

Leverage for **Northern Finland** from the EU

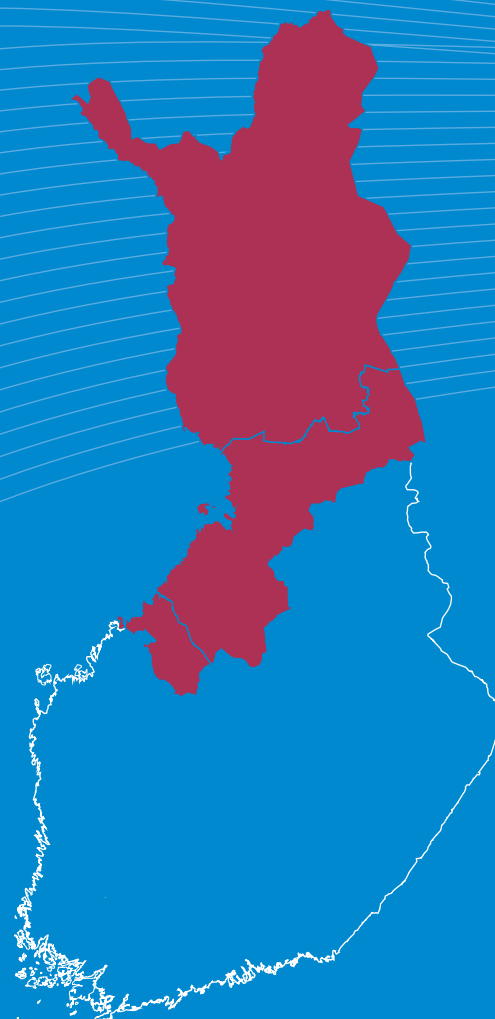
Structural Fund period 2007–2013



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 Northern Finland

The Northern Finland programme covers three regions: Central Ostrobothnia, Lapland and North Ostrobothnia. Northern Finland accounts for 44% of the total area of Finland and 12% of its population. At the end of 2006 the population was 636,275. It is around 800 kilometres by road from its southernmost to its northernmost point.

Power to women

The 'power to women' project built a service and development network across the regions of Central Ostrobothnia, Southern Ostrobothnia and Ostrobothnia to boost cooperation between female and family entrepreneurs. The idea was to improve the regional and local visibility of female entrepreneurship, to promote the skills of female entrepreneurs, to offer information on training and development services as well as to provide a stimulus for entrepreneurship at local level.

Theme days and evenings were held in the regions, as well as information events and visits to fairs and companies. There was close

partnership with entrepreneur organisations, colleges, a company called Kokkolanseudun Kehitysoy and other projects. The development needs of female entrepreneurs were investigated in a survey and in the development groups. The answers formed the basis of final projects and a development programme for female entrepreneurs until 2013.

The project helped to highlight the special features of female entrepreneurship, such as service entrepreneurship, small-scale business, as well as to coordinate work with family responsibilities. It also inspired women entrepreneurs to get trained and to take an

active part in society as well as to develop their own business. Networking and exchange of experiences increased, and there was close cooperation between entrepreneurs and stakeholders, especially in the development working groups.

At the same time some useful information was obtained about the situation of female entrepreneurship in Ostrobothnia and the kinds of problems and needs these women share. Some key proposals for measures to develop female entrepreneurship in the future were written into the Regional Development plan.

Objectives of the ERDF operational programme for Northern Finland

The objective of ERDF operational programme for Northern Finland is to improve the region's opportunities to strengthen its position in international and national competition, and to respond to the structural change of business and industry. In addition, the programme will contribute to managing the future demographic change and the regional differentiation of the population.

The EU grants co-financing for projects that are implemented in Northern Finland, through which it is possible to enhance the region's attractiveness, promote the creation of innovations as well as create additional entrepreneurship and jobs. The ERDF operational programme for Northern Finland is part of Finland's Structural Funds strategy and its regional competitiveness and employment objective. The following quantitative objectives have been set for the operational programme for Northern Finland:

- 11 000 new jobs, of which the share of jobs for women is 4 200
- 1 500 new enterprises, of which the share of enterprises run by women is 630
- 1 000 new jobs in product development

The projects implemented under the ERDF programme will help to boost innovative competitiveness in Northern Finland, promote company growth there, improve accessibility and enhance the region's attractiveness.



The objective of the projects
in Northern Finland is to
create 11 000 new jobs and
1 500 new companies.

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

The activities supported in Northern Finland are divided into three priority axes that are consistent with the priorities of the national Structural Funds strategy. In addition part of the assistance is allocated to administering the programme.

Priority axis 1: Promotion of business

The actions of priority axis 1 focus on start-ups and established growth-oriented enterprises and groups of enterprises, regardless of their line of business. New businesses are being sought within women's entrepreneurship and service sectors by initiating new, creative trial projects. Specific opportunities include business activities arising from well-being, tourism and culture services, and knowledge-intensive services for enterprises. The measures also promote energy efficiency of enterprises and activate business activities and exports associated with environmental and energy technology.

