



Enlargement

Fact Sheet 31.10.1995 EN

The Community's regional policy in the three new Member States

Since 1 January 1995, the less prosperous regions of Austria, Finland and Sweden have been benefitting from Community support, together with the Community's other disadvantaged regions. To help reduce existing socio-economic disparities between the various regions within the European Union, the Structural Funds, and in particular the ERDF (the European Regional Development Fund) will soon be funding the programmes agreed with the competent authorities in these countries.

Which regions are eligible, how much will they receive, and how is the aid programme organised? These questions are answered by this brochure.

Non-regional Objectives

In addition to the regional Objectives, the Structural Funds have also defined three other priorities for the 1994-1999 period which allow measures to be implemented throughout the whole of the European Union's territory. These are:

- **Objective 3: Combatting long-term unemployment and facilitating the integration into working life of young people and those excluded from the labour market.**

- **Objective 4: Facilitating the adaptation of workers to industrial change and the development of production systems.**

- **Objective 5a: Accelerating the structural adaptation of agriculture and fisheries, notably in the context of the reform of the Common Agricultural Policy.**

Objectives 3 and 4 are financed from the ESF (European Social Fund) and Objective 5a by the EAGGF (European Agricultural Guidance and Guarantee Fund (Guidance Section)) and the FIG (Financial Instrument for Fisheries Guidance).

Eligible regions

The Community's regional policy measures are based on four priority Objectives which correspond to four types of regional problem. In consultation with the Member States, the European Commission has drawn up a list of the regions or sub-regions designated as eligible for funding under these Objectives. The Community's regional policy measures are implemented in these regions only.

Objective 1 (Structural adjustment of regions whose development is lagging behind)

The regions eligible under Objective 1 are those whose average per capita GDP is equal to or less than 75% of the Community average. These regions absorb the largest share of the Structural Funds and are allocated higher per capita rates of assistance of than any of the other regions supported by the Structural Funds. The whole of some countries (Ireland, Greece and Portugal) are eligible for aid under Objective 1.

In the three new Member States, only Burgenland in Austria is eligible for aid under Objective 1. This largely rural region has a population of 269,000, and is located along the border with Hungary.

Objective 2 (Economic conversion of areas seriously affected by industrial decline)

The regions eligible under Objective 2 are characterised by their heavy dependency on industry and by unemployment. These regions generally correspond to industrial basins in a state of crisis (coal, iron and steel, mechanical engineering, etc). These zones contain 16.8% of the entire population of the Community of the Twelve.

The Austrian regions covered by Objective 2 contain a total population of 637,000 (8.2% of the country's population) and can be

divided into three groups: the central area formed by the western part of the Steiermark region and the ring to the south of the Niederösterreich region (497,000 inhabitants), the metal-working area surrounding the town of Steyr (67,000 inhabitants) and the environs of Dornbirn in the Vorarlberg region in the extreme west of the country (73,000 inhabitants).

In Finland, the regions covered by Objective 2 contain a total population of 787,029 (15.5% of the country's population). They are: the south-western coastal strip, including the towns of Uusikaupunki, Rauma and Pori (212,300 inhabitants), the two other port regions of Kotka (84,000 inhabitants) and Kokkola (52,697 inhabitants), and the industrial regions centring on the towns of Lahti (138,000 inhabitants), Jyväskylä (125,300 inhabitants), Imatra and Lappeenranta (112,000 inhabitants).

The five Swedish regions covered by Objective 2 contain a total population of 964,701 (11% of the national population). They are: the central region of Bergslagen (408,816 inhabitants), two regions in the northern provinces bordering on the Objective 6 region (209,787 and 101,974 inhabitants), the south-western region containing four towns heavily dependent on the automobile industry (152,024 inhabitants) and the southern region of Bleckinge (92,100 inhabitants).

