

Leverage for **Southern Finland** from the EU

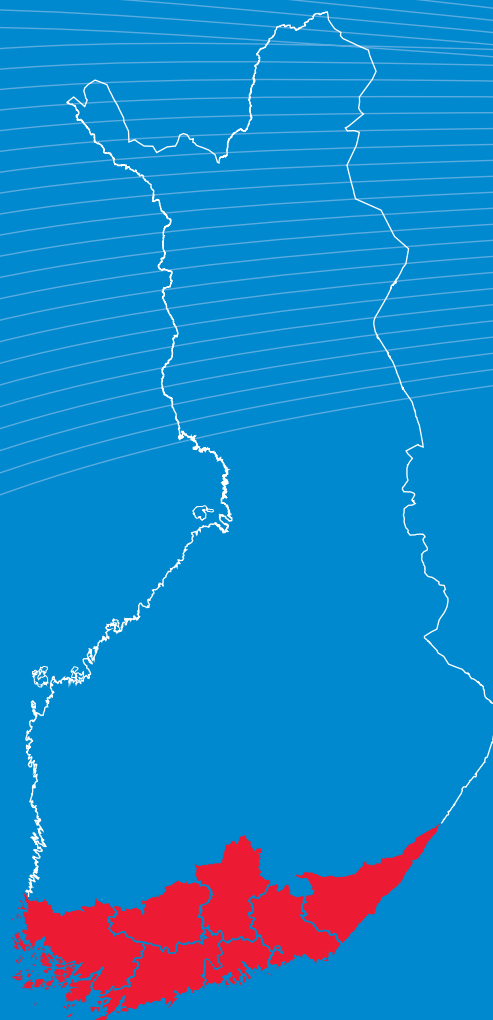
Structural Fund period 2007–2013



European Union
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The European Union plays a role in the development of the Finnish regions

The development of Finland is an issue that concerns all Finns. It is in everyone's interest that the best Finnish development ideas do not remain at the idea level but that they are also realised – either under the Finns' own steam or with the help of others. With support from the European Union (EU), ideas can become a reality.

EU money provides a boost that helps Finnish ideas become practical development projects. The aim is to ensure that Finland is a country with employment, skilled people, a favourable atmosphere for new ideas and successful companies as well as a good environment in which to make a home, to live and to work.



The EU finances projects from the Structural Funds, which are the European Regional Development Fund (ERDF) and the European Social Fund (ESF). The EU's Structural Funds are intended to reduce the disparities arising in the development of the European regions. The assistance from the Funds is used to develop all of Finland: Finnish people, companies and localities.

Regional competitiveness and employment

objective

The strategic priorities in Finland of the programming period 2007–2013 of the European Union's Structural Funds are the promotion of business, the promotion of innovation and networking and the strengthening of knowledge structures, knowledge, labour, employment and entrepreneurship as well as improving the accessibility of areas and the operating environment. Europe's regional competitiveness and employment objective is implemented through the programmes of the ERDF and ESF. Financing is allocated separately for each year.

Five regional ERDF programmes are implemented in Finland. Southern Finland, Eastern Finland, Western Finland, Northern Finland and the Åland Islands each implement their own programme.

Mainland Finland's ESF programme has a national section and four regional sections. Additional information on the activities of the ESF are available in the separate ESF programme brochure and on the Internet at: www.structuralfunds.fi.



Implementation area of the ERDF

operational programme for Southern Finland

The operational programme for Southern Finland covers seven regions, i.e. the regions of South Karelia, East Uusimaa, Kanta-Häme, Kymenlaakso, Päijät-Häme, Uusimaa and Southwest Finland. The population of the Southern Finland programme area was 2,596 million in 2006.

The Southern Finland programme area is divided into a major region covering all of Southern Finland and the structurally most challenging areas, which are the regions of South Karelia, Kymenlaakso and Päijät-Häme in their entirety and the subregions of Riihimäki and Forssa in Kanta-Häme and Loimaa and Vakka-Suomi in Southwest Finland. In addition, actual island municipalities as referred to in the Islands Act or the island parts of municipalities in the regions of Southwest Finland, Uusimaa and East Uusimaa are included in the most challenging areas. Approximately 26 per cent of the population of the programme area live in the most challenging areas and 67 per cent of the entire programme's financing has been channelled to these areas.

Heading for success with metal

Pauli Pesonen, Project Manager at InnoSteel Factory Oy, knows about everything that can be made from steel. InnoSteel Factory is a training, research and product development factory for metal structures, which operates in Hämeenlinna.

