

European Cohesion Policy in Italy

EN

The European Union (EU) comprises 27 Member States forming a community and single market of 493 million citizens. However, great economic and social disparities still remain among these countries and their 271 regions. European Cohesion Policy is at the centre of the effort to improve the competitive position of the Union as a whole, and its weakest regions in particular.

Through the European Regional Development Fund (ERDF) and the European Social Fund (ESF), otherwise known as the Structural Funds, as well as the Cohesion Fund, it invests in thousands of projects across all of Europe's regions to achieve its primary task: to promote economic and social cohesion by reducing these disparities between Member States and regions. With a budget of **€347 billion** for 2007–13, Cohesion Policy represents the single largest source of financial support at EU level for investment in growth and jobs, designed to enable *all regions* to compete effectively in the internal market.

However, as the challenges facing Europe's regions have changed over time, so too has the policy. Against a background of momentous change in the Union as a result of enlargement and of increasing globalisation, concerns about energy supplies, demographic decline, climate change and more recently, world recession, the policy has evolved, in step, as a key part of the response to meet these new realities.

Cohesion Policy 2007–13



IMPACT AND RESULTS OF COHESION POLICY IN ITALY

Between 2000 and 2006, around €27.4 billion of European aid was invested in Italy in the regions that most lag behind in terms of development: Campania, Calabria, Sicily, Puglia, Sardinia, Basilicata and Molise. Within these regions:

- 20 000 businesses were supported by the Cohesion Policy (including 200 start-ups);
- 770 businesses benefited from funding for industrial research projects;
- the number of businesses connected to the Internet increased from 25% to 70%;
- the number of families connected to the Internet increased from 11% to 32%;
- 350 km of railways were modernised, and 690 km of roads were built;
- the Rome-Naples railway line was completed, reducing the journey time by 33 minutes;

- new airport terminals were built in Bari, Catania and Cagliari and the air traffic control systems in the south were modernised;
- an additional nine million people were given access to sorted household waste collection and 63 new waste treatment plants were commissioned;
- 563 projects to enhance the cultural heritage of the south of Italy were supported by European investment;
- the number of foreign tourists to the south increased by 20% between 2000 and 2006;
- the percentage of young people attending compulsory education increased from 80% in 1999 to 93% in 2007;
- there is now one computer for every 10 students in schools in the south compared with one for every 33 students in 2001.

A SNAPSHOT OF ACHIEVEMENTS

- Support for 20 000 businesses in the regions of Southern Italy and 15 000 SMEs throughout the rest of the country
- 350 km of railways modernised, 690 km of roads built
- 63 new waste treatment plants
- 563 projects to enhance the cultural heritage of the south of Italy



European Union
Cohesion Policy

The impact of Cohesion Policy is estimated to have produced a 1.1% increase in gross domestic product (GDP) between 2000 and 2006 in Italy's Mezzogiorno.

Much of the European aid was directed towards small and medium-sized enterprises (SMEs) in other Italian regions. 15 000 SMEs received support in 14 regions between 2000 and 2006.

EUROPEAN INVESTMENTS IN ITALY 2007–13

Italy is the third largest beneficiary of the European Union's Cohesion Policy after Poland and Spain. During the 2007–13 programming period, Italy will receive a total of almost €29 billion in European aid (from the ERDF and the ESF) under the Convergence¹, Regional Competitiveness and Employment and European Territorial Cooperation Objectives.

In total, Italy has defined 66 programmes, which break down as follows:

- 19 programmes under the Convergence objective, with 10 programmes managed at regional level, seven programmes managed at national level and two national interregional programmes;
- 33 programmes under the Regional Competitiveness and Employment objective (32 programmes managed at regional level and one programme managed at national level);
- 14 programmes under the European Territorial Cooperation Objective.

FUNDS FOR ITALY IN BILLION € 2007–13

Objective	Fund	EU	National Public	Total
Convergence	ERDF	17.8	18	35.8
	ESF	3.7	3.9	7.6
Total Convergence		21.5		
Regional Competitiveness and Employment	ERDF	3.1	5	8.1
	ESF	3.2	4.4	7.6
Total Regional Competitiveness and Employment		6.3		
Total European Territorial Cooperation*	ERDF	1	-	1
TOTAL		28.8	31.3	60.1

Figures have been rounded up

* Each Territorial Cooperation programme includes a minimum of 15% co-financing from each participating Member State.

