

European Cohesion Policy in Greece

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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 GREECE

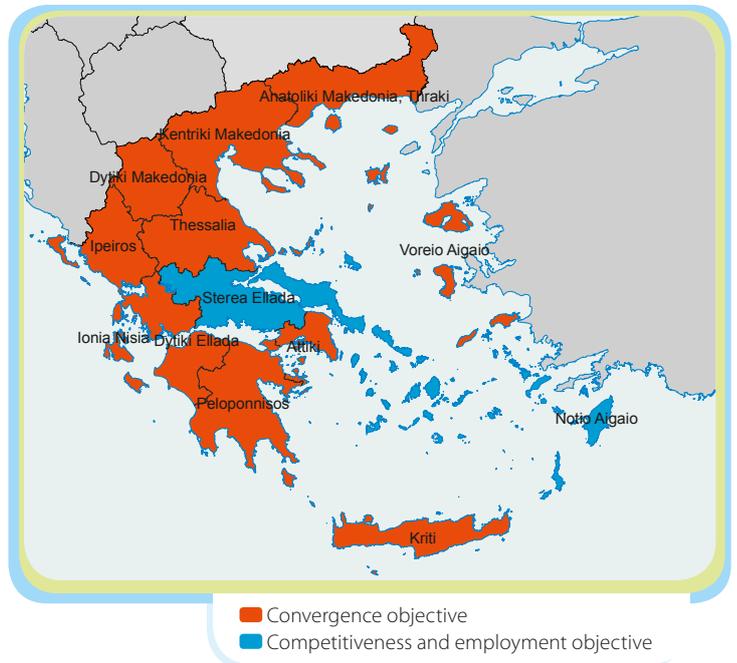
Cohesion Policy investment channelled through the Structural Funds has supported a huge number of projects in Greece, from large-scale public works to small local initiatives. All are designed to benefit the regional or local economy through, for example, improving transport and communication networks; increasing trade; creating employment; promoting cultural diversity; cleaning up the environment; and restoring tourism amenities.

Some examples of achievements from 2000 to 2006 include:

Economy: Cohesion Policy has contributed to increasing gross domestic product (GDP) by 2.8% in Greece during this period. The growth of the Greek economy outstripped that in most of the rest of the EU, averaging around 4.5% a year.

Business environment: between 2000–06, 23 000 firms were supported to upgrade technologically and Cohesion Policy helped to finance some 7 000 new start-up businesses. European funding supported the creation of incubators and the improvement of research and development (R&D) infrastructure, and also helped to establish 'Regional Development Poles'. EU investment helped around 1 000 small firms to gain access to finance, supported the establishment of 'Business and Technology Development Centres' across the country, and set up 53 'Investor Reception Centres' and a 'National Observatory' for small and medium-sized enterprises (SMEs). From these activities, it is estimated that 14 000 new jobs will be created.

Cohesion Policy 2007–13



R&D: EU support helped to finance over 3 500 research projects and assisted over 1 000 businesses to increase cooperation with universities and other research centres.

Transport infrastructure: investment in transport will contribute to improving access to markets in Central Europe and the Balkans, as well as improving internal connections between cities. Support for transport has resulted in the reduction of Greece's infrastructure deficit as compared with the rest of the EU. In more concrete terms, EU investment:

- helped develop the motorway network (notably Patra-Athens-Thessalonica-Evzonoï and EGNATIA motorways);
- supported construction of road links on the large islands (Crete, Rhodes, Lesbos and Corfu in particular);

A SNAPSHOT OF ACHIEVEMENTS

- Support for 23 000 firms seeking to upgrade technology
- Help for 7 000 business start-ups
- Improved transport infrastructure, including new road links and better urban transport systems
- Helped over 257 000 people improve their skills in new training programmes



European Union
Cohesion Policy

- helped upgrade and increase capacity of ports;
- helped develop urban transport systems.

Skills and training: by the end of 2007, some 257 000 participants had taken part in new training programmes which had been introduced. Support was also provided for childcare facilities, the elderly and people with disabilities and for the implementation of integrated action programmes for women. A total of 20 000 women were targeted by the latter, 20% of whom got jobs on completion of the programme.

Telecommunications and information and communication technologies (ICT): support went to over 80 000 firms to help them connect to the Internet, to 12 000 firms for the construction of commercial websites and to 1 400 firms for the introduction of ICT systems. With the aid of funding, almost all primary and secondary schools have Internet connections, over two thirds of special schools have specialist ICT equipment and over 55% of teachers are computer literate.

Energy and renewables: funding was provided for more than 480 projects for co-producing heating and electricity and developing renewable energy sources, 23 innovative projects on the islands combining the coverage of energy needs with that of other needs (such as water) and five projects in innovative technologies. In addition, three underwater connections were constructed to improve the supply of electricity to island regions.

EUROPEAN INVESTMENT IN GREECE – 2007–13

For 2007–13, Greece has been allocated **€20.4 billion** in total Cohesion Policy funding: €19.6 billion under the Convergence¹ Objective, €635 million under the Regional Competitiveness and Employment Objective and €210 million under the European Territorial Cooperation Objective.

Greece has five regional programmes funded by the ERDF, and eight thematic programmes funded by the ERDF, the Cohesion Fund and the ESF. One other programme covers a national ‘contingency reserve’ under the Convergence Objective.