The metal industry is very significant in Kanta-Häme, although the operating environment has not always been favourable to it. When the industry seemed to be disappearing to China, the need for change was understood in Häme.

InnoSteel Factory was created through assistance from the ESF and ERDF, and provides training in metal and engineering technology for companies and educational institutes. For students, InnoSteel Factory also acts as a "training ground" for new technology. The Factory's corporate services include, for example, the production of new innovations, information services and manufacturing prototypes. InnoSteel Factory also acts as a cooperation forum for actors in the sector.

The InnoSteel Factory concept has turned

into a profitable business, but the success of the project is not only measured with commercial indicators. Pesonen explains that he has gained a lot out of the project himself: "In implementing the projects, I have been able to use the experience and outlook that I have acquired during my long career in metal and engineering companies. It is great to be involved in creating progress, the need for which has been known for some time." According to Pesonen, the preparations for a new project have already been started.

Objectives of the ERDF operational programme for Southern Finland

The main aim of the ERDF programme for Southern Finland is to promote the development of Southern Finland as an area into a uniform, balanced, and internationally and nationally attractive entity based on the strengths of the regions.

The EU grants co-financing for projects implemented in Southern Finland, through which it is possible to enhance the appeal of Southern Finland, promote the creation of innovations and create additional entrepreneurship and jobs. The following key objectives have been set for projects to be implemented in the operational programme for Southern Finland:

- 4 200 new jobs, of which the share of jobs for women is 1 575 (27%)
- 920 new enterprises, of which the share of enterprises run by women is 247 (38%)
- 290 new jobs in product development

Measurable key indicators have been defined for the ERDF operational programme. The results and effectiveness of the programme are assessed both during and after the programme.



The objective of the projects
in Southern Finland is to
create 4 200 new jobs and
920 new companies.

Special themes and priority axes of the ERDF operational programme for Southern Finland

The activities supported in Southern Finland are divided into five priority axes that are consistent with the priorities of the national Structural Funds strategy. Priority axes 1–3 are implemented in the areas in Southern Finland defined as the most challenging. Priority axis 4 is implemented in the Helsinki Metropolitan Area and in the Turku area. Priority axis 5 can be implemented in the entire area. In addition to the axes, part of the assistance is allocated for the administration of the programme and for technical implementation.

Priority axis 1: Promotion of business

Priority axis 1 focuses directly on enterprises. The aim is to support the opportunities for enterprises to exploit innovations and turn them into products as well as to introduce new environmental technology. Particular attention is paid to developing SMEs and the promotion of female entrepreneurship.

Projects financed under this priority axis can include, for example, setting up new enterprises, development projects furthering the growth of SMEs, projects promoting female entrepreneurship, networking by SMEs, the development of enterprises in creative sectors, the productisation and commercialisation of innovations, changes of ownership and subsequent development actions, and increasing the eco-efficiency and environmental awareness of enterprises.

Beneficiaries can be:

- SMEs and micro-corporations
- growth-oriented enterprises
- enterprises in the process of transition
- groups of enterprises
- start-ups
- capital investment and regional development companies and entities that support the activities of SMEs
- persons that are starting up a business
- female entrepreneurs
- immigrant entrepreneurs

Priority axis 2: Promotion of innovation and networking and strengthening of knowledge structures

Priority axis 2 aims to promote the environment for business activities. The aim is to promote activities that enhance the structures linked to innovations and skills and knowledge clusters in Southern Finland.

Projects financed under this priority axis can include, for example, support for cooperation and networking of innovation actors and SMEs, the improvement of the availability and efficiency of innovation services, the development of business incubators, the development of special knowledge in areas, the development of activities that support R&D, the development of electronic advisory and customer service systems and the utilisation of applied research.

Beneficiaries can be:

- regional development companies and other corporations
- polytechnics and universities
- educational institutions and research and cultural institutes
- centres of expertise and knowledge clusters
- business organisations
- municipalities

Priority axis 3: Improvement of the accessibility of areas and the operating environment

The financing under priority axis 3 can be used to enhance the appeal of the regions, prevent environmental risks and improve the conditions for tourism as well as improve the accessibility of the regions and services.

Projects financed under this priority axis can include, for example, the development of competitive operating environments, plans to improve the accessibility of transport and services, the utilisation of evolving environmental technology and management of environmental risks, planning projects to promote the protection of the Baltic Sea and water bodies and the development of eco-efficiency, the introduction of new technology, the development of the conditions for nature and cultural tourism, the preservation and renovation of cultural heritage sites, and increasing the interaction between urban and rural areas.

