WP1: Synthesis report

Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF)

Task 3 Country Report
Denmark

September 2016
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CONTENTS

LIST OF ABBREVIATIONS........................................................................................................... 5
LIST OF PROGRAMMES AND LINK TO BENEFICIARIES OF ERDF AND COHESION FUND SUPPORT .................................................................................................................. 6
PRELIMINARY NOTE.................................................................................................................. 8
EXECUTIVE SUMMARY................................................................................................................ 9
1. THE POLICY CONTEXT AND BACKGROUND..................................................................... 10
   1.1. Macroeconomic situation ...................................................................................... 10
   1.2. Regional Disparities ............................................................................................... 11
2. MAIN FEATURES OF COHESION POLICY IMPLEMENTATION...................................... 11
   2.1. Nature and scale of Cohesion Policy in the country ............................................ 11
   2.2. Division of funding between policy areas and changes over the period ............. 12
   2.3. Policy implementation ......................................................................................... 13
   2.4. Delivery system (WP12) .................................................................................... 14
3. THE OUTCOME OF COHESION POLICY PROGRAMMES – MAIN FINDINGS FROM THE EX POST EVALUATION ................................................................. 15
   3.1. Enterprise support and innovation (WP2, WP3 and WP4) .................................... 15
   3.2. Culture and tourism (WP9) .................................................................................. 17
   3.3. ETC (WP11) .................................................................................................... 17
   3.4. Impact on GDP (WP14) ..................................................................................... 17
   3.5. Overview of achievements .................................................................................. 18

List of abbreviations

AIR Annual Implementation Report
ERDF European Regional Development Fund
ETC European Territorial Cooperation
EU European Union
GDP Gross Domestic Product
GDFCF Gross Domestic Fixed Capital Formation
MA Managing Authority
NSRF National Strategic Reference Framework
NUTS Nomenclature of Territorial Units for Statistics
OP Operational Programme
R&D Research and Development
RTD Research and Technological Development
SME Small and Medium Enterprise
### List of programmes and link to beneficiaries of ERDF and Cohesion Fund support

<table>
<thead>
<tr>
<th>CCI</th>
<th>Name of OP</th>
<th>Link beneficiaries</th>
<th>Number of projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007DK162PO001</td>
<td>OP Innovation og Viden</td>
<td><a href="http://eustrukturfonde.dk/">http://eustrukturfonde.dk/</a></td>
<td>345</td>
</tr>
</tbody>
</table>

Note: The web links above are to websites of the respective Managing Authorities who, under the rules governing the 2007-2013 programmes were required to publish the names of the beneficiaries of the funding allocated. The number of projects supported has been estimated on the basis of the information published on the website at the time when the data were downloaded. In the meantime the data concerned may have been updated. It may also be that the data have been moved to another part of the website, in which case the link may not work. If this is the case, those who wish to locate the data concerned will need to go to main OP website, as indicated by the beginning part of the link and search from there.
Map 1 Denmark and NUTS 2 regions, GDP/head (PPS), 2014

Denmark: GDP/head (PPS) by NUTS-2 region, 2014

Index, EU-27 = 100

- ≤ 50
- 50 - 75
- 75 - 90
- 90 - 100
- 100 - 125
- ≥ 125

NUTS2 boundaries

Source: Eurostat, DG REGIO
Preliminary note

The purpose of the country reports is to provide for each Member State a short guide to the findings of the ex post evaluation of Cohesion policy programmes 2007-2013 undertaken by DG Regional and Urban Policy and an overview of the context in which the programmes were carried out. It is based on information produced by Task 1 and Task 2 of WP1 and on the country specific findings from the various WPs that form the ex post evaluation. These are listed below with an indication in brackets of the case studies carried out in the Member State concerned.

