

Gaining leverage from the EU

General Brochure for the Structural Fund Period 2007–2013

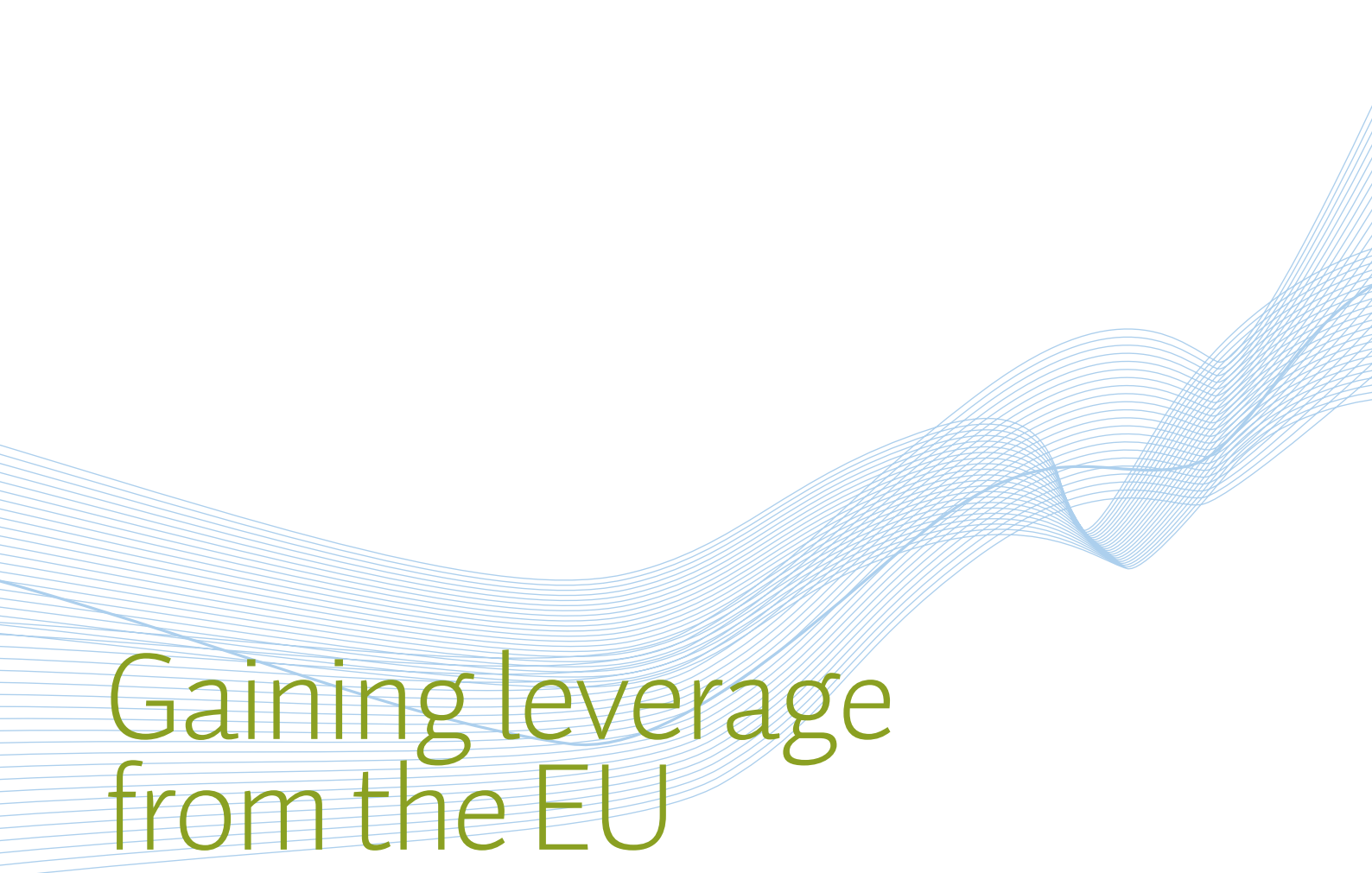


European Union
European Regional Development Fund
European Social Fund

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Gaining leverage from the EU

Finland's development is a shared goal for Finns. It is in everyone's interests that the best development ideas are also implemented – either without external assistance or in cooperation with others. Ideas can become reality with support from the European Union (EU). EU resources provide leverage that help Finns turn their ideas into practical development projects.