Beneficiaries can be:

- regional development companies and cultural institutes
- centres of expertise and knowledge clusters
- business organisations
- various corporations
- municipalities

Priority axis 4: Developing large urban areas

The object of priority axis 4 is large urban areas. The measures aim to promote the competitiveness of the Helsinki Metropolitan Area and the Turku region and to solve the special challenges in urban areas. In addition, the measures focus on improving the appeal, community spirit and social cohesion of urban areas.

Projects financed under this priority axis can include, for example, measures that promote the attractiveness and safety of towns, an improvement in the urban environment and a living urban culture; measures that support the community spirit, inclusion and the empowerment of residents and citizens; and measures promoting social cohesion; as well as projects to develop service provision.

Beneficiaries can be:

- municipalities
- communities and organisations
- research and training units
- regional development organisations
- centres of expertise and knowledge clusters

Priority axis 5: Special interregional themes

Priority axis 5 includes special themes that can be implemented within the entire programme area. 80 per cent of the financing for the priority axis will be channelled into themes supporting the development of knowledge clusters and 20 per cent for actions that support other ongoing programmes, particularly international actions. Every year, a few themes agreed jointly by the regions are opened up for application. In Southern Finland, special development targets may include, for example, themes associated with the environment, technology, well-being, logistics, materials and construction, as well as networking between the business and public sectors.

Beneficiaries can be:

- regional development companies and cultural institutes
- polytechnics and universities
- centres of expertise and knowledge clusters
- research institutes
- municipalities and joint municipal authorities

Financing of the ERDF operational programme for Southern Finland

The total financing of the ERDF programme for Southern Finland is EUR 777.8 million. 67 per cent of the actual programme financing is directed at the most challenging areas (priority axes 1–3), 28 per cent to major region themes (priority axis 5) and 5 per cent to large urban areas (priority axis 4).

Type of activity	ERDF funding	National public funding	Private funding	Total
1: Promotion of business	31.4	47.8	316.8	396.0 M €
2: Promotion of innovation activity and networking and strengthening of skill structures	28.8	43.8	72.5	145.1 M €
3: Improvement of the accessibility of regions and of the operating environment	28.6	43.5	18.0	90.1 M €
4: Development of major urban areas	6.6	10.1	1.9	18.6 M €
5: Large regions - Thematic concentration of measures	37.1	56.4	23.4	116.9 M €
Technical support	5.5	5.5		11.0 M €
Total*	138.1	207.1	432.7	777.9 M €

*) Due to rounding errors, the totals are not exact.

Recording the boat building tradition in the eastern Gulf of Finland

The three-year project combining ethnology and boat construction engineering recorded the tradition of wooden boat building in the eastern Gulf of Finland. The project compiled knowledge gained by tradition, photographs, half-models of boats, model bows, boat designs and archive material. In addition, boatyards were documented, and boats were measured and computer-aided designs of them were produced. The aim of the project was to collect, research, and publish, and to turn the wooden boat building tradition in the eastern Gulf of Finland into a marketable product. The material was used to publish a book about the

history of the boat building tradition on the coast of Kymenlaakso. The productisation is being carried out by digitising the boat plans and by setting up a digital archive of boat designs.

The material can be used in modern boat design. "The documented information strengthens general knowledge of the wooden boat sector and highlights the diversity of regional styles and special cultural features," explains project manager **Tuula Kivilaakso** from the Kymenlaakso University of Applied Sciences. The researched and published material will benefit not only entrepreneurs

in the sector but also students, enthusiasts, researchers, and the Kotka Museum Centre as well as tourism. The compiled material will be available for the public via the online service of the Kymenlaakso Provincial Museum.

The material was used to produce a literary publication and a database of boat plans, which are available via Internet. The project was administered by the Kymenlaakso University of Applied Sciences from ERDF assistance. Experts in the network included the Kymenlaakso Provincial Museum, Hamina Vocational College, the Osuuskunta Kotkan Puuvienekeskus and Kotka Maritime Library.



The total financing of the ERDF programme for Southern Finland is estimated to be about EUR 780 million.

Applying for EU assistance

Who can apply?

Enterprises, educational institutions, research institutes, municipalities, subregions and other incorporated societies or their combinations can apply for additional financing for their projects from the European Union's Structural Funds.

What are the other requirements?

EU granted financing is co-financing – in other words a boost for development measures. The requirement for receiving EU assistance is that the development project has other public or private providers of finance in addition to the EU. Development projects must have, almost without exception, financing from the region's municipalities. Only enterprise-specific projects are not required to have municipal funding.

