engineering Research Center of Fiber Optical Communication Technology. The company has won several innovation awards. Ms Zhang showed European experts the production site and discussed about several issues of innovation and cooperation.

European experts also visited the production site of Yangtze Optical Fibre and Cable Company Ltd. (YOFC), a joint venture between two Chinese partners and Draka Comteq, a major optical fibre and cable producer from the Netherlands. Mr Wang Shajing, Vice Chairman of the company, explained that YOFC is the largest R&D, fibre, cable and equipment manufactures in the optical communications industry worldwide (www.yofc.com). He also guided the European experts through the production site and explained the cooperation with Europe as well as the support of the regional government for innovation issues.

Sessions in Beijing (Days 3 and 4)

In Beijing, European delegates firstly visited the Beijing Economic-Technological Development Area (E-TOWN). Located in the southeast of Beijing, BDA covers an area of 46.8 square km. Up to the present, the total investment of foreign companies at BDA exceeds USS 20 billion. Mr Li Xu, Director of the local DRC, explained that there is a large cluster of high and new-tech enterprises at BDA, including Nokia, Mercedes Benz, GE and Bosch Rexroth. BDA includes six industrial parks: China New Media Industrial Park, Biopharmaceutical Industrial Park, New Energy and Automobiles Industrial Park, Manufacturing-Oriented Services Industrial Park, Military and Civilian Industrial Park, and New Airport Industrial Park. Committed to scientific development and innovation, Beijing E-TOWN has attracted more than 4,672 enterprises, 75 of which are Fortune 500 companies. Mr Yanping Wang, Director of the International Relations Department, explained that BDA produces more than 50% of industry output in Beijing and is the economic centre and offers special investment support for technologic research and innovation projects. He also explained to the European experts the principles of low energy consumption, less discharge and recycling. He stated that constant efforts have been made to build up a resource-conserving and eco-friendly development area.

Mr Li Xu accompanied European delegates to field visits to two Chinese companies operating at the BDA. The first company was Beijing Tongyizhong Specialty Fiber Technology & Development Co. Ltd., a high-tech enterprise which specializes in R&D, production and sale of Ultra High Molecular Weight Polyethylene (UHMWPE) fibre and fibre composites. TYZ has its own complete intellectual property rights for key technologies. It has filled over 30 patent applications; among them 14 inventive patents have been authorized, including 1 European

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patent and 1 Korean patent. These inventive patents covered all the technological areas of UHMWPE. Products include safeguard articles, protective gloves and high density ropes (www.bjtyz.com/en).

The second company visited by the European experts was Youcare, a pharmaceutical company (http://english.youcareyk.com/). The enterprise integrates science, industry and trade. It takes medical research and development as core, makes self-made brands as main, and operates raw material medicines, western and Chinese medicines, health care products, medical equipment and contraceptives. The group was founded in 1988 initially and registered in Beijing in 2001. Ms Linda Bai, General Manager, explained that Youcare Pharmaceutical Group has established 13 subsidiary companies at home including 1 research institute, 4 GMP standard pharmaceutical factories, 8 medical logistics companies, about 30 offices in several provinces and liaison offices abroad to form an open development structure integrated with research, manufacture, supply and sale. Mr Cheng He, Vice General Manger, explained the cooperation with European companies and expressed his interest in developing research and innovation projects with European life sciences clusters.

In the afternoon, European delegates met Mr Fan Hengshan, Director General at NDRC in Beijing. Mr Fan underlined the importance of cooperation on regional development issues with the EU. NDRC Beijing encourages the exchange of direct experiences between Chinese and European regions. Mr Fan offered the support of the Central Government when programming activities in the Chinese regions. European experts explained their experiences in Hubei and Beijing and discussed ideas for future cooperation in areas like smart specialisation, triple-helix cooperation for innovation, SMEs exchanges and business potentials, integrating R&D in regional development plans, measures against urban traffic & pollution, waste recycling, water access, rural-urban balance and management of cultural heritage. European participants expressed their commitment to cooperating with China through the signature of a multi-party declaration with one or several Chinese regions.

On the evening, Chinese delegates visited the company Beijing Hong Jin Fortune Investment, an equity investment and venture capital company (http://www.hjfamc.com/Html/main.asp). Mr Chen Haiwei, Chairman & CEO, explained the major equity investment projects in Europe and expressed his interests in further cooperating with the European regions represented in the delegation. Mr Chen's company capitalise and commercialise Chinese state-owned enterprises. For European companies, Hong Jin Fortune Investment offers access to the Chinese financial market as well as support for market access.

The next day, European delegates participated at the EU-China Urbanisation Forum. For a summary of the sessions, please refer to the event's website (www.ceuc.org.cn/en).

Sessions in Tianjin

The last of the seminar was devoted to field visits in Tianjin city. Tianjin is one of four cities directly controlled by the Central Government and the fourth largest in China (13 Mio. inhabitants). Tianjin City recorded 2012 China's highest per-capita GDP and has become the pilot city with the most industrial investment funds in China. Its pillar industries are electronic

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information technology, automotive, bio-tech and pharmaceuticals, metallurgy and petrochemicals industries. The new coastal area, consisting of Tianjin Port, Tianjin Economic and Technology Development Area (TEDA) and Tianjin Bonded area, has attracted numerous world-famous businesses.