The EU finances projects from Structural Funds, which are designed to reduce the disparities between different regions and to improve the competition environment of the weakest regions and people's employment prospects. Financing from the European Union is designed to develop the whole of Finland: Finnish people, enterprises, and localities.

Objective: Competitiveness, employment and well-being

The idea of the EU's Structural Funds throughout the European Union is to strengthen competitiveness, employment, and well-being in Europe and its regions. Finland's Structural Fund strategy determines the objectives and priorities, on the basis of which resources from the Structural Funds are granted to different development projects.

In Finland, the EU's Structural Fund programmes promote competitiveness and employment by levelling the differences in well-being between different areas and improving people's prospects of finding a job. Structural Fund programmes create better business, knowledge, innovation, working, and living environments.

The objectives of Structural Fund programmes in Finland include:

- creation of new businesses and jobs;
- decreasing unemployment and boosting job creation;
- development of regional economy;
- improvement of the productivity of enterprises and promotion of their competitiveness;
- raising the level of education;
- increasing research and innovation activities.

Cooperation for the development of regions

The improvement of Finland's competitiveness and well-being depends on individual people or organisations and their creativity. The EU, the Finnish government and municipalities are responsible for making it possible to implement the projects originating from ideas. The programmes help steer project ideas towards jointly agreed targets.

The State and municipalities support regional development. Funding from the European Union provides additional support to the development of Finnish regions. Finland receives support from the EU through two Structural Funds: the European Regional Development Fund and the

European Social Fund. In addition to EU programmes, Finland also runs national development programmes. Additional information on all programmes designed for the development of Finland can be obtained from the financiers of the programmes. The contact information on the main financiers is given at the end of this leaflet.

Financing for seven years

The third programming period of the Structural Funds started in 2007 and will end in 2013. Financing has been allocated separately for each year. Information on the different financing opportunities for projects can be obtained from the Employment and Economic Development Centre, the Regional Council, the State Provincial Office, the Environment Centre and the Road District of your area. These financiers announce the call for proposals for financing both on their own web sites, and in national and regional newspapers. They will also provide information on application deadlines and procedures.

Development assistance for SMEs in Satakunta

The Skills development services of the T&E Centre for Satakunta offer expert services for the various life cycle stages of SMEs in the region.

"Expert services are provided on a company-specific basis, jointly for several companies or as joint programmes for various sectors," explains development manager **Anne Jortikka**. The aim of the skills development services is to help companies improve their competitiveness and

profitability and the skills of management and key employees.

"Developing business skills is a key part of our offering," says Jortikka. "Our course for company directors has proven to be particularly popular, and well over two hundred company directors in the Satakunta area have taken part in it."

Training is available on managing employees, sales and marketing skills, managing company growth, changes in ownership,

and internationalisation. Participation in training is supported by the European Social Fund.

The business service Enter assists those considering setting up a company. Female entrepreneurship is also supported in Satakunta through the special Lift-off project for female entrepreneurship as a response to the greater reduction in female entrepreneurship than in other parts of the country.



Finland receives support from the EU through two Structural Funds: the European Regional Development Fund and the European Social Fund.

What kind of projects does the EU support?

EU funding promotes the versatile development of the whole of Finland. Structural Funds support projects that boost business, innovations, networking, knowledge, and employment.

Priorities include Eastern and Northern Finland, sparsely populated areas, cross-border areas, and the areas of Southern and Western Finland that are challenging in terms of development.

The four priorities of the Structural Fund programmes direct the allocation of resources and the granting of support. The projects may support both the sustainable development of urban areas and the diversification of rural industries. The activities carried out in Finland may be regional, interregional, or international.

The priorities are:

- promotion of business;
- promotion of innovation and networking and strengthening of knowledge structures;
- knowledge, labour, employment and entrepreneurship;
- improvement of the accessibility of areas and the operating environment.

