

Leverage for
Western Finland
from the EU

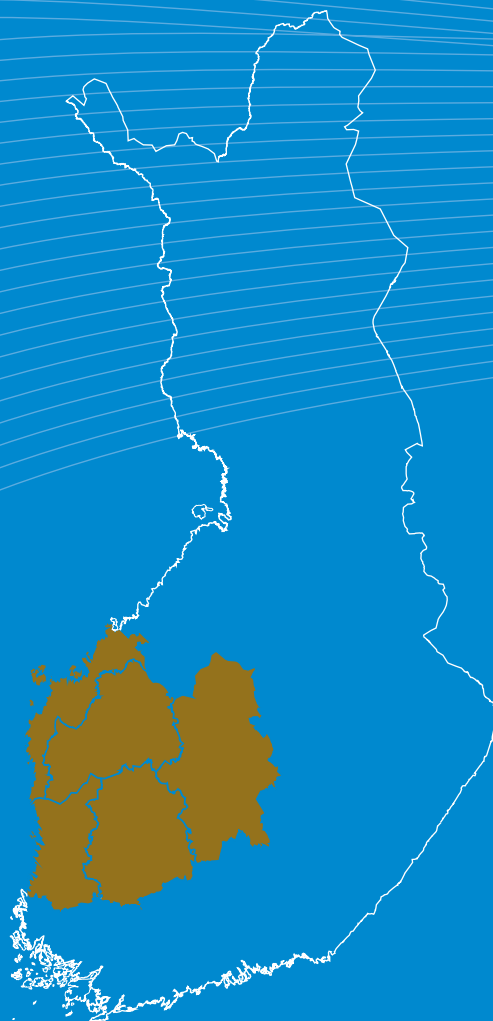
Structural Fund period 2007–2013



European Union
European Regional Development Fund

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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 Western Finland

The programme area of Western Finland covers all of western Finland, i.e. the regions of South Ostrobothnia, Central Finland, Pirkanmaa, Ostrobothnia and Satakunta.

The population in the Western Finland programme area was 1,334 million in 2006.

With the exception of the subregions of Tampere, Vaasa, Pietarsaari and Seinäjoki, all the subregions of the Western Finland programme area are classified as the most challenging areas. Approximately 61 per cent of the region's population live in the most challenging areas and 67 per cent of the entire programme's financing is directed to these areas. The sparsely populated region of Saarijärvi-Viitasaari has been highlighted as an especially challenging area and as a development area and it will receive a greater amount of assistance than the other parts of the programme area.

In addition, large urban areas form their own special development area; Tampere and Vaasa have been defined as such in the programme.

New energy technologies will be the employer of the future

It is believed that the introduction of renewable energy will create an estimated million new jobs in Europe by the year 2015. According to the calculations, there should be work for around eight hundred people in Central Finland.

The interdisciplinary Master's programme in renewable energies that started at the University of Jyväskylä in 2003 is researching and demonstrating processes relating to biogas,

the small-scale incineration of biomass, solar heat and electricity, and integrated systems.

The subject of the research also includes the socio-economic impacts of using renewable forms of energy. Finland's first professorship in renewable energy starts in 2008.

The renewable energy project is being lead by Professor **Jouko Korppi-Tommola**. The project has been financed by the State, municipalities in Central Finland, the State

Provincial Office of Western Finland, and the companies that are also involved. The investment and development section of the project has been supported by the ERDF and the training section by the ESF. "The University's knowledge increased through the project and the various actors have received new, skilled personnel," says **Pirjo Peräaho**, programme manager of the Regional Council of Central Finland, about the benefits of the first stage.

Objectives of the ERDF operational programme for Western Finland

The aim of the assistance from the EU programmes is to develop Western Finland into a uniform, balanced and internationally and nationally attractive entity based on the regions' own strengths. The goal is to promote the economic development of Western Finland in national and international markets, to increase the creation of jobs and enterprises in the area and to promote a competitive environment for business.

Regional competitiveness in Finland requires the regions to recognise the importance of the various elements to their competitiveness and to identify their own strengths and success factors. For the regions to be able to respond to tightening competition and structural changes, the key local elements to competitiveness must be preserved and developed.

The following key objectives have been set for projects to be implemented in the operational programme for Western Finland:

- 9 800 new jobs, of which the share of jobs for women is 3 920
- 2 000 new enterprises, of which the share of enterprises run by women is 800
- 150 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 Western Finland is to create 9 800 new jobs and 2 000 new companies.