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:

- new SMEs and SMEs that are starting up
- SMEs with growth potential and actively developing SMEs
- enterprises in the process of transition (generation change, etc.)
- large enterprises when the project promotes networking or the transfer of technology to SMEs.

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

The actions under priority axis 2 will be directed at the development of good innovation environments, the research and education system, and learning environments. The measures to be supported can include, for example, the development of cooperation networks of enterprises, educational institutes and research institutes, and international networking.

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:

- universities and polytechnics
- other educational institutes
- research and development organisations
- technology centres, centres of expertise and knowledge clusters
- municipalities
- other public bodies and associations

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

Under priority axis 3, in order to improve accessibility support will be given to transportation for the business sector, logis-

tics services, regional logistics centres and for the development of telecommunications links. The actions for improving the attractiveness of operating environments will be directed at the development of both natural and built environments. The priority axis also includes measures for improving the possibilities of the Sámi people to develop their livelihoods and culture.

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 water bodies and the development of eco-efficiency, the introduction of new technology required by the regional balance, 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.

Priority axes 1–3 also include specific measures targeted at the Sámi people, which support the activities under the programmes that are based on the Sámi culture.

Beneficiaries can be:

- municipalities
- research and cultural organisations
- other public bodies
- associations
- the regional authorities
- enterprises

Financing of the ERDF operational programme for Northern Finland

The total public financing of the ERDF programme for Northern Finland is EUR 622 million. Of this, the EU's contribution is EUR 311 million. In addition, it is expected that around EUR 445 million in financing will be received from private enterprises and other organisations.

Type of activity	ERDF funding	National public funding	Private funding	Total
1: Promotion of business activity	111.8	111.8	402.6	626.2 M €
2: Promotion of innovation activity and networking and strengthening of skill structures	116.1	116.1	60.4	292.6 M €
3: Improvement of the accessibility of regions and of the operating environment	70.9	70.9	17.0	158.8 M €
Technical support	12.5	12.5		25.06 M €
Total*	311.3	311.3	480.1	1102.7 M €

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

Bringing a company's production management systems under control by investing in information technology

Martti Kovalainen from Pello, began his business in 1990. His wife Anne-Mari joined the firm in 1992. Kuljetus M. Kovalainen Oy is a transport company that now employs 150 people and has a fleet of 70 lorries clocking up a total of seven million kilometres a year.

"We want to be the most reliable and professional transport delivery service in Northern Finland. That means we have to develop the service we provide and the company all the time," says Kovalainen.

"To be able to provide our customers with an even better service we have started a project to develop an information technology system. When we were doing the analyses we made use

of the eAskel expert service at the Employment and Economic Development Centre, which is co-financed by the ESF. During the preparatory stage we used funding from Tekes. We got development assistance from the ERDF to buy and start running the IT system," says Kovalainen.

The project aims at a new kind of enterprise resource planning system covering the whole information management process from receipt of orders to scheduling, acknowledgements of receipt, billing and even payroll. With the system's introduction, the company's efficiency, reliability and quality of customer service are improving and it can provide the customers with a comprehensive, up-to-date service.

"To manage his company's dramatic growth the Managing Director has also been involved in the Employment and Economic Development Centre for Lapland's Managed Growth (HAKA) training and developing programme co-financed by the ESF and aimed at SMEs," says Pertti Korhonen of the Business Department of the Employment and Economic Development Centre for Lapland.

The company's terminals are in Pello, Rovaniemi and Oulu. It operates actively north of a line between Kokkola and Kuhmo as far as the 'arm' of Finland. It regularly operates on trunk road routes from the Helsinki area and Kotka to Oulu and Rovaniemi.



The total financing of the ERDF programme for Northern Finland is estimated to be over EUR 1.0 billion.



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.

Water as a source of business

Business connected with water know-how has been found to be an excellent addition to the technology skills in Oulu. The aim of the pioneering three-year project during the programming period 2007–2013 is to establish an international, high-standard research unit specialised in the treatment of water and wastewater. The unit will be known as CEWIC (Centre of Excellence in Water Industry Cluster). It will act as a strategic centre for the Finnish water industry run by the companies involved in the project. The objective for research that the treatment of water and wastewater and the business applications that exist will become an important field of international business for companies. The priorities for the water business are complete solutions linked to fresh water in industry, water circulation in industrial processes, the purification of

wastewater and community water supply.

Matti Pennanen, Mayor of Oulu, says that there are enormous global challenges in matters relating to the environment and water. The city is keen to be involved in anything that helps to find solutions to these challenges. Pennanen also says that CEWIC and the results of its work will broaden the city's know-how and create new technology and businesses.

