Regional Revival
Successful projects financed by the Structural Funds in Austria

European Commission
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Cover picture: Österreich Werbung-Austrian National Tourist Office

Further information on the EU Structural Funds and their use in Austria can be found at the following addresses:

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Foreword

In contrast to many countries in the European Union, Austria displays satisfactory indicators of prosperity. The country’s gross domestic product per capita is 10 percentage points above the Community average, with neither the current growth figures nor the inflation or unemployment rates giving cause for concern. This brochure presents 21 successful projects in which the EU Structural Funds have been involved over the past few years, which illustrate clearly that Austria also has a number of structurally weak regions in need of acceleration. The financial solidarity of the Union applies just as much to them as it does to others. The European Home means more than creating a market; it is something that should be brought home to the citizens of the Union through the deployment of the Structural Funds, in particular.

In my 26 years as a representative in the French department of Savoie, I have been able to confirm my belief in the power of the European idea when it comes to practical transnational cooperation. Tackling joint projects is the best guarantee for the visibility of Europe at a time when the EU is perhaps taken for granted by some.

The degree of openness of the Austrian economy vis-à-vis the EU Member States and countries of eastern Europe increased substantially following Austria’s accession. Viewed in geographical and historical terms, Austria is the gateway to eastern Europe and thus has a special role and responsibility in the imminent enlargement process. Eastern Europe is Austria’s most important region for foreign trade after the EU. In 2001, almost one fifth of all Austrian exports were to eastern Europe. With just 2% of the total number of EU residents, Austria accounts for over 8% of the EU’s business with the East. There is no doubt that Austria’s quality as an industrial and commercial location will be further enhanced by EU enlargement.

The enlargement of Europe, together with changes in the geopolitical situation, is confronting the Union and its citizens with new challenges. In an EU of 27 or more Member States, the extent of regional inequalities will increase. With the accession of their home countries, people in the new Member States can correctly expect the EU to assist them in the economic acceleration process. With this in mind, I launched the debate on economic cohesion policy some time ago, and the Commission is prepared to present the necessary proposals to reform this policy.

Cohesion policy should not be confined to structural policy in the economic sense. It should also provide expression for the solidarity of the European Union, so that citizens can see and feel that Europe benefits them directly, wherever they live and work — by modernising structures, by giving impetus for development and by learning through others. Seen in this context, our policy also represents a contribution towards a European civil society.

The projects illustrated here represent only a small selection of a large number of projects co-financed by EU funding. They are intended to give an insight into the diversity of what can be achieved through the Structural Funds. Local public authorities and project promoters are particularly vital for the success of these projects. They have also made a crucial contribution to the creation of this brochure, and I extend my heartfelt thanks to them for their endeavours.

Michel Barnier
Member of the European Commission
responsible for Regional Policy and Institutional reform
EU regional policy in Austria

Although Austria’s economic and social situation can be generally assessed in positive terms within the EU, a number of regions still display some structural disadvantages. For this reason, they receive support from the EU’s Structural Funds. Around EUR 1.6 billion was made available between 1995 and 1999, with the corresponding figure for the period 2000–06 amounting to EUR 1.8 billion.

Approximately 2 million of the country’s inhabitants live in regions supported by the Structural Funds. There are four funds involved in the Structural Fund support process: the European Regional Development Fund (ERDF), which participates in infrastructure and investment support; the European Social Fund (ESF) for the vocational support of unemployed persons through further training and employment; the European Agricultural Guidance and Guarantee Fund (EAGGF) to support rural development; and the Financial Instrument for Fisheries Guidance (FIFG) aimed at modernising the structures in that sector.

With GDP per capita below 75 % of the EU average, the Burgenland region meets the criteria for a so-called Objective 1 region. In the other eight Austrian federal states, there are regions undergoing structural change that are eligible for support as Objective 2 regions. The main emphasis of the support is focused on modernising existing enterprises, establishing new, especially small and medium-sized enterprises, support for people setting up new businesses, particularly in the service sector and new technologies, plus further training and employment as well as the development of rural areas. The EU makes available a sum of around EUR 358 million for joint initiatives, principally for supporting transnational cooperation under the Interreg III initiative.