Promotion of business and entrepreneurship

The objective of EU financing is both to create more and better jobs, and to safeguard existing jobs. Therefore, financing is directed at enterprises that provide jobs and which may be newly established, growth-oriented, or enterprises in the process of transition. The maintenance of the competitiveness and the improvement of productivity of small and medium-sized enterprises are also essential elements in the promotion of business. The development of skilled personnel and of organisations is a competitive factor.

New career path opens by conditioning the nature trail

The Employment from environmental care project, abbreviated YTY in Finnish, prevents social exclusion in Central Finland, in the sub-regions of Saarijärvi and Viitasaari. The Regional Environment Centre of Central Finland and its partners provide employment to long-term unemployed persons and immigrants with the support of the European Social Fund. The work is related to environmental care and protection, as well as to the refurbishment of old buildings that are valuable from the point of cultural history.

Project Manager **Ulla Kuvaja** says

that the employees have become really multi-skilled. The subjects of work speak for themselves. The projects have involved building birdlife observation towers and shingle roofs, conditioning nature trails and painting old houses using homemade red ochre paint. The municipal scenery has also been improved through landscaping work.

Ms. Kuvaja says that it is delightful to see the results of work well done. "I can see during site visits that the funds have been used to employ many people who have really done a good job," Kuvaja says, smiling. "And of course, the project has also

During the Structural Fund period 2007–2013, special attention will be paid to service-sector enterprises that create new jobs. Enterprises operating in the main industries of different areas may also be eligible for support. Regional well-being is often based on the development of regionally important industries.

Promotion of innovation and networking and strengthening of knowledge structures

Important actors of the Finnish innovation network include universities, polytechnics, research institutions, centres of expertise and technology, and enterprises. Support from the European Union helps strengthen the cooperation between these actors and generate new ideas, products, and services.

When different actors join forces, their new ideas and other results of their cooperation will benefit the entire area. EU support can be used to transfer the special knowledge generated in the area to other parts of Finland or the European Union, when regional innovation organisations establish networks at the national or international level. Support is directed at projects designed to improve innovation and knowledge structures, and strengthen the role of applied research.

Knowledge, labour, employment and entrepreneurship

Activities eligible for support also include the improvement of the employees' knowledge, boosting entrepreneurship, and the development of organisations. Project financing is directed at supporting the employment of young people, unemployed adults, immigrants, disabled people, and peo-

ple at risk of social exclusion. Support will be allocated to enterprises and sectors with the greatest need for development and a change caused by restructuring.

Beneficiaries of successful projects include individuals who have found a job and organisations that have developed. Better knowledge, innovation, labour, and enterprise service systems improve the functioning of the labour market and promote employment.

Good systems and practices developed in Finland can even be distributed to other parts of Europe, and vice versa, good practices are imported to Finland from other Member States of the European Union.

Improvement of the accessibility of areas and the operating environment

Structural Fund programmes also strengthen regional competitiveness by improving the accessibility and attractiveness of areas and their services. They also help level out regional disparities and improve the quality of the environment. The objective is to turn a socially and environmentally sustainable environment into a significant competitive factor for the areas.

The improvement of the accessibility of areas includes support for small-scale transport and logistics projects, the development of information society services, and virtual services. The attractiveness of operating environments is enhanced by protecting and developing natural and cultural environments. Tourism is supported by paying attention to the diverse opportunities of nature and culture.

provided me with a challenging and diverse job as a Project Manager!"

A nation-wide YTY project is already under consideration in the Regional Environment Centre of Central Finland. Ms. Kuvaja sends a message to all parties thinking about their own project: "I don't think it is too difficult to administer a project supported by the Social Fund, and the Employment and Economic Development Centre has been quick to provide us with excellent instructions. EU funding is available to a large variety of different projects. You should not hesitate to ask!"



Actors are guided by the principles of fair play

Attention is paid in all EU activities to equal opportunities, partnership, and sustainability. For the whole of Finland to prosper, it is important to develop the vitality of environments, take care of sparsely populated rural areas, and strengthen the dialogue between urban and rural areas.

