COTER Seminar
The Outermost Regions: an opportunity for Europe. Test Stations for Innovative Projects

Outermost Regions: Sentinels of Europe?

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Outermost Regions (OR), Success Stories or Vulnerable Economies?

- When we look at the framework into which OR evolve:
  - **Risk**: natural, geopolitics,
  - **Constraints**: size, location, space, remotes from core
  - **Pressure**: population on a small area
  - **Challenges in the future**:
    - new paradigms and the end of some safety net: the road to globalization
    - Asymmetric Economic chocks: OR are small open economies and share the same challenges as Small Island States. Vulnerability with regard to some trade agreements
    - Risks and Systemic Constraints: small is beautiful but also fragile and bad habits

- We can see OR like success stories... but are **these processes eternal or non-sustainable**? Let’s take the showcase of La Reunion
The puzzle case of La Reunion: 50 years of Great Transformation
Charts of the Success Story

- **Public expenditures (M€)**
  - Source: INSEE - Comptes économiques et Tableau Économique de La Réunion

- **Electricité dans le logement**
  - Source: INSEE - Recensements de la population

- **Natalité et Mortalité**
  - Source: INSEE / Recensements généraux de la population

- **GDP per capita (euros)**
  - Source: INSEE - Comptes économiques et Tableau Économique de La Réunion

- **% of national GDP**
  - Source: INSEE - Recensements de la population

- **Maritime freight (k Tons)**
  - Source: Douanes
A great transformation or an ambiguous convergence based on a vulnerable process?
A vulnerable & non sustainable process

- Evolution of imports and exports in € million
  - Source: INSEE - Comptes économiques

- Petroleum products imports (T)
  - Source: Customs

- Energy dependency (%)
  - Source: Customs
From dependency to vulnerability

The metabolism of Reunion is sustained by imported flows Energy

- Matter
- Money

Which support the growth of its population and economy...

... and in the same time

worsens our dependence regarding to these flows
We are at a turning point

Growth drivers...

Demography
Energy & material flows
Public funding
Import - substitution

Limited carrying capacity
Global ecological crisis
European economic crisis
Market saturation

High density
Peak all
Austerity measures
Free-trade agreements

...Are Major Threats
Beyond 2020
New challenges, opportunities & ambition!

• WE HAVE TO CHANGE
  • To project our lands in the middle of this century
  • To face the new challenges: next cohesion policy and new paradigms: climate change; health; digital era
    • To Turn constraints into opportunities:
      • BUT HOW?
A solution: THE Paradigm shift
A solution: changing representations

The current crisis stems from the transposition of the Fordist model, a standard unsuitable for a small island:

- Dependent economies of scale, it turns our physical characteristics into handicaps
- Based on fossil energies, it ignores the ecological inscription and impact of economic activities
- Focused on GDP, it ignores the high social value activities
A solution : Pursuing and Deepening the RIS3

How to change the mindset ?

• Zero Absolute Advantage is not a fatality ! : « impossible is just a word and not a fact »
• Pursuing and Deepening the RIS3 = A « Master Transformation Plan »
  • to build a resilient territory in reducing dependency and vulnerability through innovations
  • to prioritize and to concentrate the scare resources on a selected number of sectors i-e Strategic Business Units allowing to set up new activities to build competitive advantages
• Becoming « THE territory of »
The "Tree of Life" - 3 priorities

Transforming La Réunion

- Innovative diagnostics and therapeutics
- Improved well-being
- Risk and disease prevention

**Energy**
- Renewable energies
- Eco building
- Small and smart grids

**Territorial Innovation**
- Open innovation
- Smart Cities

**Digital**
- E-Health
- E-tourism
- E-learning

**Health**
- Health

**Tropical Bio-economy**
- Marine biodiversity
- Tropical agroecology
- Extracting active ingredients

**Cultural tourism**

**Experiential eco-tourism**

**Wellness Tourism**

**Nature tourism**

Supporting innovative projects
Weaving relations to generate ideas and projects

Feeding the desire to innovate

Challenges:
- Health
- Environmental
- Energy
- Economic
- Social

Resources:
- Youth
- Talents
- Infrastructure
- Capacities for research and innovation
- Productive fabric
- Natural heritage
- Biodiversity
- Exclusive economic zone

Opportunities:
- Digital revolution
- Energy transition
- Collaborative economy
- Natural heritage
- Development of Indian Ocean area
Tropical bioeconomy

- Ecological conservation/restoration
- Tropical agro-ecology
- Marine biodiversity
- Biodiversity extracts: solutions for health
- Digital and health
A Platform for Energy Transition
In isolated and remote areas

- Tropical constructions and global efficiency
- Renewable energy
- Smart grids
- Circular economy
- Transports and EV
How Reunion Island drives energy transition?

- **Two goals**: Electricity transition (2030) and Energy Transition (? Transport)
- **OP-2014-2020 aim** to boost the production of RE, to increase the energy efficiency, production (firms and social households), develop the use of public transports. But new context implies bigger ambition
- EU energy policy and France new ambitions imply new targets are implemented to:
  - Increase all tools producing and distributing RE: Swac, Biomass, Biogaz, and solar-autogrids
  - Support energy efficiency based on: solar water and inclusive households policies, LED public lights, energy efficiency for economic sectors, development of EV using RE
  - Boost the sustainable mobility: cable, soft, stations
  - Support investment in R&D and innovative projects using new tools
  - Mobilize the Task Force to focus & unlock some key points to allow more consistency energy policies at the different levels and to speed up the implementation of the decisions and investments
Conclusions
Outermost Regions,
The « Sentinels» of Europe !

✓ C. CRETU (12/4/18, Lux) : “no Region is immune from today’s and tomorrow’s challenge”

✓ So, building resilience is not a choice but a unambiguous goal for OR

✓ WHY NOT ? : based on local assets (location, biodiversity, maritime area) to anticipate global challenges to develop solutions for a post-fordist era towards small territory and the emerging World

✓ Change our mindset : OR are lands of investments and opportunities and not only of spending

✓ OR = The Real Frontier of Europe for several issues and to provide smart solutions to face : disease challenges, ecological transition, energy solutions to tackle climate change, downsizing models built for big area, waste management in circular processes, societal challenge in area under social pressure

✓ OR = sentinels platform of the Odyssey into the future
Thank you for your attention!