WP0 – Data
WP1 – Synthesis
WP2 – SMEs, innovation and ICT (case study OP Innovation and Knowledge)
WP3 – Venture capital, loan funds
WP4 – Large enterprises
WP5 – Transport
WP6 – Environment
WP8 – Energy efficiency
WP9 - Culture and tourism
WP10 – Urban development and social infrastructure
WP11\(^1\) – European Territorial Cooperation (Case studies South Baltic and Baltic Sea Region programmes)
WP12 – Delivery system
WP13 – Geography of expenditure
WP14 – Impact modelling

\(^1\) The findings from WP11 – European Territorial Cooperation are summarised in a separate report as part of Task 3 of WP1.
Executive summary

The financial crisis which triggered the global recession in 2008-2009 called a halt to a period of continuous economic growth in Denmark between 2000 and 2007. The recovery was slow, GDP increasing only a little between 2009 and 2011, remaining broadly unchanged over the next two years and growing slowly again in 2013-2015. The employment rate declined between 2007 and 2011 and increased only a little in the following 4 years. Unemployment which was below 4% of the labour force in 2007 increased to just under 8% in 2011 and though it fell gradually after this, it was still historically high in 2015 (just over 6%).

The recession turned a public sector surplus of 5% of GDP in 2007 into a deficit of 3% of GDP in 2009 and the budget remained in deficit for the remainder of the period, though at only 2% of GDP or below in most years.

The recession led to a slight widening of the disparity in GDP per head between the capital city region and the rest of the country, with the former recovering faster from the crisis, while in most other regions, GDP per head in 2014 remained no higher or even below the level in 2007 before the recessions struck.

The ERDF allocated for the period 2007-2013 under the Competitiveness and Employment Objective amounted to EUR 254.8 million, which is less than 0.5% of Government capital expenditure and only EUR 6.6 per head of population per year. Payments of the ERDF from the EU in relation to the overall funding available indicates that all the funding was spent by the end of 2015 as required by the regulations.

The funding went into a single Operational Programme focused on ‘Innovation and knowledge’. Its purpose was to support investment in RTD and innovation, businesses and ICT. Despite the economic crisis, there was no shift of funding between policy areas over the period and priority continued to be given to long-term development objectives.

Up to the end of 2014, ERDF support helped 3,587 new businesses to start up and co-financed 290 RTD projects.

The investment supported is estimated to have had a positive, if very small, effect on GDP in Denmark in 2015, even after taking account of its contribution to financing the investment. It is further estimated that GDP in 2023 will be 0.1% higher as a result of the policy, taking account of the gain to Denmark from the additional trade generated by the investment concerned in other parts of EU.
1. The policy context and background

1.1. Macroeconomic situation

The financial crisis and the global recession which it initiated brought a halt to a period of continuous economic growth in Denmark between 2000 and 2007 (Table 1). The crisis hit Denmark relatively hard and resulted in GDP falling by 3% a year between 2007 and 2009. After a short period of slow recovery over the following two years, the economy was hit by the slowdown in the rest of the EU and there was virtual stagnation between 2011 and 2013 before growth resumed again in 2014, though again at a relatively slow rate.

| Table 1 GDP growth, employment and unemployment, Denmark and the EU, 2000-2015 |
|----------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| GDP growth (Annual average % pa)     | Denmark  | EU average | Denmark  | EU average | Denmark  | EU average |
|                                       | 1.6      | 2.3      | -2.9     | 1.4      | -0.2      | 1.3          |
|                                       | 1.4      | 1.9      | -2.0     | 1.9      | -0.1      | 1.4          |
| Employment rate (% 20-64)             | Denmark  | EU average | Denmark  | EU average | Denmark  | EU average |
|                                       | 77.9     | 66.5     | 79.0     | 69.8     | 77.5      | 68.9         |
|                                       | 77.5     | 68.9     | 75.7     | 68.6     | 75.6      | 68.4         |
|                                       | 75.6     | 68.4     | 76.5     | 70.1     |           |              |
| Unemployment rate (% lab force)       | Denmark  | EU average | Denmark  | EU average | Denmark  | EU average |
|                                       | 4.5      | 9.2      | 3.8      | 7.1      | 6.0       | 8.9          |
|                                       | 7.6      | 9.6      | 7.0      | 10.8     |           | 9.3          |
| Source: Eurostat, National accounts and Labour Force Survey |