Impacts on the environment, cooperation and equal opportunities under the spotlight

Environmental impact assessment is an essential part of projects financed from the Structural Funds. The best outcome from the environmental perspective can be attained when the projects' environmental impacts – whether positive or adverse – are identified as early as in the project selection phase.

Cooperation between the authorities, businesses, associations, and other actors is carried out in all phases of the projects. Partnership is encouraged in both project planning and implementation.

EU projects encourage the promotion of equal opportunities for both genders and for all age and population groups. Equality is one of the basic principles of the Finnish welfare society.

Efficient interaction between urban and rural areas

Rural development is supported from the European Union's Structural Funds. The objective is to promote the vitality of rural areas by improving the availability of private services and creating new enterprises in the areas. Attempts are made in sparsely populated areas to remove obstacles to development and other disadvantages, and to improve the attractiveness of areas.

The projects generate interaction between rural and urban areas, which is beneficial to both parties. Areas in the vicinity of large cities can increase recreational activities related to housing and leisure time that will attract urban citizens.

New terminal links up the tourism cluster

The lake terminal is a new tourist service centre at Kuopio Airport, only a hundred metres away from the passenger terminal. The terminal project has also involved improvements to the harbour and the Tahko navigation route. The airport is now linked more closely than ever to the tourist service network of Kuopio Region, North-Eastern Savo and Tahko.

The lake terminal, on the shore of lake Iso-Jälä, is in operation throughout the year. During the summer, it is the centre of support for boating, canoeing, cycling, fishing and other summer pursuits. In the winter, the terminal provides opportunities

for snowmobile riding, skiing and winter camping. Tourist groups set off to experience different trails from the reception and information desk. The terminal building also has a cafeteria and office space where meetings, for example, can be organised.

"The new local navigation route from the harbour to the deeper navigation route in Lake Juurusvesi, and via that to the Tahko route, increases the usage of the route and helps develop the tourism businesses. Totally new programme service companies have sprung up in this lake district, and existing companies are forming networks with each other," says project

Financing only to well-planned projects

Legislation directs the functioning of the Structural Funds

National and European Union legislation directs EU financing. Finland's Structural Fund Act includes basic provisions on the duties and powers of the authorities in Finland. The managing authority is responsible for managing the financing and for the general implementation of the programmes and, if necessary, delegates the duties related to project implementation to the financing authorities (Employment and Economic Development Centres, State Provincial Offices, Regional Councils, Environment Centres, Finnish Funding Agency for Technology and Innovation TEKES, National Board of Education, Ministry of Social Affairs and Health, Ministry of Labour, Ministry of Trade and Industry and Ministry of Education). The Ministry of Employment and the Economy acts as the managing authority for programmes under the European Regional Development Fund and the European Social Fund.

The certifying authority and the audit authority assist the managing authorities by carrying out the tasks provided for them in European Community legislation.

All projects to be financed are different.

One project provides jobs to immigrants, another improves future competitiveness by training technology experts, and a third one strengthens regional equality.

A realistic implementation plan and a functioning cooperation network are common features to all good projects.

Who can apply for financing?

Enterprises, educational establishments, research institutions, municipalities, sub-regions, and other legally competent corporations or their combinations may apply for financing. EU support is designed to benefit as many as possible. In addition to the European Union, other financiers must also participate in the project.

supervisor and Environmental Engineer **Eeva Könönen**, who is from the Regional Environment Centre of North Savo. The harbour provides mooring for boats and a canoe ramp. The piers serve charter cruises, water bus traffic, boat rental and charter flights on a sea plane.

The project is funded as a joint project of the Regional Environment Centre of North Savo and the employment department of the TE Centre, supported by the European Regional Development Fund. The other providers of funding are Finavia, the Municipality of Siilinjärvi, and the Cities of Kuopio, Juankoski and Nilsjä.