The 'Convergence regions', i.e. Campania, Puglia, Calabria, Sicily and Basilicata, are the main beneficiaries of funds allocated by Cohesion Policy.

The 'Regional Competitiveness and Employment regions' are diverse and include the regions of the north, which produce much higher GDP per capita than the EU average, and the regions of the south, which no longer come under the Convergence Objective but remain well below the European average in terms of GDP per capita (for example, Sardinia, Molise and Abruzzo).

¹ The Convergence Objective concerns regions characterised by low levels of GDP and employment, where GDP per head is less than 75% of the EU average as it stood between 2000 and 2002. It applies to 99 regions representing 35% of the EU-27 population and aims to promote conditions conducive to growth and ones which lead to real-time convergence in the least-developed Member States and regions. The Regional Competitiveness and Employment Objective is applicable to the rest of the EU, or to 172 regions, representing 65% of the EU-27 population. It aims to enhance the competitiveness and attractiveness of regions, as well as boost their employment levels. It should be noted that the rural development and fisheries policy are separate and do not form part of this brochure.

DELIVERING THE LISBON STRATEGY FOR GROWTH AND JOBS

The relaunch of the Union's Lisbon Strategy in 2005 aimed to bolster the competitive position of EU regions in the world economy by placing growth, jobs and competitiveness at the top of the Union's agenda. For the 2007–13 period, European Cohesion Policy has attached increasing importance to delivering the so-called 'Lisbon objectives'.

Italy has therefore aligned its priorities with those identified at European level. In terms of finance, 70% of the funds invested in the 'Convergence regions' and 81% of those earmarked for the 'Competitiveness and Employment regions' will be allocated to the Lisbon priorities in 2007–13.

MAIN PRIORITIES OF COHESION POLICY IN ITALY, 2007–13

The objective for the 2007–13 period is to enable the regions of the south to catch up with the European average in terms of GDP per capita and to create 473 000 new jobs in the 'Convergence regions'. Investment in **Research & Development (R&D) and innovation** makes up the greater part of overall investment. Italy will allocate €9.6 billion to this priority, in particular through the 'Research and Competitiveness' programme. The 21 ERDF regional programmes all have a 'R&D priority'.

Transport infrastructure will also receive European funding aid (€4.1 billion). In particular, this will involve improving modes of sustainable transport (rail, ports and seaways). The Italian axes that are part of the trans-european transport Networks (TEN-T) as defined at European level, will be priorities.

THE ESSENTIALS 2007–13

- €9.6 billion for R&D and innovation
- €4.1 for transport infrastructure, including TEN-T
- €2.7 billion for entrepreneurship and SMEs
- More than €1.6 billion for ICT

The **promotion of entrepreneurship and in particular support for SMEs** will receive European investment of €2.7 billion. The objective is to improve the competitiveness of production systems. It also involves facilitating access to **finance for SMEs through the JEREMIE** (Joint European Resources for Micro to Medium Enterprises) **initiative put forward by the Commission and used by 17 Italian regions**.

Italy is placing particular importance on the development and improvement of its capacities in terms of **information and communication technologies (ICT)**. More than €1.6 billion from the Structural Funds is earmarked for this area.

Italy will invest more than €1 billion of European funding in **building a skilled and adaptable workforce**. Assistance will be provided to improve competitiveness by preparing businesses for change, encouraging the creation of new businesses and supporting the presence of SMEs on the global market. Investment in **human resources and training** has been identified as another key priority, for which €2.6 billion has been set aside. Higher education will be supported by the creation of networks bringing together

● BUILDING BRIDGES BETWEEN NEIGHBOURS

In Europe today, economic success is often dependent on a region's capacity to develop networks with other regions. Cooperation and sharing experience between regions can be a key trigger in stimulating a dynamic, forward-looking regional development process. The EU has an important role to play in brokering and supporting such partnerships, both between regions within the Union, and with neighbouring regions outside. Thousands of projects developed over many years under the INTERREG initiative have demonstrated the benefits for regions of working in partnership, sharing ideas and charting new and innovative ways of harnessing European investment.

The **European Territorial Cooperation Objective** is financed through the ERDF for the period 2007–13 and supports cross-border, transnational and interregional cooperation programmes to encourage regions and cities across the EU and further afield to work together and learn from each other.