Objective 5b (Economic diversification of vulnerable rural areas)

Regions covered by Objective 5b are broadly characterised by their relatively low levels of economic development, their high rates of agricultural employment, their low agricultural revenue and their tendency to underpopulation. In the Europe of the Twelve, 8.2% of the Community's population was covered by Objective 5b.

In Austria (total eligible population: 2,255,000 inhabitants - 28.9% of the total national population), Objective 5b areas are located throughout the country, except in the Vienna and Burgenland regions.

In Finland (total eligible population: 1,093,761 inhabitants - 21.5% of the total national population), all regions except those wholly eligible under Objective 6 contain areas eligible under Objective 5b.

In Sweden (total eligible population: 757,000 inhabitants - 8.6% of the national population), regions eligible under Objective 5b are only found in certain areas in the north and south-east of the country. Together, they represent only 12.8% of the surface area of Sweden.

Objective 6 (Development of underpopulated regions)

Objective 6 of the Structural funds was established in response to the latest enlargement of the European Union, to take account of the specific problems of the nordic regions of Scandinavia. The Act of Accession sets out the eligibility criteria which regions must satisfy to qualify for assistance under this new Objective (the main criterion being a regional population density of less than 8 inhabitants per square kilometre), the kinds of aid available (similar to those for Objective 1) and the lists of regions covered by this Objective in the new Member States.

In Finland (total eligible population: 841,420 inhabitants - 16.6% of the total national population), Lapland (203,000 inhabitants) and the provinces of Kainuu (96,000 inhabitants), Pohjois-Karjala (178,000 inhabitants) and Etelä-Savo (176,000 inhabitants) are wholly eligible under Objective 6, while the regions of Pohjois-Savo, Keski-Suomi, Keski-Pohjanmaa and Pohjois-Pohjanmaa are partially eligible.

In Sweden (total eligible population: 451,000 inhabitants - 5% of the national population), the whole of the Jämtlands region (135,000 inhabitants) is eligible under Objective 6. The regions of Norrbotten (129,000 inhabitants) and Västerbotten (65,000 inhabitants) are also eligible, with the exception of the coastal strip; the regions of Västernorrlands, Gästrikland, Kopparbergs and Värmlands are partially eligible.

Size and breakdown of the Structural Fund allocations

The total Structural Fund grant allocated to the three new Member States over the 1995-1999 period is 4.75 billion Ecus. The breakdown is as follows:

- 1.62 billion Ecus for Austria
- 1.70 billion Ecus for Finland
- 1.42 billion Ecus for Sweden

Structural Fund grants will be used to finance two types of programmes:

- programmes based on national or regional development plans in each Member State.
- programmes proposed by the Member States to implement the Community Initiatives.

The first type of programmes are known as National Initiatives and are allocated 90% of the total Structural Fund budget. In accordance with the Structural Funding regulations, 9% has been allocated to the Community Initiatives, while the remaining per cent will be used to finance innovatory actions (pilot projects, etc).

Breakdown of total funding allocation (in Mecus)

	Austria	Finland	Sweden
National Initiatives	1,460.60	1,533.90	1,278.00
Community Initiatives	146.07	153.36	127.80
Innovatory actions	16.23	17.04	14.20
Total	1,622.90	1,704.30	1,420.00

Community Initiatives

Community Initiatives are special instruments in the Community's Structural Funding policy which aim to resolve particular problems in the countries and regions of the EU. The Community Initiatives for 1994-1999 which concern the new Member States are as follows:

- **Interreg:** promoting cross-border cooperation and completing trans-European energy networks.
- **Leader:** local rural development schemes.
- **Employment:** equal opportunities for men and women in the labour market, integration of the disabled and disadvantaged into working life, professional integration of young people without qualifications.
- **Adapt:** helping workers adapt to industrial change.
- **Rechar:** economic and social conversion of coal-mining areas.
- **Resider:** economic and social conversion of steel areas.
- **Konver:** economic diversification in areas heavily dependent on the defence sector or military bases.
- **Retex:** diversification of areas highly dependent on the textiles and clothing industry.
- **SME:** improving international competitiveness of small and medium-sized enterprises.
- **Urban:** economic and social revitalisation of depressed urban areas.
- **Pesca:** diversification of areas hit by the crisis in the fishing industry.