Who grants the money and makes the decision?

Financing under the programme is granted in the regions by the Employment and Economic Development Centres (T&E centres), State Provincial Offices, Regional Councils and the Regional Environment Centres and Road Districts, who notify about the application procedures and periods for financing on their own Internet pages and in the media. As part of the preparations for the financing decisions and coordination of the actions, development project applications are processed either in the Regional Management Committee or the secretariat of the Regional Management Committee.

Decisions on the allocation of ERDF programme financing for the various financing authorities and the focus of the activities to be financed are taken in the Regional Management Committee, which operates in every region. The Regional Management Committee coordinates the implementation of development actions of EU programmes as well as national programmes. Several actors in the region take part in the work of the Regional Management Committee: the Regional Council and its

member municipalities, the State's authorities and organisations, and the key social and economic partners.

The Regional Councils, which operate as regional development authorities, have an important role in the development of the regions. They draw up in cooperation with other actors the long-term regional strategic plans and regional strategic programmes for their area and the annual implementation plans for the regional strategic programmes. These regional strategies and programmes guide the channelling of financing for the various development tools, such as the programmes of the EU's Structural Funds.

Further information is available on the Internet at the following address: www.structuralfunds.fi.



Where else can assistance for development projects be obtained?

The regions in Finland are developed, in addition to financing from the EU's Structural Funds, with assistance from the European Agricultural Fund for Rural Development, the European Fisheries Fund and through various national programmes.

Rural development actions are financed as a general rule through the Rural Development Programme for Mainland Finland, which has been drawn up for the years 2007–2013.

Alongside the EU programmes, the aim of national programmes is to reduce interregional disparities, to improve the living conditions of the population and to promote the balanced development of the regions. These national programmes include, for example, the Regional Centre Programme, the Centre of Expertise Programme, the Rural Policy Programme and the Island Development Programme. National funds from the Finnish Funding Agency for Technology and Innovation, Tekes, are also available.

Exporting crushers around the world

The joint journey of Allu Finland Oy, which manufactures machines for soil preparation and the environmental sector, and the EU's Structural Funds began in the 1990s. The firm in Hollola had developed a screener crusher that revolutionised working practices in soil preparation, and which seemed to have a market outside Finland as well. The company applied for ERDF assistance for internationalisation – and nowadays around 85 per cent of Allu's turnover comes from abroad. **Kauko Pylväs**, Managing Director of Allu Finland Oy, explains that the company's distribution channels are currently being developed with EU assistance, especially in countries in Eastern Europe, South

America and Asia. Establishing new subsidiary companies is under consideration, as are new territories. Could there be a market for screener crushers in India?

Pylväs explains that ERDF assistance has been important for the international expansion. "If we had not received assistance, the results would also have been more modest," says Pylväs: "Currently, we are growing at 25 per cent per year and have recruited more personnel than planned." He explains that the internationalisation plan prepared with the Employment and Economic Development Centre has been of concrete benefit and that the T&E Centre has proven invaluable as a boosting partner.

"On the other hand, public financing demands a certain methodical and a systematic approach," says Pylväs. "I get great pleasure in bearing our social responsibility – from the fact that we are able to keep jobs in Finland and that they don't all disappear to China," he admits. The work at Allu also motivates the employees: "The fact is that the world will soon be drowning in waste. The amount of waste can be reduced with our waste processing machines." Pylväs also states that he is involved in his work with some of the most immense projects from strengthening the levees in New Orleans to decontaminating the harbour at Vuosaari. Internationalisation has proven its worth.



