

# European Cohesion Policy in Denmark

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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.

## IMPACT AND RESULTS OF COHESION POLICY IN DENMARK

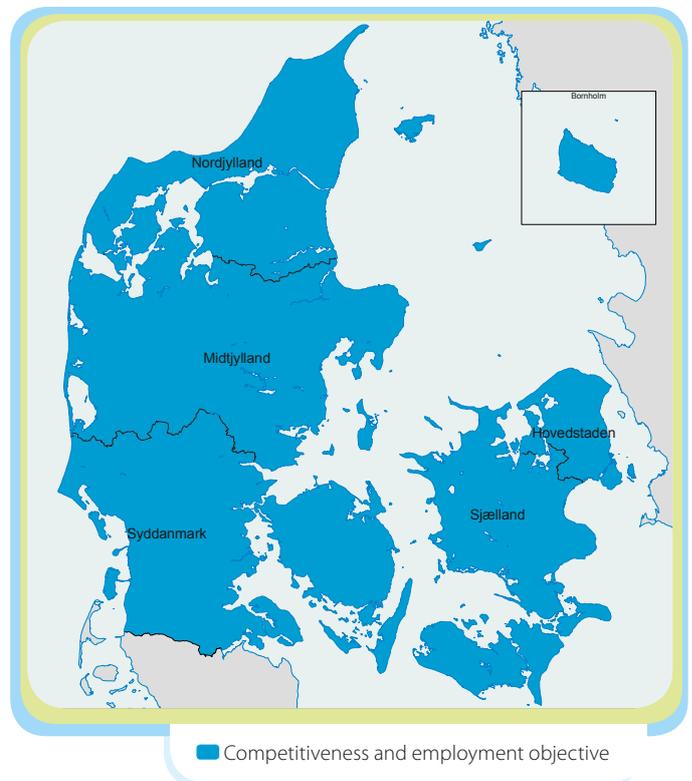
Cohesion policy investment channelled through the Structural Funds has supported a wide range of projects in Denmark. All are designed to benefit the regional or local economy through improving transport and communication networks; creating employment; helping business start-ups; developing skills and training; cleaning up the environment; and restoring tourism amenities.

Some examples of achievements from 2000 to 2006 include:

**Supporting business development:** Structural Funds investment acted as an important catalyst for business development policy in the regions. Strengthened cooperation between enterprises, support for training, and improved business advisory services, resulted in a higher survival rate of small businesses.

- Some 75% of projects led to new knowledge about the market and production processes, and increased use of information and communication technologies (ICT).
- Some 64% of projects contributed to the development of new products.

## Cohesion Policy 2007–13



- Around 40% of projects helped to develop new markets both at home and abroad, helping to create more than 3 400 new jobs and safeguard almost another 3 000.

**Supporting education and training:** Funding also helped to create new education and training courses and strengthen cooperation between education and business. This encouraged more targeted and systematic planning for education and training needs in business.

### A SNAPSHOT OF ACHIEVEMENTS

- Boosting business in the regions by helping to create more than 3 400 jobs and opening up new markets
- Strengthened cooperation between education and business
- Better ferry services to the small islands
- Better broadband access for businesses



**Improving infrastructure:** EU support helped improve infrastructure in the regions, with better broadband access for businesses, better ferry services to small islands and improved logistics coordination

**Supporting the environment:** measures funded also helped reduce exhaust emissions through improvements in transport and infrastructure; upgrade facilities for rubbish collection and recycling; and improved use of energy in buildings.

### EUROPEAN INVESTMENT IN DENMARK – 2007–13

For 2007–13, Denmark has been allocated a total of **€613 million** of Cohesion Policy funding: €510 million under the Regional Competitiveness and Employment Objective<sup>1</sup> and €103 million under the European Territorial Cooperation Objective.

Denmark has two programmes – one funded by the European Regional Development Fund (ERDF) and the second funded by the European Social Fund (ESF).

#### FUNDS FOR DENMARK IN MILLION € 2007–13

Objective	Fund	EU	National Public	National Private	Total
Regional Competitiveness and Employment	ERDF	255	157	98	510
	ESF	255	170	85	510
<b>Total Regional Competitiveness and Employment</b>		<b>510</b>			
Total European Territorial Cooperation*	ERDF	103	-	-	103
<b>TOTAL</b>		<b>613</b>	<b>327</b>	<b>183</b>	<b>1 123</b>

Figures have been rounded up

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

### MAIN PRIORITIES OF COHESION POLICY IN DENMARK, 2007–13: DELIVERING THE LISBON STRATEGY

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'.

Denmark has made a strong commitment to gear its Structural Funds investment towards Lisbon-related activities to promote growth and jobs, with a focus on the promotion of innovation, ICT and the knowledge economy, the development of human resources and boosting entrepreneurship.

In financial terms, for 2007–13 this will include:

- Over €353 million earmarked in support of **Research & Development (R&D) and innovation**. The money will be mainly used to forge links between business, government and universities and to stimulate innovation in business.
- €33 million for developing and improving **ICT infrastructure and services**. In particular, this investment will be used to stimulate and facilitate access to new technologies, improve ICT infrastructure, and digitise services in the public sector and business.
- €120 million to support **entrepreneurship, in particular SMEs**, through assisting businesses with advisory services (including incubators), access to capital, creation of networks, and skills and training.
- €143 million to be invested in activities for improving **education and skills**, of both the employed and the unemployed, with a focus on the least qualified workers and SMEs.
- Some €53 million will be used to fund initiatives aimed at breaking down barriers to workforce participation, with a particular emphasis on older workers, immigrants and the disabled.
- Protecting the **environment** and promoting sustainable growth also rank highly in the priorities, with planned Cohesion Policy investment amounting to around €38 million.