Areas eligible for the Interreg Initiative

Apart from land borders, all of which qualify for the Interreg Initiative, a number of sea borders will also be covered by Interreg programmes: the Strait of Oresund and the channel between Göteborg and Frederikshavn (between Denmark and Sweden), the Strait of Kvarken and the channel between Stockholm and the Åland archipelago (between Sweden and Finland), and the area between Finland and Estonia (the investments in Estonia will not be co-financed by the Structural Funds but by the Phare programme).

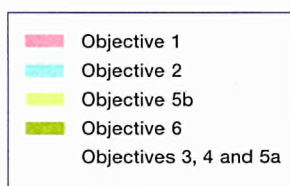
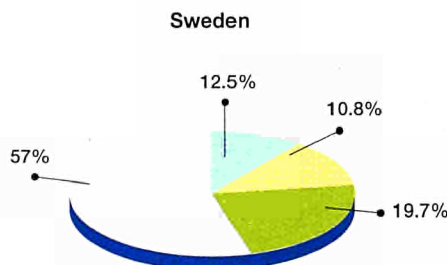
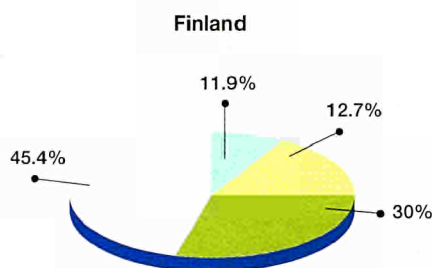
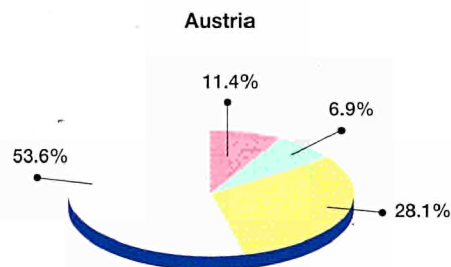
In Austria, due to the importance of Vienna as a centre of knowledge, it was agreed to allocate up to 20% of the three planned Interreg programmes for Austria/the Czech Republic, Austria/Slovakia and Austria/Hungary to the capital.

National Initiatives

In consultation with the relevant Member States, the European Commission has devised a breakdown of funding for the National Initiatives over all the priority Objectives (the regional priority Objectives 1, 2 5b and 6, and Objectives 3, 4 and 5a).

Breakdown of funding allocation for National Initiatives 1995-1999 (in Mecus)

	Austria	Finland	Sweden
Objective 1	165.60	/	/
Objective 2	101.00	183.00	160.00
Objective 5b	411.00	194.00	138.00
Objective 6	/	459.90	252.00
Objectives 3, 4 and 5a	783.00	697.00	728.00
Total	1,460.60	1,533.90	1,278.00



Community Initiatives

The European Commission has also devised a breakdown of funding (in consultation with the Member States) over the various Initiatives submitted. At the same time, the Commission decided to set aside 12% in a reserve to be used later to create new Community Initiatives or to strengthen existing Initiatives.

Breakdown of funding allocation for Community Initiatives 1995-1999 (in Mecus)





	Austria	Finland	Sweden
Interreg	42.68	43.73	39.47
Leader	23.27	24.70	14.17
Employment	23.01	29.15	20.69
Adapt	11.57	19.70	11.25
Rechar	1.80	/	/
Resider	5.14	/	/
Konver	/	/	3.26
Retex	2.57	/	/
SMEs	8.74	10.80	16.76
Urban	9.77	3.89	3.37
Pesca	/	3.00	3.49
Reserve (12%)	17.53	18.40	15.34
Total	146.07	153.36	127.80