The recession led to a fall in employment between 2007 and 2009 which continued over the next two years, the employment rate of working-age population (defined as those aged 20-64) being over 5 percentage points lower in 2011 than in 2007 and over the remainder of the period up to 2015, it increased only slightly. As a consequence, unemployment increased from below 4% of the workforce in 2007 to almost 8% in 2011 and it declined gradually over the following 4 years, although it was still over 6% in 2015 and relatively high by historical standards.

| Table 2 Government budget balance, accumulated debt and investment, Denmark and the EU, 2000-2015 |
|----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Public sector balance ( % GDP)       | Denmark   | EU average | Denmark   | EU average | Denmark   | EU average |
|                                       | 1.9       | 0.0       | -2.8      | -0.9      | -2.1      | -4.5      |
|                                       | 5.0       | -6.7      | -2.1      | -6.7      | -2.1      | -4.5      |
|                                       | -2.8      | -2.4      |           |           |           |           |
| Public sector debt                   | Denmark   | EU average | Denmark   | EU average | Denmark   | EU average |
|                                       | 52.4      | 60.6      | 27.3      | 57.9      | 40.4      | 73.1      |
|                                       | 40.4      | 81.1      | 46.4      | 85.5      | 44.7      | 85.2      |
|                                       |           |           |           |           |           |           |
| General Govt investment               | Denmark   | EU average | Denmark   | EU average | Denmark   | EU average |
|                                       | 2.8       | 2.9       | 3.0       | 3.2       | 3.1       | 3.7        |
|                                       | 3.0       | 3.3       | 3.1       | 3.7       | 3.3       | 3.8        |
|                                       | 3.1       | 3.3       |           |           |           |           |
| Source: Eurostat Government financial accounts |

The recession also led the public sector financial balance, which was in relatively large surplus in 2007, at 5% of GDP, going into deficit in 2009 and it remained in deficit over the next 6 years, being around 2% of GDP for most of the time (Table 2). Public sector debt, therefore, remained below 50% of GDP and neither this or the deficit gave rise to any financial problems over the period, except in 2010 when the Council opened an Excessive Deficit Procedure against Denmark when the deficit approached the 3% of GDP trigger point². As a consequence, there was not the same pressure on Government investment as in many other countries, and this was maintained at 3-4% of GDP throughout the period.

1.2. Regional Disparities

Regional disparities in Denmark are relatively small by international standards. The main differences are, first, between the capital city region, Hovedstaden, in which a third of the population live and which had a GDP per head around 25% above the country average in 2007, and the rest of the country (see Country folder for Denmark). Secondly, there is an equally significant difference, in the opposite direction, between Sjælland which is home to around 15% of the population and which had a GDP per head in 2007 which was some 25% below the country average. The other three regions are relatively similar in terms of GDP per head.

Regional disparities widened over the programming period. Although all regions were hit by the global recession in 2008-2009, the capital city region experienced a slightly stronger recovery and GDP per head increased from 25% above the Danish average in 2007 to 29% above in 2014. Equally, GDP per head in Sjælland declined from just under 74% of the country average in 2007 to just over 70% of the average in 2014. Both Midtjylland and Nordjylland have also experienced a decline in GDP per head relative to the national average over the period.

There are much smaller differences in employment and unemployment rates across regions, the former varying by only around 4 percentage points and the latter by only around 1 percentage point. All regions, moreover, experienced very similar changes in both over the period.