#### THE ESSENTIALS 2007–13

- Over €350 million for R&D and innovation
- €143 million for training and education
- €120 million to support entrepreneurship, with a particular focus on SMEs
- €53 million to help people such as the disabled, immigrants and older people get into the workforce

<sup>1</sup> The Regional Competitiveness and Employment Objective is applicable to 172 regions in the EU, representing 65% of the EU-27 population. It aims to enhance the competitiveness and attractiveness of regions, as well as to boost their employment levels. It should be noted that the rural development and fisheries policies are separate and do not form part of this brochure.

## ● 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.

With a budget of €103 million allocated under this Objective, **Denmark participates in 10 territorial cooperation programmes:**

- four cross-border cooperation programmes with other EU Member States: 'Öresund, Kattegatt, Skagerrak' with Sweden and Norway; 'Syddanmark-Schleswig-K.E.R.N.' with Germany; 'Fehmarnbeltregion (Sjælland-Ostholstein-Lübeck-Plön)', with Germany; and 'South Baltic' with Germany, Sweden, Lithuania and Poland;
- two transnational programmes which cover larger areas of Cooperation – 'North Sea' and 'Baltic Sea';
- all four interregional cooperation programmes (total budget for all the 27 EU Member States: €443 million)<sup>2</sup>: INTERACT II, URBACT II, ESPON and INTERREG IVC.

<sup>2</sup> 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.

# Denmark

**€613 million**  
for 2007–13

**Boosting  
growth, jobs and  
competitiveness**



*The Øresund bridge and tunnel linking  
Denmark to Sweden*

# Regional Policy on the ground

## ▶ NORTH JUTLAND EXPORT PROGRAMME

The North Jutland Export Programme was launched in 2000 following a study by the University of Aalborg which showed that the economy of this region of 500 000 inhabitants, covering the northernmost point of the Danish peninsula, had an untapped export potential estimated at €540 to €670 million. The county authorities set up a working group to design a method for promoting exports. The aim was to increase employment and turnover from exports in small and medium-sized businesses in North Jutland.

A network of consultants provides services tailored to the specific needs of each business such as market studies and advising on export strategies. The grant covers 70% of the consultancy costs. A total of 87 businesses have benefited from this programme, with a new phase launched aimed at 150 businesses. The Export Programme provides an excellent demonstration of innovative and effective use of the financial leverage of EU regional development funding. The total cost of the project amounted to €1.5 million, with the EU contribution totalling €670 000.

## ▶ BIOTECHNOLOGY ACROSS BORDERS

When the Swedish and Danish governments decided to build a fixed link across the Øresund strait in 1991, they also had the idea of establishing a cross-border region covering greater Copenhagen and the region of Scania in southern Sweden. The Øresund Science Region (OSR) was subsequently established to promote economic development in the region. A priority objective of the OSR was to develop clusters for some of the region's best-performing sectors. The biggest and most successful has emerged in the biotechnology/medical sector – Medicon Valley.

Today, Medicon Valley contains a concentration of major pharmaceutical companies unmatched in Europe. With support from the region's thriving academic and clinical life sciences research, Medicon Valley is now a world leader in four of the most commercially important areas of medicine: diabetes, inflammation/immunology, neuroscience and cancer. It is also an attractive environment for new life sciences enterprises, with 114 new companies setting up since 1997, and pulling in more foreign direct investment within the life sciences sector than any other region in Europe. Medicon Valley is now home to more than 300 companies operating in the biotechnology, medical technology and pharmaceutical sectors. The total cost of the project amounted to €3.95 million, with an EU contribution from the European Regional Development Fund (ERDF) of €1.98 million.

## ▶ SAMSØ ENERGY ACADEMY

In 1997 the Danish Energy Agency set out an ambitious 10-year plan to develop the island of Samsø as a 'renewable' island, meaning that all electricity and heating was to be produced sustainably by saving energy. Today 70% of the heating demand and 100% of the electricity demand is met by renewable energy. In 2001, a study was carried out to examine the possibility of creating one central point for all activities on Samsø related to energy and the environment. This was followed shortly afterwards by the establishment of the Samsø Energy Academy, which received a contribution from the European Regional Development Fund (ERDF) of DKK 3 million (approximately €400 000).

The academy is now the focal point on the island for all information on sustainable energy and will also provide facilities to undertake research on the issue. It also hosts a conference centre and research facilities as well as the Samsø Energy Office, offering advisory services for commercial and private customers. Samsø has amassed a great deal of concrete experience with the implementation of a broad variety of local renewable energy projects, from wind turbines to CO<sub>2</sub>-neutral district heating plants, rapeseed oil tractors and solar energy panels.

For more information: [http://www.energiakademiet.dk/default\\_uk.asp](http://www.energiakademiet.dk/default_uk.asp)



*Living off renewable energy on Denmark's Samsø island*



## More information

EU Regional Policy

[http://ec.europa.eu/regional\\_policy/](http://ec.europa.eu/regional_policy/)

Cohesion Policy in Denmark

[http://ec.europa.eu/regional\\_policy/atlas2007/denmark/index\\_en.htm](http://ec.europa.eu/regional_policy/atlas2007/denmark/index_en.htm)

National website

<http://www.deaca.dk/>

European Social Fund

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