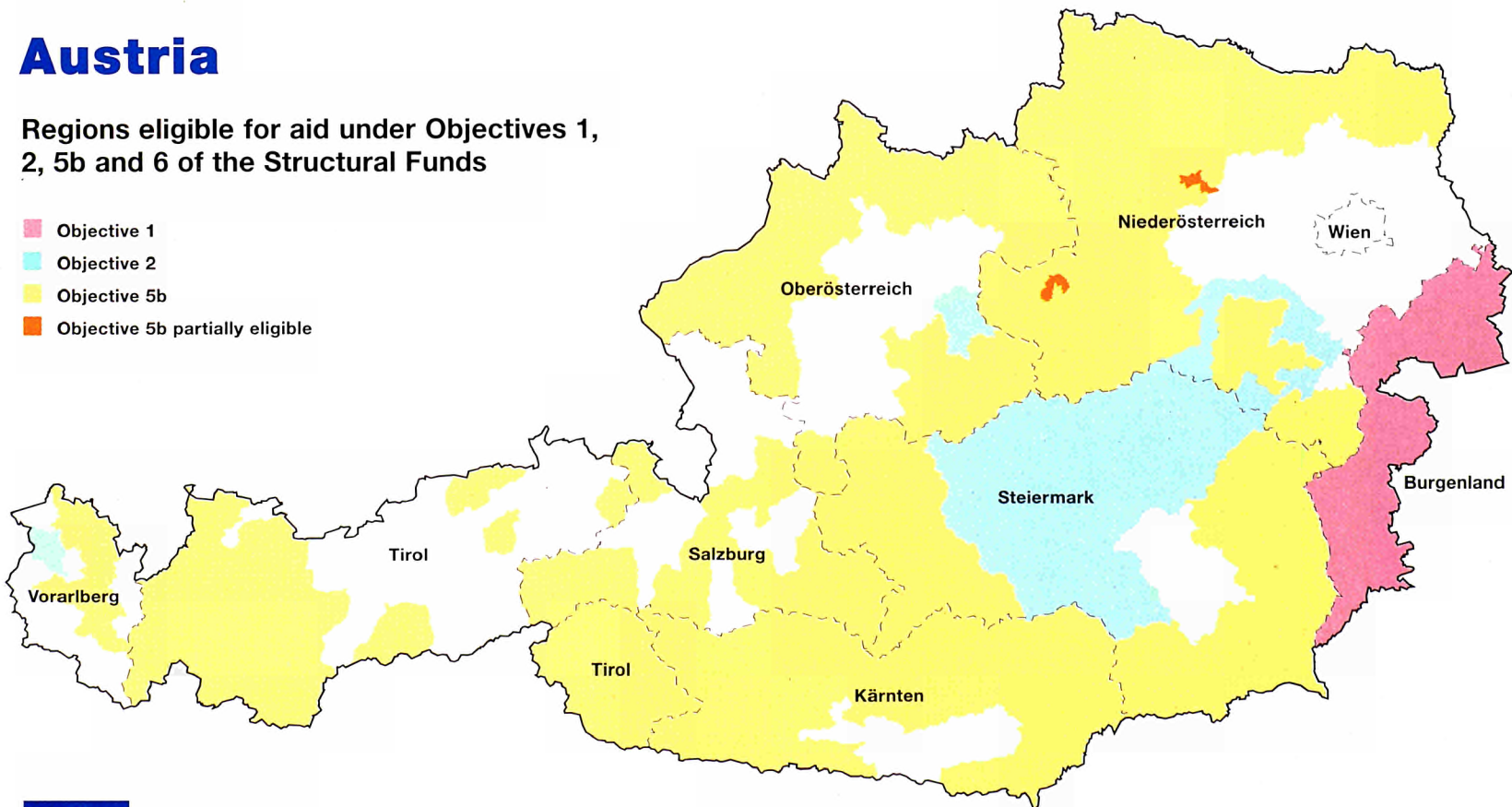
This breakdown includes a special emphasis on the Interreg Initiative, due to the length of the borders which the new Member States share with third countries.