2. Main features of Cohesion Policy implementation

2.1. Nature and scale of Cohesion Policy in the country

The Denmark National Strategic Reference Framework (NSRF) for the 2007-2013 programming period was focused on four growth drivers with the aim of supporting regional competitiveness and employment: (1) Innovation, which consisted of creating the conditions for market-based sustainable innovation, i.e. strengthening collaboration between enterprises and research centres or building cluster-based expertise; (2) Entrepreneurship, in order to create sustainable high-quality jobs, through specialist advice and creation of networks; (3) Application of new technologies, focussed on improving the use, transfer and exchange of new technology and access to it and (4) Human Resources, in order to give Danish enterprises access to more and better qualified workers, by developing managerial skills or fostering self-employment.

The allocation from the ERDF for the period 2007-2013 amounted to EUR 254.8 million under the Competitiveness and Employment Objective, which is equivalent to less than 0.02% of GDP a year, 0.4% of Government capital expenditure and EUR 6.6 a head, much less than the average in other Competitive regions in the EU15 (Table 3).

Funding was channelled through a single national Operational Programme, ‘Innovation and knowledge’ (Innovation og Viden), managed by the Regional Development Unit at the Danish Business Authority (Erhvervsstyrelsen, Regional Udvikling), part of the Ministry of Business and Growth. The programme was implemented in a decentralised way in the 5 regions (together with one located on the island of Bornholm). The bodies concerned, the ‘Regional Growth Forums’ (Regionalt Vækstforum), were responsible for establishing regional development and business strategies.
### Table 3 ERDF and national co-financing for the 2007-2013 period in Denmark, initial (2007) and last (April 2016)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EU funding</td>
<td>National public funding</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>254.8</td>
<td>156.8</td>
</tr>
<tr>
<td>Change, 2007-2014</td>
<td>0.02</td>
<td>0.01</td>
</tr>
<tr>
<td>% GDP</td>
<td>0.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Per head (EUR) pa EU15</td>
<td>6.6</td>
<td>4.0</td>
</tr>
<tr>
<td>% Govt. capital expend</td>
<td>0.13</td>
<td>0.09</td>
</tr>
<tr>
<td>Per head (EUR) pa in Competitiveness</td>
<td>3.1</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>16.1</td>
<td>15.0</td>
</tr>
</tbody>
</table>

Note: EU funding relates to decided amounts as agreed in 2007 and as at 14 April 2016. The figures for % GDP and % Govt. capital expenditure relate to funding for the period as % of GDP and Govt. capital expenditure aggregated over the years 2007-2013. Govt. capital expend is the sum of General Government gross fixed capital formation and capital transfers. The EU15 figures are the total for the EU15 countries for comparison.

Source: DG Regional and Urban Policy, Inforegio database and Eurostat, national accounts and Government statistics

#### 2.2. Division of funding between policy areas and changes over the period

The distribution of the ERDF between policy areas broadly reflected the NSRF priorities, most of the support going to Innovation and RTD (62%), entrepreneurship (10%) and ICT for citizens and business (10%) and only a small amount going to the Environment, Broadband and Culture and social infrastructure (Table 4). There was no shifts in funding between policy areas over the period.

In 2011, however, there was an administrative adjustment in that ‘Innovation’ and ‘Application of new technology’ were combined into a single priority because of the overlap between them which made it difficult to categorise projects according to one or the other. In addition, two policy instruments were merged in order to simplify the structure of the programme and avoid overlaps between action lines.

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3 The 17 categories shown in the table are aggregations of the more detailed 87 categories into which expenditure was divided in the period for reporting purposes.

4 The action line strengthening public-private cooperation on innovation (2) and the action promoting networks and the formation of clusters of SMEs (3), and the action lines on Infrastructure (7) and Digitalisation (8).
### Table 4 Division of financial resources in Denmark for 2007-2013 by category, initial (2007) and last (April 2016) and shift between categories