In Italy, Territorial Cooperation is implemented (ERDF contribution around €85 million) through:

- **seven cross-border cooperation programmes:** Italy-France Alps ALCOTRA; Italy-France (Maritime); Italy-Switzerland; Italy-Austria; Italy-Slovenia; Italy-Greece and Italy-Malta (€30.1 million);
 - **four transnational cooperation programmes:** 'South-East Europe', 'Central Europe', 'Alpine Space' (France-Germany-Italy-Austria-Slovenia, Switzerland and Liechtenstein), 'Mediterranean' (France-Spain-Portugal-Italy-Slovenia-Greece-Malta-Cyprus-United Kingdom (Gibraltar));
 - all **four interregional cooperation programmes** (total budget for all the 27 EU Member States: €443 million)²: INTERACT II, URBACT II, ESPON/ORATE and INTERREG IVC.
- Within the framework of the Instrument for Pre-Accession Assistance (IPA), Italy participates in the 'IPA Adriatic' cross-border cooperation programme along with Greece, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Albania and Serbia.

² INTERREG IVC promotes exchange of experience and good practices among the regions, URBACT – thematic city networks, INTERACT – support for cooperation programme management organisation, ESPON – an observation network for spatial planning.

universities, research centres and businesses. In the regions of southern Italy, the emphasis will be placed on tackling early school leaving.

In Italy, **security and legality** are considered key prerequisites for any development policy. Consequently, a specific programme was designed, aiming to strengthen security and legality for the benefit of citizens and entrepreneurs, in order to make regions where crime is widespread more attractive. Particular attention will be paid to the problems of immigration in order to facilitate the economic and social integration of immigrants as well as to combat illegal immigration and the criminal activities that results from it.

€28.8 billion
for 2007–13

Boosting
growth, jobs and
competitiveness
Italy

● THE EU ON CALL

The **European Union Solidarity Fund** was created after the floods which hit Central Europe in summer 2002. It grants emergency aid to Member States and acceding countries in the event of a major natural disaster.

Italy has benefited from this aid on two occasions in 2003: it received €30.8 million following an earthquake (Molise/Puglia) and €16.8 million following the eruption of Etna.



The Solidarity Fund provided €16.8 million following the eruption of Etna

Regional Policy policy on the ground

THE BIOINDUSTRY PARK IN CANAVESE

In Piedmont, a biotechnology scientific and industrial park creates innovative business projects. It represents a significant opportunity for the regional economy.

The park has been in operation since 1998. It mainly focuses on small and medium-sized biotech enterprises aiming to develop innovative projects. To encourage their set-up and in particular that of industries not yet present in the area, three approaches are combined: provision of premises and the tools required (16 000 m² of laboratories and pilot production installations) and a complete range of common and customised services, enabling the enterprises to benefit from R&D activities and the transfer of technologies managed by the Integrated Laboratory of Advanced Methodologies (LIMA).

By the end of 2005, 35 companies and research centres were active on the site, including 10 companies from outside the area. The total workforce stood at more than 240. 140 jobs were created in five years. Since 1999, the park has helped create 17 start-ups and is currently home to 10 of them. The R&D activities resulted in the registration of more than 25 patents. The European Union has contributed €39 million to this project.

For more information please visit: <http://www.bioindustrypark.it>



Innovation is the watchword in this biotechnology park

OTHER EXAMPLES OF PROJECTS

The Villa Scheibler, located in a somewhat neglected suburb of Milan, was renovated with support from the European URBAN programme. This former country residence and its park have had their 18th-century splendour restored and now host exhibitions, an employment agency and a town planning office (ERDF contribution of €3.5 million).

The port of Gioia Tauro in Calabria (and its multimodal platform), is a crossing point between the European Union, Asia and the southern shore of the Mediterranean. With support from European Union investment (€57 million from ERDF) it is now the busiest container port in the Mediterranean.

The Novamont company, a pioneer in the biodegradable products sector based in Terni (Umbria), benefited from European aid to construct its new state-of-the-art bio-refinery (ERDF: €675 000). Europe consumes almost 40 million tonnes of plastic made from petroleum every year, which gave this company the idea of producing a bio-plastic, called 'Mater-Bi', made from corn and sunflower seed. This bio-plastic is completely recyclable, biodegradable, and even compostable.



More information

EU Regional Policy

http://ec.europa.eu/regional_policy/

Cohesion Policy in Italy

http://ec.europa.eu/regional_policy/atlas2007/italia/index_en.htm

National website

<http://www.fondieuropei2007-2013.it>

European Social Fund

<http://ec.europa.eu/social/>