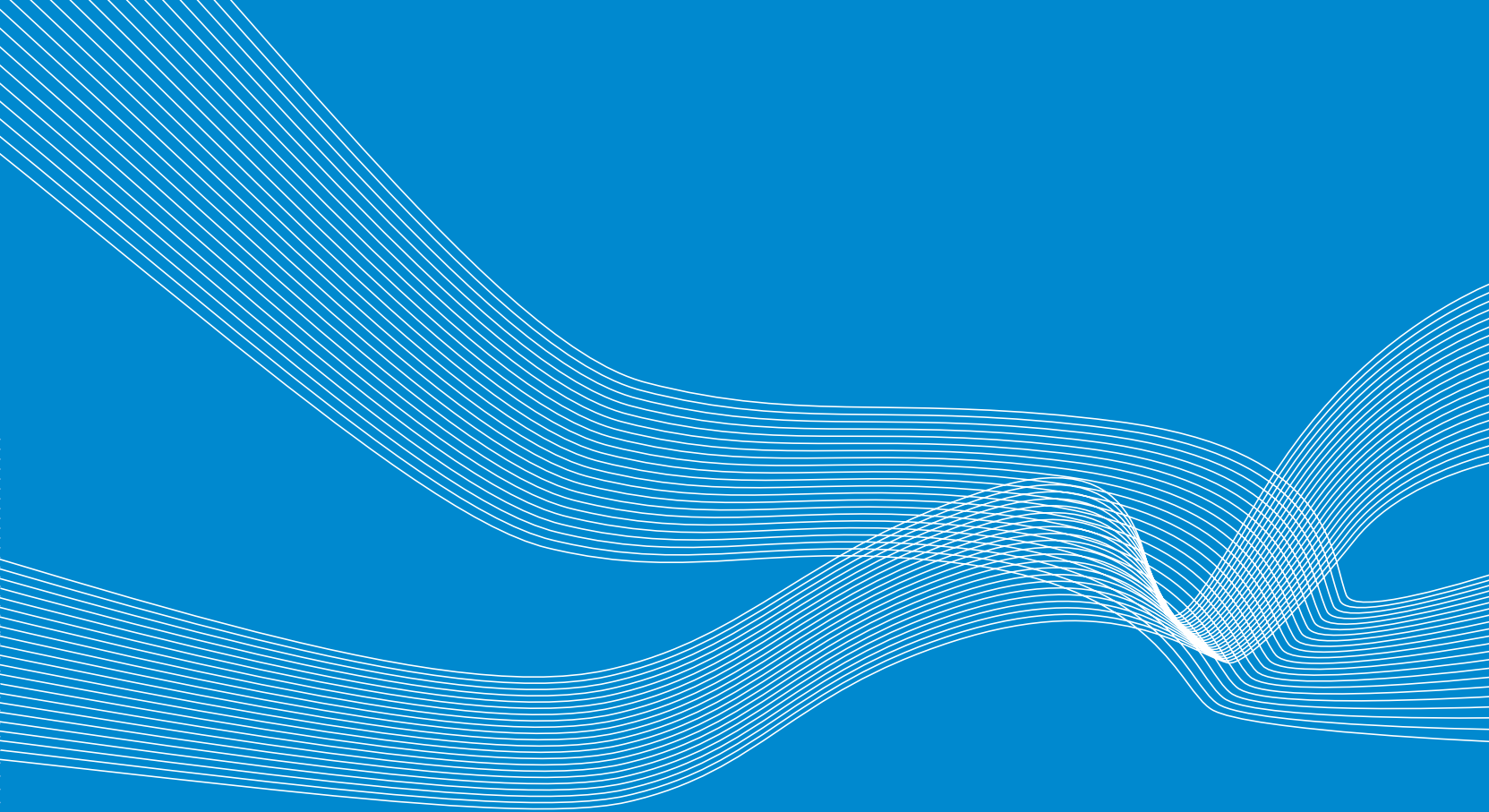
I have a project idea, what do I need to do to get assistance from the EU's Structural Funds?

If you have an idea for a new project for which you want to apply for assistance from the ERDF or ESF programmes, you can proceed by taking the following steps:

- Get together a group of people who are interested in the idea and who are willing to develop the idea further. Include people who are directly concerned with the development.
 - Ensure that your idea has its own organisation and the support of the required cooperation partners. In order to receive assistance from the EU's Structural Funds, you also need other providers of finance, either private or public.
 - Read up on the programmes of the Regional Development Fund and Social Fund and the objectives of the priority axes, the strategies and implementation plans of your own area's regional strategic programmes and the application periods and other terms and conditions of the financing.
 - Once you have found partners to implement your idea, contact the finance provider to discuss the project. Financiers can also give expert help on starting up the project.
- If your project meets the programmes' objectives and regional priorities, prepare a project plan detailing the objectives of the project, the expected concrete results, target group, area of operation, the practical measures of the project, cooperation partners and division of tasks, cost estimate and financing plan.
 - The application for assistance is completed electronically using the EURA2007 system for the majority of projects. Applications for business financing granted by the Employment and Economic Development Centres, research and development financing from Tekes, and loans and guarantees from Finnvera Plc are carried out, however, using their own application forms and procedures. More information on submitting applications can be gained if you contact your public financier.

Further information

Further information on financing opportunities and help with project preparation is available from the following address www.structuralfunds.fi and from financiers. Good practical advice is also available from colleagues or business and professional organisations that have taken part in EU projects.



www.structuralfunds.fi
www.etela-suomeneakr.fi



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