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AUTHORITIES"

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I am here not only because I love Greece but because Stavros Lambrinidis said it was important to be today with you. I come from Poland. And we, like you, just had elections at local and regional level. We have decentralised the state back in 1990, when the big transition to democracy and market economy began. And it was the most important reform of democratic Poland. But real decentralisation and empowerment of local and regional authorities occurred when we joined the EU in 2004, and local and regional level of governance started to benefit from EU regional policy. This allowed elected authorities to fully exploit their competences, design their own development strategies and implement them with the support of EU. This gave them also the comfort of ownership and the feeling of responsibility.

Today in Europe more than 2/3 of public investment is planned and executed at subnational - regional and local level. This is both an opportunity to take into account territorial specificities in creating jobs and mobilizing local and regional development potential and this is a huge responsibility acquired by local and regional authorities.

We have sufficient experience in the EU to say with full responsibility that local and regional level interventions are decisive for dynamism and change, for promoting creativity and innovation, for job creation, for energy efficiency, for bringing different actors together. In Greece, in the current context of crisis, there is clearly a need to seek actively new development opportunities at local and regional level.

Also, you know it very well, citizens expect from authorities who are around the corner effective local actions in response to their concerns. And the Greeks have many concerns today. Subnational levels of governance become increasingly relevant for public interventions. This has been reflected already for quite some time in growing size of public investment at local level that I mentioned.

You, elected authorities of 13 regions or as you say peripheriarch and 325 municipalities face now both the pleasure of and the responsibility for finding the solutions to many challenges Greece is facing today and will face tomorrow. I know you are overwhelmed by the problems of today but your duty is to link what you will be doing today with your plans for tomorrow. It is crucial to be future oriented and think long term, have - as Stavros said - a vision and a plan.

Greece is getting out of the crisis; it has to get through major and painful reforms of the state, of the public sector and of the economy. And, there is no doubt, the world and EU are looking at Greece today. But I am convinced that if you do what you have committed yourselves to do, the reward will come. The reforms will reduce the risk of any future crisis, will make Greece more resilient. It pays to have them introduced now.

But Greece needs not only a fiscal consolidation. It needs growth and new jobs, it has to build a competitive economy, it has to increase the productivity of its industries. The world is changing. Big emerging economies, increasingly assertive, generate competitive conditions in the world markets. Greece also

must face this challenge. But growth will not happen unless regions and municipalities take on their part of responsibility.

I visited most of your "periferiarchs", I have seen Peloponese in fire and dying olive trees. I know that each of "periferiarch" is different. But each of them has not only its problems, each has also a potential. You must focus on it now.

Commissioner Johannes Hahn spoke about the European regional policy that is at your disposal to help you do your responsibilities as local and regional authorities. As Chair of the Committee on Regional Development in the European Parliament, I am here to encourage you to use fully opportunities offered by Europe through the structural funds support. I am here to tell you that also European Parliament is prepared to support you in your efforts as newly elected authorities. But I am also here as a citizen of Poland and would like to encourage you to look at the experience of Polish regions. They have taken out from the central government a substantial part of responsibilities for their development. They are also responsible for the preparation and implementation of their operational programs investing money from European Regional Development Fund and European Social Fund.

When Poland joined the Union, first we had centrally messaged regional integrated program where regions were intermediate bodies. For the current period, 2007-2013, regions have their own operational programs, for which they are managing authorities taking full responsibility for their implementation and contributing to growth in Poland. And it works.

And I can tell you that in this year elections those mayors and presidents of the regions who have good record in investing European structural funds won. People have voted their efforts and awarded them.

Polish regions have developed the feeling of ownership and responsibility for their development. I do not see why in Greece the regions shouldn't develop the same approach and responsibilities.