<table>
<thead>
<tr>
<th>Category</th>
<th>2007</th>
<th>2016</th>
<th>Added</th>
<th>Deducted</th>
<th>Net shift</th>
<th>% Total 2007</th>
<th>% Total 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Innovation &amp; RTD</td>
<td>158.7</td>
<td>158.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>62.3</td>
<td>62.3</td>
</tr>
<tr>
<td>2. Entrepreneurship</td>
<td>26.0</td>
<td>26.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10.2</td>
<td>10.2</td>
</tr>
<tr>
<td>3. Other investment in enterprise</td>
<td>2.8</td>
<td>2.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>4. ICT for citizens &amp; business</td>
<td>24.8</td>
<td>24.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9.7</td>
<td>9.7</td>
</tr>
<tr>
<td>5. Environment</td>
<td>12.3</td>
<td>12.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4.8</td>
<td>4.8</td>
</tr>
<tr>
<td>6. Energy</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7. Broadband</td>
<td>8.3</td>
<td>8.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3.2</td>
<td>3.2</td>
</tr>
<tr>
<td>8. Road</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9. Rail</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10. Other transport</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11. Human capital</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>12. Labour market</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>13. Culture &amp; social infrastructure</td>
<td>12.3</td>
<td>12.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4.8</td>
<td>4.8</td>
</tr>
<tr>
<td>14. Social Inclusion</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>15. Territorial Dimension</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>16. Capacity Building</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>17. Technical Assistance</td>
<td>9.7</td>
<td>9.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>254.8</td>
<td>254.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Note: 'Added' is the sum of additions made to resources in OPs where there was a net increase in the funding going to the category. 'Deducted' is the sum of deductions made to resources in OPs where there was a net reduction in funding. 'Social inclusion' includes measures to assist disadvantaged groups and migrants. 'Territorial dimension' includes support for urban and rural regeneration and tourist services and measures to compensate for climate conditions.

Source: DG Regional and Urban Policy, Inforegio database, April 2016

### 2.3. Policy implementation

There were also no changes over the period in co-financing rates, both the EU and national rates remaining at 50%, the Danish government contributing 31%, or EUR 157 million, and the private sector, 19%, or EUR 98 million (Figure 1).

**Figure 1 Total funding going to expenditure on Cohesion policy programmes for the 2007-2013 period, initial planned amount and final amount (EUR mn)**

Source: DG Regional Policy financial data, 14 April 2016
The rate of implementation of the programme, as indicated by payments of the ERDF from the Commission in relation to the total amount available, appears to have fluctuated over the period, though this seems to reflect more the irregular schedule of payments than the execution of the programme on the ground (Figure 2). In particular, no payments were made in 2013 because the Danish authorities requested payments to be delayed. There were, however, no problems in implementing the programme and by the end of 2015, payments amounted to 95% of the total funding available, the maximum allowed given that 5% of funding is held back until all the expenditure is approved. This suggests that all the funding was spent by the end of the programming period as required by the regulations.

**Figure 2 Time profile of payments from the ERDF to Denmark for the 2007-2013 period (% of total funding available)**

![Time profile of payments from the ERDF to Denmark for the 2007-2013 period](source)

Source: DG Regional Policy financial data, end-March 2016

### 2.4. Delivery system (WP12)

An evaluation of the management and implementation of Cohesion policy over the 2007-2013 period was carried out by WP12. Over the period, Denmark was found to have shown good performance in terms of quality of government and executive capacity. In general, existing experience and the consolidated funding tradition helped to ensure the smooth implementation of the programme and project selection. This was facilitated by well-established Managing Authorities (MAs) and specialised intermediary bodies, along with stable framework conditions which enabled project selection methods to remain unchanged.

The local government reform introduced in January 2007, establishing five regions which replaced the previous territorial division into countries, facilitated the coordination of national and EU interventions. As part of the reform, 6 Regional Growth Forums were established in order to manage regional development policies and to help implement project selection procedures. Acting as intermediary bodies, the Forums were deemed to have ensured a high level of flexibility in the implementation of the national OP.