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

The development needs in the ERDF programmes have been divided into priority axes that are consistent with the priorities of the national Structural Funds strategy.

The activities supported in Western Finland are divided into four priority axes.

Priority axis 1: Promotion of business

The development actions of priority axis 1 focus directly on SMEs or groups of 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. Support instruments for enterprises can be a development grant from an Employment and Economic Development Centre and interest-subsidised loans from Finnvera.

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

Beneficiaries can be:

- business start-ups and growth-oriented enterprises
- development companies and technology centres
- organisations providing services to enterprises

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

Priority axis 2 promotes knowledge and innovation and strengthens the structures and knowledge clusters linked to innovations.

Projects that will be financed 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:

- research and development organisations
- universities, polytechnics and vocational institutions
- technology centres, innovation centres and centres of expertise
- municipalities
- organisations and development companies providing services to enterprises

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

The measures under priority axis 3 will develop the operating environment. The measures to be supported can be used to benefit and strengthen the region's attractiveness, to prevent environmental risks and damage and to improve the accessibility of the regions.

Projects that will be financed can include, for example, the development of competitive operating environments, plans to improve the accessibility of transport and services, the utilisation of 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:

- municipalities and joint municipal authorities
- organisations in the field of tourism, culture and science
- the regional authorities

Priority axis 4: Developing large urban areas

The measures under priority axis 4 aim to increase the attractiveness of the urban areas of Tampere and Vaasa. In addition, the activities will focus on the special challenges of the most problematic districts of these large urban areas.

The 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 and joint municipal authorities
- organisations providing services to enterprises
- communities and organisations
- research and training units
- regional development organisations
- centres of expertise and knowledge clusters
- universities, polytechnics and vocational institutions

Joint special themes of the major region of Western Finland

Special themes are financed in the Western Finland region that can be implemented in the entire programme area. Special development themes include developing spearhead clusters, developing innovation and learning environments, and increasing the international appeal and the innovative development of welfare services. Further information is available in the programming document and Internet pages of Western Finland: www.lansisuomi.fi.

Financing of the ERDF operational programme for Western Finland

The total public financing of the ERDF programme for Western Finland is over EUR 692 million. Of this, the contribution from the EU is EUR 159.4 million and national financing from the State and municipalities is EUR 239.1 million. It is estimated that private enterprises will take part in the implementation of the programme to the amount of almost EUR 294 million.

Of the actual programme financing, 67 per cent will be directed at the most challenging areas (priority axes 1–3), 28 per cent to major region themes and 5 per cent to the urban areas of Tampere and Vaasa (priority axis 4). Priority axis 1 and 2 will receive greater priority.

Type of activity	ERDF funding	National public funding	Private funding	Total
1: Promotion of business activity	56.5	86.0	237.8	380.3 M €
2: Promotion of innovation activity and networking and strengthening of skill structures	62.6	95.2	27.3	185.1 M €
3: Improvement of the accessibility of regions and of the operating environment	27.1	41.2	11.8	80.1 M €
4: Development of major urban areas	6.8	10.4	16.9	34.1 M €
Technical support	6.4	6.4		12.8 M €
Total*	159.4	239.1	293.8	692.3 M €

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



The total financing of the ERDF programme for Western Finland is estimated to be nearly EUR 700 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.

Suolahti is a centre of expertise in sheet metal technology

Finland's leading knowledge on sheet metal is concentrated in Suolahti. The Regional Council of Central Finland granted ERDF assistance to the Sheet Metal Centre that was established in 2003. The following year, Sheet Metal Innovations SMI Oy Ltd was set up, which is a technology company specialising in sheet metal technology product development. The Sheet Metal Project, which started in 2005, trains students and company employees in the metal sector. New apprenticeships in the industry have been created for students of sheet metal engineering, such as with SMI's parent company Relicomp in Suolahti.

During the previous EU programming period, the focus was on the introduction of new sheet metal engineering technology, and on education. In the new period, it is the turn of developing products and production.

"We offer ideas and turn the product idea into a final, comprehensive sheet metal engineering solution. After that, we support the project for the product's entire life cycle by flexibly offering our expertise for use in production, as required," says SMI's Managing Director **Marko Jyllilä**.

The rise in the price of steel is forcing companies to seek thinner and lighter solutions

in product manufacturing. Greater value is also being placed on the design of machinery and equipment. New sheet metal technology, such as pressure moulding, enables various shapes to be run. "We have the only pressure moulding machine in commercial use in northern Europe," explains Marko Jyllilä. Pressure moulding is suitable for manufacturing prototypes and small series quickly and cheaply.