EU resources bring added value

Support from the European Union is additional financing to Finland's national development. Finland will receive approximately EUR 1.7 billion from the EU's Structural Funds in 2007–2013. The benefit will, however, be greater than the sum of money granted, because leverage will be obtained from new action models and knowledge that the projects will generate. Finland will receive EU funding for the development of both regional competitiveness and employment and for cooperation with other EU Member States. The total amount of national public financing committed to EU programmes will be EUR 2.01 billion; this sum will come from the State (75%) and the municipalities (25%). In addition, it is estimated that approximately EUR 2.3 billion in private financing will be used for the programmes.

Support from the European Union's Structural Funds will be directed to Finland's development through programmes co-financed from two funds, the European Regional Development Fund (ERDF) and the European Social Fund (ESF).

Of the resources, 93% (EUR 1.6 billion) will be directed through programmes under the EU's Regional Competitiveness and Employment objective. Programmes under the Regional Competitiveness and Employment objective will be implemented throughout Finland, although Eastern and Northern Finland will receive more aid because of their sparse population. The Åland Islands will receive financing from the EU's Structural Funds in accordance with programmes dedicated to this area.

The remainder of the financing will be used for the European Regional Cooperation objective and the European Neighbourhood and Partnership Instrument (ENPI CBC).

Programmes under the European Regional Cooperation objective are used for financing cross-border, transnational, or interregional cooperation projects within the EU, whereas the European Neighbourhood and Partnership Instrument (ENPI CBC) is designed to finance cooperation projects that cross the EU's external boundaries.

EU financing for programmes under the Regional Competitiveness and Employment objective

Total in 2007–2013

	in millions of EUR
ERDF operational programmes	
ERDF programme for Southern Finland	138
Western Finland	159
Eastern Finland	366
Northern Finland	311
Åland Islands	3
Total ERDF operational programmes	977
ESF operational programme for mainland Finland, of which Eastern Finland 180	615
Competitiveness and Employment for the Åland Islands objective	3
Total ESF operational programmes	618
Total programmes under the Regional Competitiveness and Employment objective	1,596
Finland's total contribution to programmes under the European Regional Cooperation objective	81
Finland's contribution to programmes under the European Neighbourhood and Partnership Instrument (ENPI CBC)	39
EU's total share of financing (Finland)	1,716

The above table shows the breakdown of financing from the European Union's Structural Funds by fund and operational programme. The EU's resources allocated by Finland are proposed to the programmes under the European Regional Cooperation objective and the ENPI CBC programmes. Trans-European EU financing for the programmes will be EUR 961 million (EUR 874 million for European Regional Cooperation and EUR 87 million for ENPI CBC).

The figures are indexed. The figures in the table do not sum to totals because of rounding.



Finland will receive approximately EUR 1.7 billion from the EU's Structural Funds in 2007–2013.

Programmes under the Regional Competitiveness and Employment objective

ERDF operational programmes

The EU participates in the development of Finnish regions with five programmes financed with resources from the European Regional Development Fund. The Fund supports projects that develop businesses, the creation of innovations, networking, knowledge, and the accessibility of areas. Along with financing from the ESF programme, financing from the ERDF programmes is used for the promotion of competitiveness and employment.

Five regional ERDF programmes will be implemented in Finland during the Structural Fund period 2007–2013. Southern Finland, Eastern Finland, Western Finland, Northern Finland and the Åland Islands each realise their own programmes.

The European Regional Development Fund supports enterprises and the structural development of regions with investments aimed at ensuring equal opportunities for residents and the future of different regions. The Fund focuses on the improvement of employment, the development of regional competitiveness, and the enhancement of vitality. The objectives encourage entrepreneurship, the creation of innovation and networks, the development of learning and innovation environments, and the improvement of the accessibility of areas.