FUNDS FOR GREECE IN BILLION € 2007–13

Objective	Fund	EU	National Public	Total
Convergence	CF	3.7	1.2	4.9
	ERDF	11.6	2.9	14.5
	ESF	4.3	1.2	5.5
Total Convergence		19.6		
Regional Competitiveness and Employment	ERDF	0.5	0.3	0.8
	ESF	0.1	0.1	0.2
Total Regional Competitiveness and Employment		0.6		
Total European Territorial Cooperation*	ERDF	0.2	-	0.2
TOTAL		20.4	5.7	26.1

Figures have been rounded up

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

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’.

Greece has made a strong commitment to increase funding efforts towards Lisbon-related activities to promote growth and jobs. The focus is on the promotion of innovation, renewable energies and sustainable transport, research, ICT and technology as part of a drive to restructure the Greek economy, and build towards a knowledge economy.

MAIN PRIORITIES OF COHESION POLICY IN GREECE, 2007–13

Greece will invest over €3.6 billion in **R&D and innovation**. Greece will also invest around €1.6 billion in ICT infrastructure and services.

Nearly €6 billion will be invested in **improving transport infrastructure and accessibility**, with large investments (€3 billion) to be made in the priority European trans-European transport network (TEN-T) projects. Several railway lines will also be funded.

There will be an investment of €1.3 billion to nurture **entrepreneurship, especially SMEs**.

There will be an investment of €2.2 billion in measures to **improve education and training**.

Improving the **environment, promoting sustainable growth and combating climate change** also rank highly, with planned Cohesion Policy investment amounting to €5.5 billion. Of this amount, €2.6 billion will be used for activities combating the effects of climate change and €625 million for promoting renewable energy sources and energy efficiency.

THE ESSENTIALS, 2007–13

- Nearly €6 billion to improve transport infrastructure and accessibility
- €5.5 billion to protect the environment, promote sustainable growth and fight climate change
- Over €3.6 billion for R&D and innovation
- €2.2 billion to improve training, employability and promote social inclusion

■ 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 €210 million allocated under this objective, **Greece participates in nine territorial cooperation programmes:**

- three cross-border cooperation programmes which cover internal EU borders (Greece/Cyprus; Greece/Bulgaria; Greece/Italy);
- two transnational programmes which cover larger areas of cooperation – 'South-East Europe' and 'Mediterranean';
- all four interregional cooperation programmes (total budget for all the 27 EU Member States: €443 million)²: INTERACT II, URBACT II, ESPON and INTERREG IVC.

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.

■ 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.

Greece benefited from such aid following the flood disaster that severely hit the region around Evros in March 2006. Damage was estimated at €370 million. Greece received aid totalling €9 million to help deal with the consequences of these devastating floods.

Greece also received aid from the European Union Solidarity Fund following forest fires in the summer of 2007 which caused severe devastation in several parts of the country. Damage was estimated at over €2 billion. Greece received aid totalling €90 million to help deal with the reconstruction of the affected areas.



The Thissavros Dam, built with Bulgaria, provides for irrigation and energy needs

Greece

€20.4 billion for 2007–13

Boosting growth, jobs and competitiveness

Regional Policy on the ground

📌 RIO-ANTIRIO BRIDGE (CHARILAOS TRIKOUPIIS)

Now a symbol of 21st-century Greece, the Rio-Antirio bridge, officially named the Charilaos Trikoupis bridge after the statesman who first envisaged its construction at the end of the 19th century, crosses the Gulf of Corinth near Patras. The cable bridge connects the Peloponnese to mainland Greece and provides a state-of-the-art illustration of the way in which Cohesion Policy support for infrastructure projects benefits the Greek economy as a whole. The bridge is a contact point for three main road axes: Ionia (northwest axis, continental Greece); Patras-Pirgos (southbound, Peloponnese); Patras-Athens (east-West, northern peloponnese).

Total cost of project: €500 million, with an EU contribution of nearly €90 million.

For more information: <http://www.gefyra.gr/en/index.php>

📌 CORALLIA – THE HELLENIC TECHNOLOGY CLUSTERS INITIATIVE, ATTICA

The Hellenic Technology Clusters Initiative ‘Corallia’ operates under the auspices of the Hellenic Ministry of Development, which targets the establishment and development of competitive technology clusters in knowledge-intensive and export-oriented industrial segments.

The selected clusters are comprised mainly of SMEs concentrated in sectors where Greece has the capacity to build a worldwide competitive advantage, while the respective cluster members can increase their market shares and, in the long term, become global players in their respective industries.

The window of opportunity for competitive technology industrial clusters in Greece is now open and presents a substantial chance to boost competitiveness and create development.

EU contribution: €3 million.

For more information: <http://www.corallia.org/about/index.html>

📌 INTEGRATED WASTE MANAGEMENT SYSTEM IN WESTERN MACEDONIA (PHASE A)

With support of some €10 million (out of a total project cost of €13 million) from the Cohesion Fund, this project has enabled the construction of a site for the hygienic landfill of the solid waste of the region (two units) and the development of a regional network for the transboarding of the solid waste. It therefore not only helps to protect the surrounding environment, but also serves the local populations.



Connecting regions, boosting the economy



More information

EU Regional Policy

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

Cohesion Policy in Greece

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

National website

<http://www.espa.gr/>

European Social Fund

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