SMI's product development customers include ABB, AGCO, Danfoss, Formia, Halton, John Deere Forestry, Kone, Rautaruukki, Sandvik Mining and Construction, Serres and Suoja Expert.



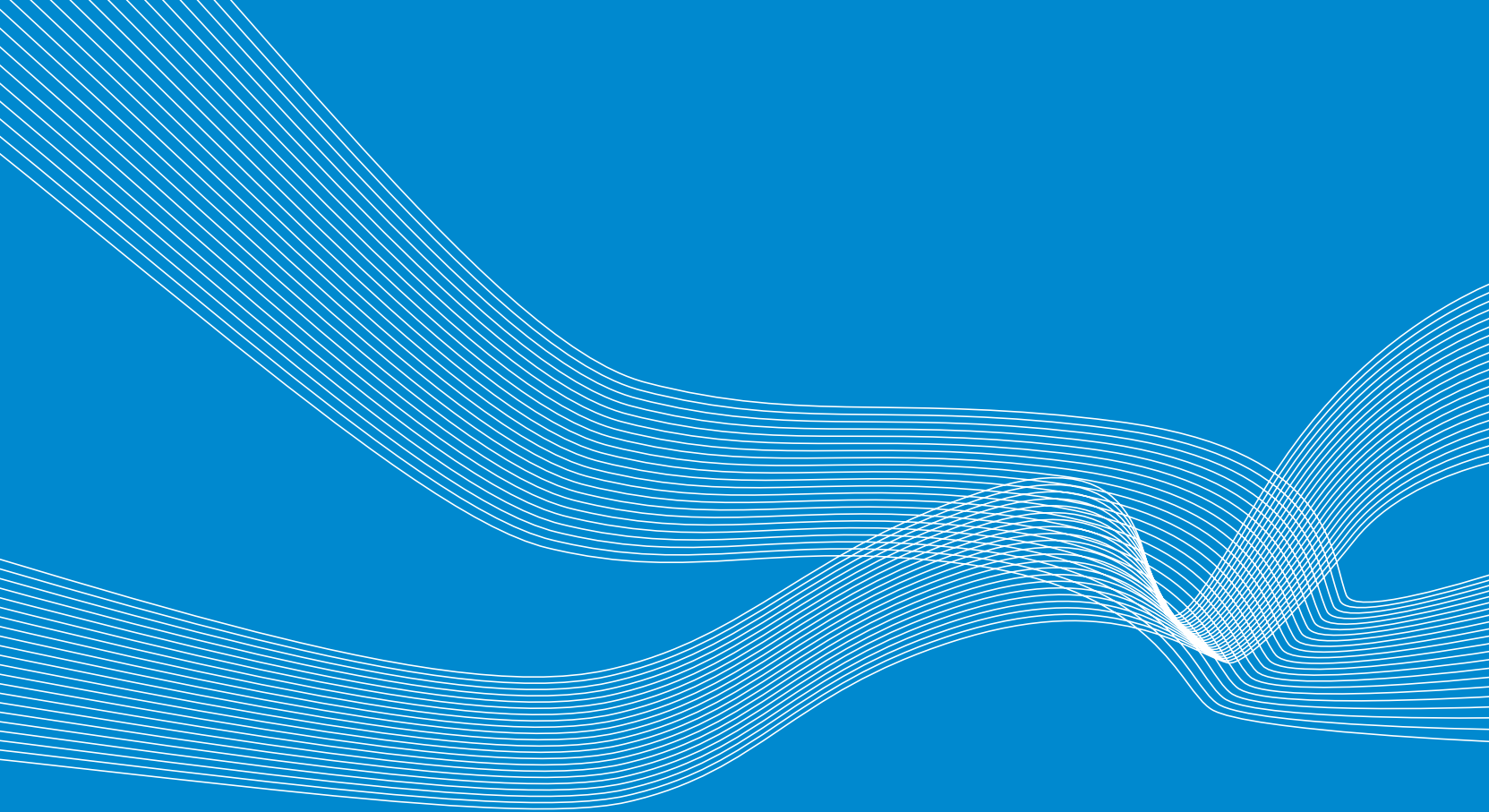
I have a project idea, what do I need to do to get assistance from the EU's Structural Funds?

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.lansi-suomi.fi

www.epliiitto.fi

www.keskisuomi.fi

www.pirkanmaa.fi

www.obotnia.fi

www.satakunta.fi



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