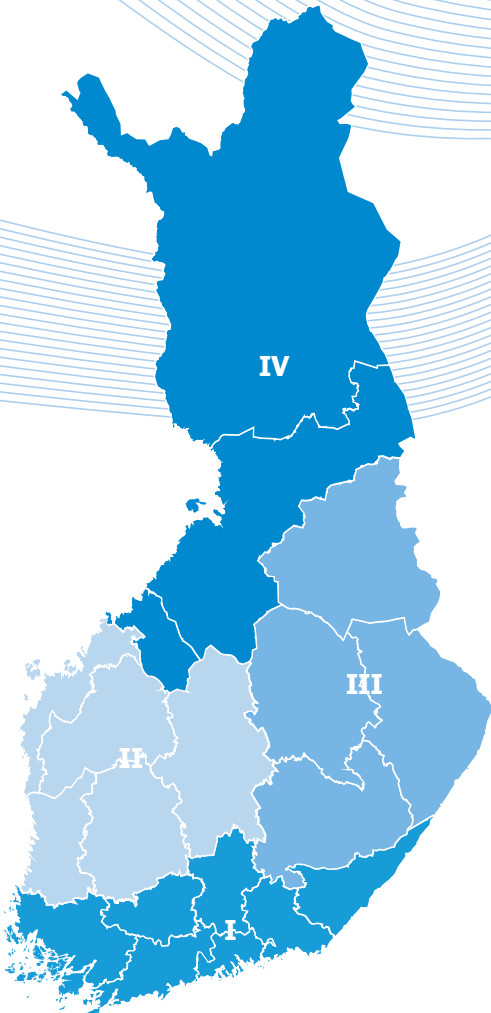
I ERDF programme for Southern Finland

The major region of Southern Finland consists of seven regions: Uusimaa, East Uusimaa, Kymenlaakso, South Karelia, Päijät-Häme, Kanta-Häme and Southwest Finland. The programme receives EUR 345 million in public financing. (The EU's contribution is EUR 138 million.)

Southern Finland as a whole is well developed, but there are large disparities within the major region. There are sub-regions in Southern Finland that suffer from dramatic restructuring and a decreasing GDP. On the other hand, the area has some of Finland's largest urban areas. Narrowing the gap between areas is, therefore, the most important task for regional development financing.

In Southern Finland, the Regional Development Fund finances in particular challenging and problematic areas. Efforts are made to eliminate the problems by increasing the attractiveness of areas, promoting entrepreneurship, and creating jobs. Financing will also be allocated to the major urban areas outside problematic areas, i.e. to the Helsinki Metropolitan area and the Turku area.

Financing will also be allocated to thematic umbrella projects crossing regional borders. The objective is, for example, to develop competence clusters.



II ERDF programme for Western Finland

The major region of Western Finland consists of Satakunta, Pirkanmaa, Central Finland, South Ostrobothnia and Ostrobothnia. The programme receives EUR 398 million in public financing. (The EU's contribution is EUR 159 million.)

Western Finland's regional structure is based on strong regional centres and the surrounding rural areas.

Western Finland aims at being an attractive and innovative area of entrepreneurship and growth. It strives to attain this objective by supporting projects that promote the creation of new enterprises or jobs or improve the competitiveness of enterprises. The unemployment rate varies considerably by area in Western Finland, so that efforts are made to boost employment, particularly in challenging areas with poorer employment prospects and in the Tampere and Vaasa urban areas.

III ERDF programme for Eastern Finland

The major region of Eastern Finland covers the regions of South Savo, North Savo, Kainuu, and North Karelia. The programme receives EUR 731 million in public financing. (The EU's contribution is EUR 366 million.)

Eastern Finland is a sparsely populated area; the average population density is as low as 7.8 persons/km².

Eastern Finland, which is a previous Objective 1 area, receives financing for the transitional period and special support because of its sparse population. Eastern Finland will receive 32% of the financing allocated to Finland from the Structural Funds. The objective of the programme is to create a pleasant living environment and develop the competitiveness of enterprises in Eastern Finland. Support is particularly directed at the establishment of enterprises, young entrepreneurs, internationalisation, the productisation of knowledge into innovative activity, and the growth of strong clusters.

IV ERDF programme for Northern Finland

The programme area of Northern Finland covers the regions of Central Ostrobothnia, Lapland, and North Ostrobothnia. The programme receives EUR 623 million in public financing. (The EU's contribution is EUR 311 million.)

The area of Northern Finland accounts for 44% of the area of Finland, but its population density is as low as approximately 4.7 persons/km².