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Control and compliance procedures were efficient and handled without difficulty. No major problems were encountered in the application of public procurement rules in contrast to the experience in many other Member States. Because of the small amount of funding received from the ERDF, there was a preference for using the regional monitoring system instead of the EU one which was considered too standardised and formal. Nevertheless, the culture of transparency and open discussion contributed to the well-functioning of the Monitoring Committee and facilitated the involvement of stakeholders in the policy-making process.

3. The outcome of Cohesion Policy Programmes – main findings from the ex post evaluation

The main findings summarised here come from the evaluations carried out under the Work Packages (WPs) of the ex post evaluation exercise. They covered in detail the following policy areas:

- Support to SMEs – increasing research and innovation in SMEs and SME development (WP2);
- Financial instruments for enterprises (WP3);
- Support to large enterprises (WP4);
- Transport (WP5);
- Environment (WP6);
- Energy efficiency in public and residential buildings (WP8);
- Culture and tourism (WP9);
- Urban development and social infrastructure (WP10);
- European Territorial Cooperation (WP11);
- Delivery system (WP12);
- Geography of expenditure (WP13);
- The impact of cohesion policy 2007-2013: model simulations with Quest III and Rhomolo (WP14).

Not all of these are relevant for Denmark. In particular, the evaluation of large enterprises (WP4) covered only those countries which allocated significant amounts of funding to large enterprises, which was not the case for Denmark. In addition, none of the ERDF went to transport (WP5), environmental infrastructure (WP6), energy efficiency in public and residential buildings (WP8) or urban development and social infrastructure (WP10). The evaluation of ETC (WP11), it should be noted, is the subject of a separate report. The findings of WP12 were outlined above, while the estimates produced by WP13 on the allocation of funding and of expenditure between regions are not considered here⁶.

3.1. Enterprise support and innovation (WP2, WP3 and WP4)

Some EUR 188 million of the ERDF was allocated to this broad policy area, representing around 75% of the total funding provided. Of this, 85% went to investment in RTD and innovation.

Up to the end of 2014, support had been given to 290 RTD projects and 3 587 businesses had been helped to start up.

SME support, R&D and innovation (WP2)

Although Denmark is ranked as one of the most innovative countries in the EU, the transfer of technology from research centres to businesses, especially to SMEs, was one of the priorities for support in the 2007-2013 period. The focus was on improving the collaboration between enterprises and research centres (universities and technology institutes, in particular) and strengthening public-private cooperation on innovation (see Box).

Unlike in many other Member States, the ERDF co-financing was concentrated on a relatively small number of types of support measure (7 as opposed to an average of 13 in the EU, two of which accounted for 65% of the budget allocated). In addition, there was close coordination between measures supported by the ERDF and those supported by the ESF in order to ensure complementarity between them and maximise their impact. The prevalent form of support to SMEs consisted of providing consultancy, advice and technical assistance and was focused on clusters and networking activities instead of on individual enterprises.

Innovation and Knowledge case study

Overall, the OP involved over 38 000 enterprises (around 18% of Danish SMEs). The majority of interventions instead of targeting traditional economic sectors focused on new areas of development in energy, the environment, health and welfare. By the end of 2013, when the projects were still being carried out, substantial outputs had already been achieved: 3 028 firms and other organisations had become more innovative (as against an initial target of 1 000); 3 583 new enterprises had been set up (as against a target of 900); 4 887 firms had received advice (as against a target of 300); EUR 23.8 million loans had been extended to enterprises (as against a target of EUR 13.4 million) and 3 007 firms had reported an increase in use of ICT use (as against a target of only 200).

A first impact assessment, which examined 9 000 enterprises supported over the period between mid-2010 and mid-2013, compared their performance against that of a control group of firms not supported but similar in terms of location, size, sector of activity, age and historical development. It found ERDF and ESF support had a positive effect, enterprises supported having higher levels of full time employment in 6 of the 7 programme areas and higher turnover growth in 5 of the areas. In addition, the Fact-based Monitoring and Effect Assessment exercise indicated that the enterprises supported in the ‘energy, climate and the environment’ area experienced a 56% increase in employment as compared with one of 41% for non-supported firms.