One of the priorities for the new Member States and for the Union as a whole is to contribute to the economic and social stability of areas bordering the Baltic Sea and central and northern Europe.

Austria

Regions eligible for aid under Objectives 1, 2, 5b and 6 of the Structural Funds

-  Objective 1
-  Objective 2
-  Objective 5b
-  Objective 5b partially eligible



European Commission
Directorate-General for Regional Policy and Cohesion
DG XVIGIS XVI.F.3.

The lists of regions eligible for aid under the Structural Funds are published in the Official Journal of the European Communities. This map has no official status.

Useful addresses

ERDF:

Bundeskanzleramt
(Federal Chancellery)
Ballhausplatz 2
A-1014 Wien

ESF:

Bundesministerium für
Arbeit und Soziales
(Federal Ministry for
Employment and Social
Affairs)
Sektion III - ESF
Stubenring 1
A-1010 Wien
T: +43 171 100 21 76

EAGGF / FIFG:

Bundesministerium für
Land- und Forstwirtschaft
(Federal Ministry for
Agriculture and Forestry)
Stubenring 1
A-1011 Wien

Useful adresses

ERDF:

NUTEK - Närings- och teknikutvecklingsverket
(National Directorate for Industrial Development and Technology)

Björn Näsval
S-11786 Stockholm
T: +46 8 681 94 33

ESF:

Arbetsministerium
(Ministry of Labour)
Drottningsgatan 21
S-10333 Stockholm
T: +46 8 763 10 10

EAGGF:





Jordbruksverket
(National Directorate for Agriculture)
Roland Steen
Svante Nilsson
S-55182 Jönköping
T: +46 36 15 59 29 (Steen)
T: +46 36 15 59 22 (Nilsson)

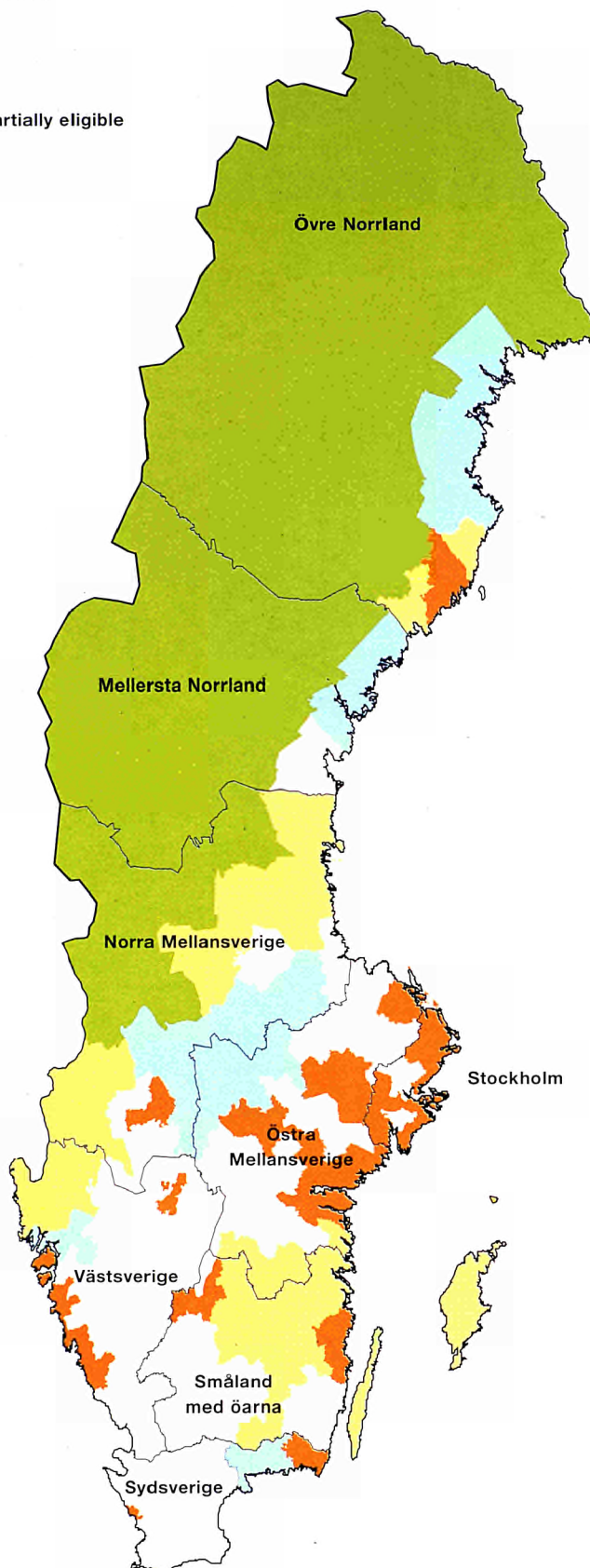
FIFG:

Flskeriverket
(National Directorate for Fisheries)
Jadranka Vukovic
Gunilla Tegelskär
Box 423
S-40126 Göteborg
T: +46 31 63 03 25 (Vukovic)
T: +46 31 63 03 24 (Tegelskär)

Sweden

Regions eligible for aid under Objectives 1, 2, 5b and 6 of the Structural Funds

-  Objective 2
-  Objective 5b
-  Objective 5b partially eligible
-  Objective 6






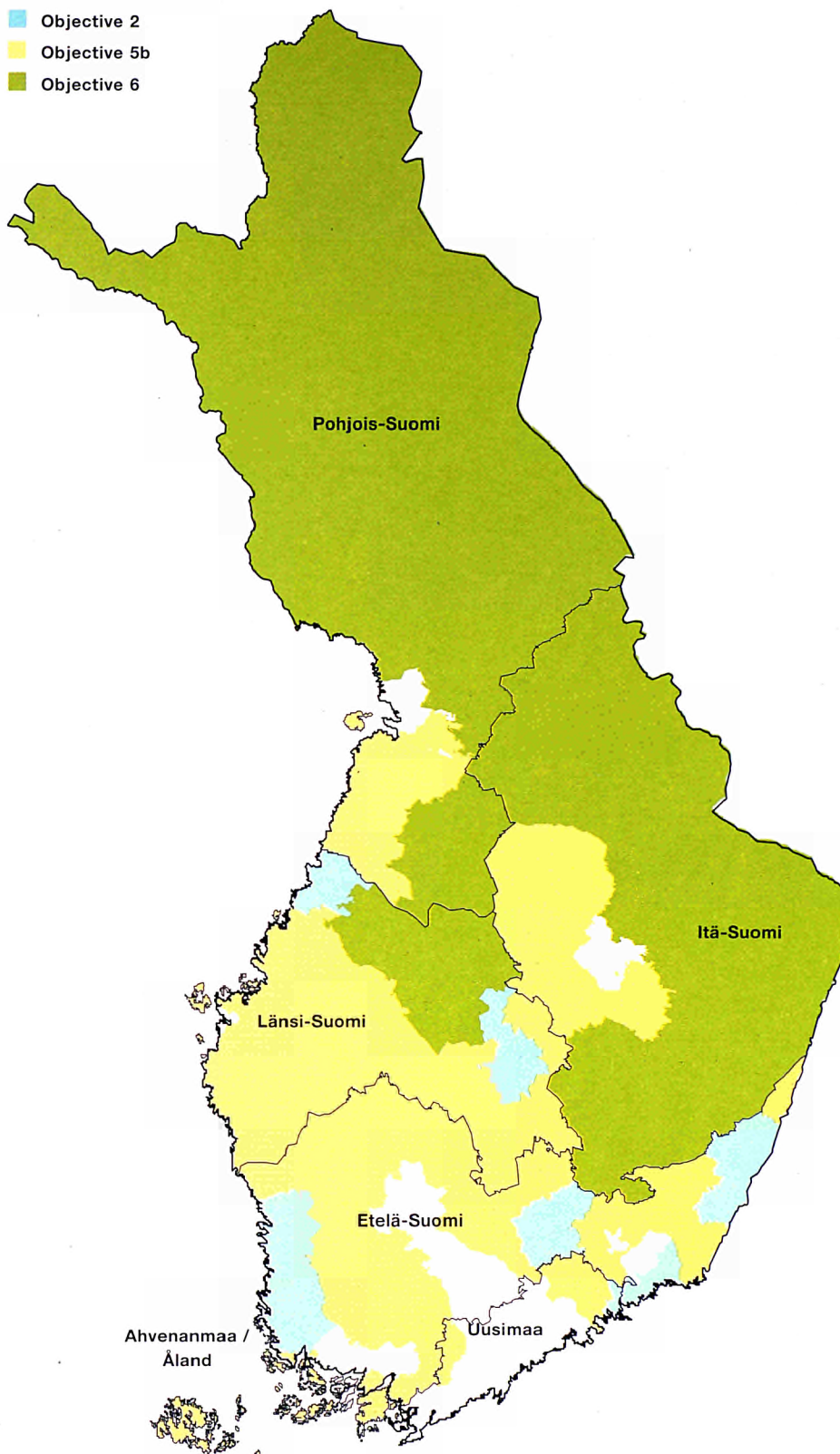
European Commission
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Finland