The results of CEWIC's work will be services and business concepts based on strong Finnish know-how and sold into global markets. It will be based on a networking approach. The water industry market and the needs of companies will largely determine the sort of research, development and innovation work the centre gets involved in. Water know-how is on a firm

footing in Oulu, as Kemira's research centre there has been doing top quality research in water chemicals for a long time now.

The work of the research centre will start with a project funded by the ERDF which the Oulu University of Applied Sciences, Oulu University and local companies have committed themselves to. CEWIC will turn the dispersed water and wastewater treatment industry into a coherent, functional cluster, where training and research connect with the needs of the economy. Research and training organisations, institutions and businesses which develop technology, companies and public actors will all be involved.

The project will also support sustainable development and a general increase in prosperity and welfare.



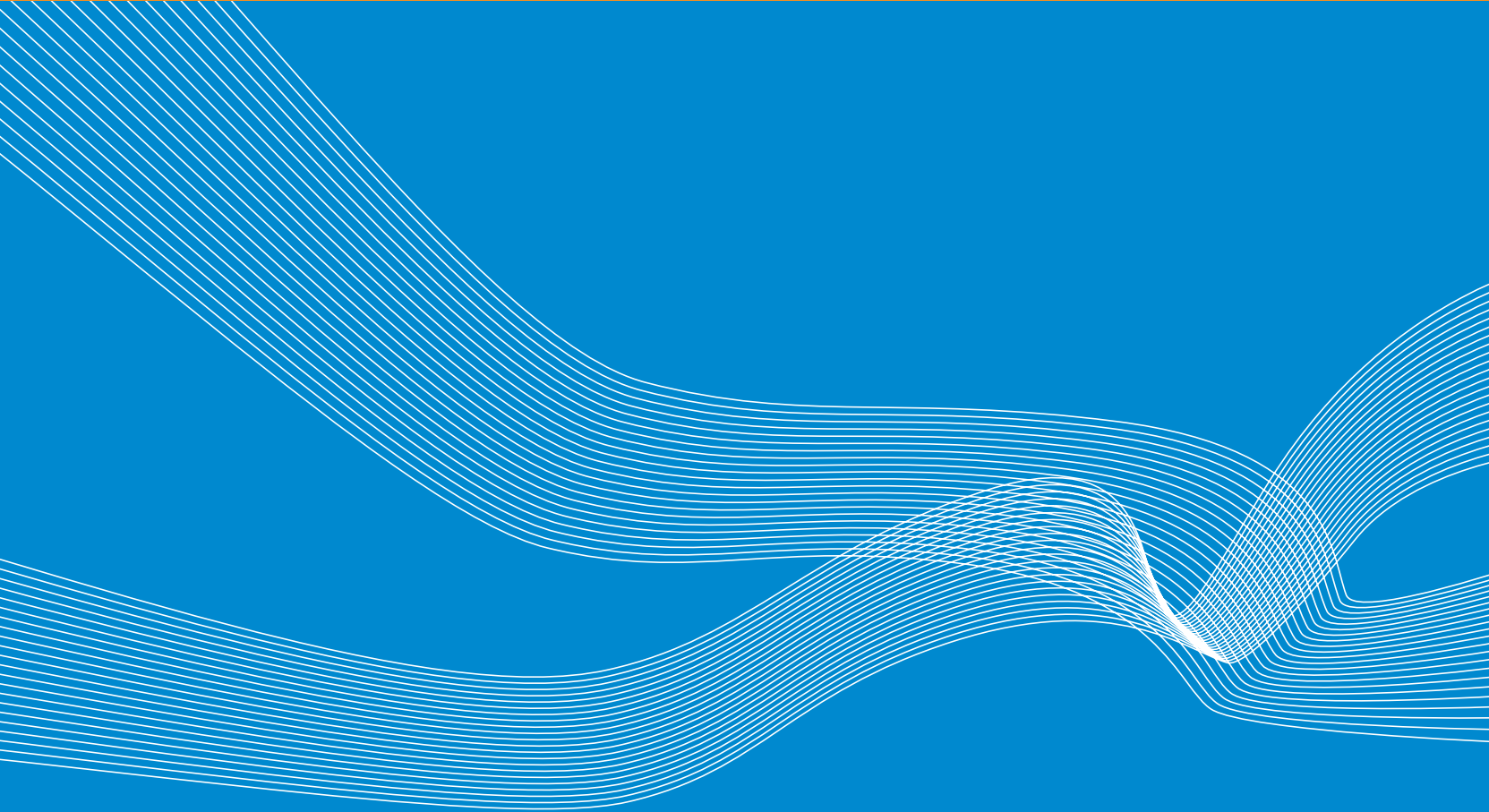
I have a project idea, what do I need to do to get assistance from the EU's Structural Funds?

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.lapinliitto.fi

www.pohjois-pohjanmaa.fi

www.keski-pohjanmaa.fi



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