The visit started with meetings at TEDA. TEDA is located at the centre of Bohai Economic Ring. It is connected with Beijing (130km) and Tianjin downtown (40km) through Beijing-Tianjin-Tanggu expressway and high-speed-railway, and with Tianjin downtown through other expressways. Mr Lang Dong, Vice-Chairman, explained that TEDA is the country's largest economic and technological development zone with the fastest developing speed. It has ranked nationwide first best investment area for the fifteenth consecutive year. Mr Lang also stated that TEDA's output value for 2013 was estimated at 850 billion RMB (approx. 100 billion €) and the fiscal revenue was expected to reach 52 billion RMB (7 billion €). He explained that TEDA has 13 business incubators with 500 start-up companies. The area hosts over 3.700 high tech SMEs that have applied for 1.300 patents. Working population at TEDA reaches 510.000 persons. In 2012, TEDA's trade exchange with European countries reached 5 billion US\$ and investments from European companies reached 4 billion Euros, especially in the areas if biotechnology, automotive and petrochemical. Mr Long expressed his commitment with further strengthening cooperation with Europe, especially in areas of low-carbon growth. Discussions with European representatives focused about challenges for TEDA including labour costs, improving capital intensity and investments' efficiency, improving traffic congestion, availability of qualified labour, industry upgrading, energy costs and land-use regulations.

At TEDA European delegates also attended a presentation by Mr Xu Yufeng, Head of the Department for Energy Conservation. Mr Xu introduced the TEDA Eco-Centre that promotes technical innovation, application and spreading of low-carbon economy. The centre supports projects developing low-carbon technology and providing consultation service. The centre has become a pilot demonstration area of China's exchange of low-carbon economy development with the world. It cooperates with European countries through EU projects like SWITCH-ASIA, the EU-China Environmental Governance Project and the project Implementing Industrial Symbiosis and Environmental Management Systems in TBNA. Also bilateral ventures with France and Sweden were introduced. The TEDA Eco-Centre has 4 major service areas, namely infrastructure, building energy conservation, industrial energy conservation and circular economy. More than 40 business match-making events had been organized, involving more than 2.000 participants.

European and Chinese delegates agreed on an agenda for future cooperation including research and innovation (special interest of Roma Ricerche), cooperation on automotive technologies (special interest of TMG from Austria), investment promotion in Europe (all delegates) and pilot projects on joint innovation programmes. European delegates then visited Tianjin's International Joint Academy of Biomedicine.

They then had a meeting with Mr Cui Jindu, Executive Vice Mayor of Tianjin and further representatives of the City Government (including the NDRC Chairman Mr Zhang Ziqiang and Director Mr An Limin).

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Composition of the delegation

Delegates from Europe participating at the China-EU Training in Regional Policy Wuhan - Beijing - Tianjin from 15 to 24 November 2013 Position Ν° Name Country Institution South Eastern Regional **Director General** 1 Mr Stephen Blair Ireland Assembly Energy Technology Centre, CEO Mr Rainhart 2 University of Applied Sciences Germany Schwaiberger Landshut **Deputy Director** Mr Markus Bavarian State Chancellery, EU 3 Germany Theuersbacher Policy and International Relations CEO Ms Barbara Walbrzych Special Economic 4 Poland Kasinikowska Zone Policy Officer Mr Thomas Province of Flemish Brabant, 5 Jansen (only in Belgium Department of Economy Wuhan) Manager United 6 Mr Mark Schneider West Midlands European Service Kingdom General Director United Shropshire Council, Economic 7 Mr Andrew Evans Kingdom Growth Regional Government of Lazio, General Director 8 Mr Carlo Rossi Italy **Decentralised Cooperation** Technology Agency Upper Programme Austria, Danube Strategy and 9 Mr Sigrid Winkler Austria Manager Innovation General Director Vitoria-Gasteiz City Council, 10 Mr Iñigo Bilbao Spain Strategic Programmes Director Mr José Ignacio Vitoria-Gasteiz City Council, 11 Arriba (not in Spain **Energy Agency** Wuhan) General Director Mr Pascualino 12 Fiorentino (not in Italy Research Consortium Rome Wuhan) Backstopping 13 Mr Stefan Unseld Germany GIZ (International Services) Coordinator Programme Mr Pablo Gándara Coordinator 14 Germany GIZ, CETREGIO Project Assistant 15 Mr Xin Shi China GIZ, CETREGIO

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Pictures Gallery



Workshop in Wuhan



Workshop in Wuhan



Visit to the production site of Fiberhome, Wuhan



Visit of a company at E-Town, Beijing



Field visit to the Beijing E-Town – Economic Technological Development Area

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Visit of the Pharmaceutical Company Youcare, Beijing E-Town



Meeting with Venture Capital Company in Beijing



Participation at the EU-China Urbanisation Partnership Forum



Modell introduction at Tianjin Urban Development Centre



Participation at the EU-China Urbanisation Partnership Forum



Meeting with the Executive Mayor of Tianjin

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