Regions eligible for aid under Objectives 1, 2, 5b and 6 of the Structural Funds

-  Objective 2
-  Objective 5b
-  Objective 6



European Commission
Directorate-General for Regional Policy and Cohesion
DG XVIGIS XVI.F.3.

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Useful addresses

ERDF:

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Paavo Pirttimäki
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ESF:

Työministeriö
(Ministry of Labour)
ESR
PL 524
FIN-00101 Helsinki
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EAGGF / FIG:

Maa- ja
metsätalousministeriö
(Ministry of Agriculture and
Forestry)
Carl-Gustav Mikander
Hallituskatu 3A, PL 232
FIN-00171 Helsinki

Useful addresses

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Industrial Relations and
Social Affairs (DG V)
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Programming

Except in the case of the innovatory actions, the grants provided by the Structural Funds will not be used to finance projects selected by the European Commission, but programmes submitted and managed by the competent authorities of the Member States concerned.

Companies, organisations and other regional or local authorities wishing to benefit from Community aid should therefore not apply to the Commission but should instead try to integrate their projects into a National or Community Programme which has been allocated resources from the Structural Funds.

National Initiatives

The process which the new Member States will use to adopt National Programmes is as follows:

- For each priority Objective and for each region or area (as necessary), the Member States submit plans to the European Commission listing their development priorities, the proposed national, regional and Community funding and the measures proposed to implement these priorities.

- Following negotiations, these plans are approved by the European Commission and converted into SPDs (Single Programming Documents), which organise Structural Fund support for the development of the regions concerned.

All the SPDs will be adopted for the 1995-1999 period, except for those relating to the Objective 2 regions in Finland. For these regions, two programming periods are planned: one covering 1995-1997 and the other covering 1997-1999. During 1996, the Finnish authorities and the Commission will draw up a new list of regions eligible for Objective 2, and a new SPD for the years 1997, 1998 and 1999.

Community Initiatives

For the Community Initiative programmes, the following process is used:

- In accordance with the Commission's guidelines (published in the Official Journal of 1 July 1994 and specifying the main measures for each Community Initiative) and the breakdown of funding for each Community Initiative mentioned earlier, the new Member States present the Commission with their proposed programmes.
- Following negotiations, these programmes are adopted by the European Commission and, like the SPDs, take immediate effect.



European Commission
Directorate-General for Regional Policy and Cohesion CX-90-95-752-EN-C