



**European Committee
of the Regions**

PRESIDENT SPEECH

**"INVESTING IN EUROPE: BUILDING A COALITION OF SMART CITIES AND REGIONS TOWARD A
THIRD INDUSTRIAL REVOLUTION"**

7 FEBRUARY 2017, 10.00-10.45

Dear Vice-President Šefčovič, Dear Director-General Lemaitre, Dear Professor Rifkin, Dear colleagues, ladies and gentlemen,

This event – how to deliver a smart sustainable Europe - comes during unprecedented times. Though we are seeing disruptive politics, this does not mean we throw our values and achievements overboard. Building walls won't stop us breathing the same air.

Being open for extended collaboration and speeding up new innovative solutions is what today's event is all about. This was launched during our Bratislava Summit last July to invest to connect Europe's people, places and resources. Sustainable growth in Europe with its regions and cities is our Committee's number one priority.

It is clear that we need to radically change our thinking. As an example, the EU needs to support the energy and digital revolution in a much broader and deeper way. Cities and regions need to embrace new technologies, cooperate across borders and support the entrepreneurial spirit throughout the whole energy sector and beyond.

We need to invest smart, think green and be innovative. I come from Finland, we already have several apps to support citizen driven activities such as showing house-

buyers the energy efficiency of the property or how many years it takes to cover the costs of installing solar panels in your roof.

Today we will see examples that demonstrate the only way to build a smart sustainable economy is from the bottom-up. Every place is unique and we must develop our own vision and above all make detailed action plans working in partnerships both locally, regionally and on EU level.

These action plans – strongly related to implementing the Global Covenant of Mayors for Climate and Energy – need to be shared across all levels of government. The EU is criticised for introducing rules that slow regional development. Yet we have clear statements that the European Commission is focused on better regulation. But if we take the Winter Package published two months ago the emphasis is on energy efficiency. If we are to make the energy union work, it will set us in the direction for a low carbon economy.

To move ahead, regions and cities need money. In my home city Espoo we have a contract with the largest Scandinavian energy company to make my city a forerunner in co-creating innovative energy solutions with all other actors including citizens and businesses. Investment levels in Europe have dropped by 15% over the last decade – in Espoo with our metro growth corridor we show what is needed to get back on track is public-private investment .

The EU is trying to soften the blow: today one third of the entire EU budget is for cohesion policy. The European Investment Plan for Europe showed its usefulness – it has triggered €164 billion in its first 18 months. The EFSI does offer new investment opportunities through private money but it is not addressing regional inequality. Cohesion can counteract this problem but it needs to be stronger and it needs to work in synergy with the EFSI: I count on the support of our Commission collaborators to make this happen.

The EU needs to provide innovative instruments that work in regions and cities. Our Committee and the European Commission have a joint action plan which will transform Europe's energy system through innovation. Governments and industry at

all levels have a shared responsibility to deliver and it needs local and regional leaders to become pioneers.

Local level investment is not just about transport and other infrastructure projects. It is about investing in education and research; in smart energy and housing, social and health facilities; in supporting start-ups and scaling-up.

Conclusion

The Brexit and other events of last months is a wake-up call for everyone who believes in EU project. Everything what we do must be measured by a simple criterion: will it benefit the lives of citizens? The projects presented today by our local and regional pioneers were delivered with this objective: to serve the communities and their citizens.

This is why I'd like to thank the Commissioner Šefčovič for his recognition that the energy union will only be delivered with the support of local and regional level. He declared 2017 as the year of implementation which I fully endorse. For this, we call the pioneering cities and regions to innovate and implement new smart city solutions. We need joint action plans on flexible energy systems including sustainable mobility, investments in renewables, more energy efficiency in buildings and industry – with consumers are the centre of all activities.

Delivery, delivery, delivery: this is why I'm here on the day the Maastricht Treaty was signed 25 years ago. The day our Committee was officially borne as for me celebrations are nothing without concrete action.

Thank you for attention!

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