Greece has started the current edition of regional policy, 2007-2013, with a delay due also to the fact that many programs and projects from the previous period have been prolonged. Your challenge now is to accelerate the implementation of the program 2007-2013. I see it as extremely good news that significant amount of expenditure will be reimbursed by the Commission by the end of this year. This means that regional policy related investment is already contributing to growth and employment in Greece.

It is also a good news that European Investment Bank has agreed with the government to invest in Greece additional 2 bln euro which can be used to co-finance regional policy projects. I hope it will be used fully.

But as I said before you must focus on future, develop your strategies based on your territorial specifics. I see as your duty now - the preparation for the future edition of regional policy, after 2013.

I believe you will need to further refocus your priorities on investment that can raise productivity of your industries, investment that can modernise your private sector, in particular small and medium size companies.

I know that even though most of your big infrastructure is already in place, you can still identify transportation challenges, especially with regard to islands. I am sure the European Commission will be discussing those issues with your government and yourselves when negotiating contracts for new operational programs for the period after 2013.

But your focus in my view should be modernisation of your regional and local economies that would deliver sustainable growth. So, look again at your development strategies, review this from this point of view. Do they create growth potential?

I am sure you will agree with me that you have to move now towards supporting entrepreneurship based on innovation. And I know that Greek

small and medium size companies can become more competitive because I have seen many examples, also in the poorest regions.

If we work together, European Commission with strong support coming from us, parliamentarians, your government and you, authorities at the level of regions and municipalities, if we work together, with a view to generate growth, raise employment and incomes, and if the tax evasion goes down, then Greece will be able to pay its debt and enter the path of stability and growth.

We, the European institutions, can help, but the major responsibility is with you, national, local and regional authorities. Use the European funding wisely on what will contribute to growth and sustainable employment and income that would ensure tax revenues. If you make this effort, the results will come. Again my home country is a living proof of it.

You are elected. Your voters expect from you a lot but I am sure you can respond to their expectations and win the next election if you use the opportunities generated by EU funding. There is European Commission to help. There is a lot of good practices around in Europe. I hope you have already started developing the feeling of ownership and of responsibility for what citizens expect from you.

I understand that "kallikratis" law does not explain precisely your role in the implementation of European regional policy but I trust that you will gradually develop the capacity and responsibility in this area, and that you will be trusted by your government to take over part of its responsibilities.

We, in the European Parliament are prepared to assist you, but first of all, we encourage you not to lose the opportunity that the current financial period is offering to Greek regions and municipalities.

Do not miss this opportunity, invest EU funding in modernising your enterprises, in making them more innovative and competitive. Growth

depends on them. Prepare for the future, work on projects now, it takes time. Care for the quality of your administration. Look around your place, take the best people, ask the European Commission to help with training them. So much depends on people. Avoid developing cumbersome procedure in your management and control system on the top of what comes from us, in Brussels.

Now your productivity growth is below EU average. There is no reason to keep it like this. You cannot afford further losses of competitiveness, quite the contrary, you must spare no efforts to improve it and you must start this now.

There are many deeply-rooted structural problems in Greek economy. We all know it only too well. But some of them, especially those related to productivity and competitiveness can be touched at regional and local level. Also, the opportunities generated by energy efficiency investment, innovation, cooperation are there.

Fiscal consolidation can be achieved faster if at regional and local level restructuring and modernisation take places. The culture of tax evasion can be also addressed there.

I know that absorbing wisely the structural funds and the Cohesion Fund present a tremendous challenge. I know that huge efforts are undertaken under the umbrella of Vice-Prime Minister Theodoros Pangalos, that the European Commission, the European Investment Bank will be helping by sending their officials to work with government. Even OECD is helping. But your efforts at regional and local level are crucial.

We, in the European Parliament, would like to hear from you as often as you want and need it through your representatives coming to Brussels to speak to Committee on Regional Development on how you see your challenges and how you respond to it.

So, please feel welcomed to the European Parliament, come with problems but hopefully also with good news on how Greek "periferiarch" and municipalities contribute to the new post-crisis Greece.