In Northern Finland, it is particularly important to improve accessibility and the attractiveness of areas and to promote the growth and competitiveness of enterprises. Related projects are supported from the Regional Development Fund to ensure that Northern Finland will be better able to respond to the restructuring of industries and manage the future change in population structure and the regional differentiation of population. It is also important to strengthen the major region's position in international and national competition, in particular with innovations.

ESF operational programme in mainland Finland

The programme under the European Social Fund (ESF) supports projects that promote employment and knowledge. Financing is used to support groups at a disadvantage and promote equal opportunities. Along with financing from the ERDF programmes, financing from the ESF programme is used for the promotion of employment and competitiveness.

The ESF promotes the development of the world of work and business by improving the knowledge and professional skills of employees and entrepreneurs.

The Social Fund programme provides financing for projects in which, for example, long-term unemployed or disabled people receive training so that they can return to work. The objectives include the promotion of employment, staying at work, and the prevention of social exclusion.

The programme also finances structural-development projects, such as the reform of educational and training systems and on-the-job learning, which affect large groups of people in the long term. The projects help improve the matching of training and the needs of employers, facilitate the transfer from training to work, and enhance the opportunities of the adult population to participate in training.

National actors, such as the State, municipalities, and the private sector, participate in the financing of the Social Fund programme. The programme will receive approximately EUR 1,414 million in public financing, of which the EU's total contribution is EUR 615 million.

The ESF programme consists of the national section and four regional sections

The programme under the European Social Fund which will be implemented in mainland Finland consists of the national section and regional sections. Approximately half of the ESF financing will be directed to national thematic projects. These will be implemented in different areas, as will projects to be financed from the regional sections. Southern, Western, Eastern, and Northern Finland will each have their own regional sections, which are based on the employment, industrial, and knowledge strategies of the areas.

Eastern Finland has a special position in terms of financing. It has its own financial framework, and it will receive financing separately from the national section. The national programme section will be implemented according to different themes outside Eastern Finland. Actors in Eastern Finland may also participate in the implementation of national themes, but these will be financed from Eastern Finland's own financial framework.

Programmes for the Åland Islands

The Åland Islands have their own Structural Fund strategy, which is part of Finland's Structural Fund strategy, and their own ESF and ERDF programmes related to its implementation; additional information can be obtained from the following address: www.regeringen.ax.

Programmes under the European Regional Cooperation objective and the European Neighbourhood and Partnership Instrument (ENPI CBC)

Finland also participates in nine programmes under the European Regional Cooperation objective: three cross-border cooperation programmes (Northern, Botnia-Atlantica, Central Baltic), two transnational cooperation programmes (Baltic Sea, Northern Periphery), a trans-European interregional cooperation programme ("Interreg IVC") and three trans-European network programmes (Interact, Urbact, ESPON). In addition, Finland participates in three programmes under the European Neighbourhood and Partnership Instrument (ENPI CBC). (Kolarctic, Karelia, Southeast Finland – Russia).

The programmes under the European Regional Cooperation objective and the programmes under the ENPI CBC support the integration of border areas and larger cooperation areas, as well as the creation and strengthening of networks between areas and cities. Areas/partners from two or more countries must participate in each programme and project to be financed. EU financing allocated to the programme by the participating countries or the European Commission will be handled and managed as a whole, without dividing the resources into country-specific quotas. Additional information on the programmes can be found at www.structuralfunds.fi.



FINANCIERS

Finnvera Plc
www.finnvera.fi

State Provincial offices
www.laaninhallitus.fi

Regional Councils
www.reg.fi

Finnish National Board of
Education
www.oph.fi

Road Districts
www.tiehallinto.fi

Finnish Funding Agency for
Technology and Innovation
Tekes
www.tekes.fi

Employment and Economic
Development Centres
www.te-keskus.fi

Regional Environment Centres
www.environment.fi/ayk

Ministry of Transport and
Communications
www.lvm.fi

Ministry of Education
www.minedu.fi

Ministry of the Interior
www.intermin.fi

Ministry of Social Affairs and
Health
www.stm.fi

Ministry of Employment
and the Economy
www.tem.fi

Ministry of the Environment
www.environment.fi/ayk

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