A subsequent exercise, covering a larger number of enterprises (around 10 000) over the same period (mid-2010 to mid-2013), confirmed the positive effect of ERDF and ESF support and estimated that enterprises supported generated, after the third year, 8 300 gross full time jobs and an increase in turnover of EUR 2.1 million more than firms not supported.

Financial Instruments for enterprises (WP3)

The amount of ERDF allocated to Financial Instruments (FIs) for enterprises was small in both absolute and relative terms, amounting to only EUR 17 million, 7% of the total...
funding available. Seven regional FIs were funded and by the end of 2014, 69% of the amount paid into these had reached final recipients\textsuperscript{11}.

The FIs were directed mainly at existing SMEs, although some focused specifically on new enterprises and young entrepreneurs (e.g. Nordjysk Lånefond). Some also were focused on specific sectors, such as ‘clean-tech’ industries (e.g. Fonden Cat Invest Zealand 2a). The rationale for supporting FIs was both to fill a gap in the capital market and to meet the specific need for finance of enterprises in sparsely-populated areas. The form of support consisted of loans or a combination of equity and loans; guarantees were not used. In the case of loans, a maximum amount receivable was generally imposed (e.g. EUR 700 000 for Nordjysk Lånefond) and the repayment period varied (e.g. from 2 to 7 years for CAT Invest Zealand). The interest rate was 3% a year and there were no other fees or associated costs.

In addition, non-financial support was provided by both fund managers and local business offices in the form help with capital management schemes, loan applications and preparation of business and project plans.

3.2. Culture and tourism (WP9)

Although culture and tourism were not a priority in the period, the share of ERDF allocated to these two policy areas, at 13% of the total, was one of the largest in the EU (the average was just 5%). Overall, EUR 32.6 million was earmarked for these two areas, with much of it (EUR 15.2 million) going to support investment in individual hotels and restaurants and the remainder being divided between support for the ‘development of the cultural infrastructure (EUR 8.8 million) and the ‘promotion of natural assets’ (EUR 8.5 million). Support typically took the form of non-repayable grants.

3.3. ETC (WP11)

Denmark was involved in five programmes financed under the Cross-border Cooperation strand of the ETC Objective, respectively, with Germany, Sweden, Finland, Poland, Estonia, Latvia, Lithuania and Norway and the Baltic Sea Region programme (which involved 8 EU countries). The ETC-funded programmes are the subject of a separate report.

3.4. Impact on GDP (WP14)

In Denmark, investment supported by Cohesion and rural development policies over the 2007-2013 period amounted to only around 0.02% of GDP a year. The investment concerned, together with that supported in other parts of the EU, is estimated to have increased GDP in 2015 by much the same amount (i.e. around 0.02%) above the level it would have been in the absence of the funding provided. This is after taking explicit account of the contribution made by Denmark to the financing of the policy\textsuperscript{12}. It is also estimated that, in 2023, 8 years after funding coming to an end, GDP will be 0.1% higher as a result of the investment, this coming from the Danish gains from the additional trade generated by the investment as well as from investment within Denmark itself.

\textsuperscript{11} Fourth Progress Report in financing and implementing financial engineering instruments, DG REGIO, September 2015.

3.5. Overview of achievements

Table 5 summarises the data on the only two core indicators reported for Denmark up to the end of 2014.

<table>
<thead>
<tr>
<th>Core Indicator Code</th>
<th>Core indicator name</th>
<th>Value up to end-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Number of RTD projects</td>
<td>290</td>
</tr>
<tr>
<td>8</td>
<td>Number of start-ups supported</td>
<td>3 587</td>
</tr>
</tbody>
</table>

Note: The figures in the table are those reported by the MA in Annual Implementation Reports. Core indicators for which no data were reported by the Member State are not included.

Source: Annual Implementation Reports, 2014 and DG Regional Policy post-processing of these, August 2016