With around 280 000 inhabitants, Burgenland accounts for approximately 3.3 % of the total Austrian population. Considerable regional differences between the more prosperous northern Burgenland region in the vicinity of Vienna and the central and southern Burgenland regions have a negative effect on the overall region’s economic development. The Objective 1 programme with a contribution of EUR 271 million of EU funding and a total volume of EUR 860 million is aimed at improving the region’s economic efficiency as well as the competitiveness of the enter-
prises situated there. Special attention is focused on innovation, transfer of technology and the development of cooperation networks between enterprises.

Almost one quarter of the inhabitants of Austria live in the Objective 2 regions suffering from ‘structural problems’. In addition to these regions in Carinthia, Lower Austria, Upper Austria, Salzburg, Styria, Tyrol, Vorarlberg and Vienna there are more than 1 million residents in the so-called ‘transition regions’, for which the support provided during the 1995–99 period is now running out. Funding of around EUR 680 million (at 1999 prices) is made available to Austria via Objective 2. This amount breaks down into EUR 578 million for the regions coming under Objective 2 and EUR 102 million for the transition regions.

Objective 3 of the Structural Funds supports the adaptation and modernisation of education, vocational training and employment policies and systems. Under Objective 3, active labour market support programmes can be funded across the entire territory of the European Union (with the exception of regions coming under Objective 1). A sum of EUR 528 million (at 1999 prices) is being made available to Austria via Objective 3 for the 2000–06 period.

Above and beyond these three priority objectives, the European Structural Funds will be involved in four joint initiatives over the period 2000–06, for which a total of EUR 358 million is being provided:

**Interreg III:** assists cross-border, transnational and inter-regional cooperation, i.e. the forming of partnerships beyond national borders in order to support the balanced regional planning of supraregional areas (EUR 183 million)

**URBAN II:** supports innovative strategies for reviving urban centres or districts of urban centres affected by crises (EUR 8 million)

**Leader+:** brings together players in rural areas for the purpose of implementing local strategies for sustained development (EUR 71 million)

**EQUAL:** aims at eliminating the causes of inequality and discrimination on the labour market (EUR 96 million).
### EU Structural Funds for Austria from 1995 to 1999

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### EU Structural Funds for Austria from 2000 to 2006

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Austria
Structural Funds 2000-2006: Areas eligible under Objectives 1 and 2

Regional boundaries

Objective 1

Objective 2

Objective 2 (partly)


Sources:
© EuroGeographics Association for the administrative boundaries (1997)
The Burgenland region is situated in eastern Austria, bordering the Republic of Slovakia, Hungary and Slovenia. Over the period 2000–06, around EUR 261 million will be made available from the EU Structural Funds via the Objective 1 programme. As in the period 1995 to 1999, Burgenland, with its 280 000 inhabitants, will continue to be an Objective 1 area through to 2006. The regional economy displays substantial differences in regional development, with the absence of competitive SMEs particularly noticeable in central and southern Burgenland. EU funding under the Interreg III Community initiative is also available to the Burgenland region for transnational cooperation. The aim of the Objective 1 programme is to help create and safeguard 4 750 new jobs, and it has five main emphases:

- trade and industry;
- research, technology and development;
- tourism and culture;
- agriculture and forestry, fisheries and nature conservation;
- human resources.

North Burgenland is home of Austria’s largest continuous vineyard.
Work on setting up the Technology Centre Eisenstadt (TZE), with the focus on telecommunication and information technologies, began in 1997.

The demand potential within a radius of 45 km from the TZE covers approximately 450,000 inhabitants and 75,000 persons working in trade, commerce and industry. The outline economic conditions in the vicinity of the regional capital, Eisenstadt, were favourable for achieving the project. The TZE accommodates existing and newly founded enterprises. In 1999, a further expansion stage was completed in the form of the Technopark. A polytechnic centre with modern study courses on offer has also been established in the vicinity.

The enterprises housed in the TZE have 30,000 m² of space at their disposal with state-of-the-art infrastructure. The development shows that it is possible to revive the regional economy and raise the level of technology in this way. Industry and the training centres in Eisenstadt cooperate closely with the TZE. Leading companies from the information and communication technology sector have established themselves there, with incentives provided for setting up new small and medium-sized enterprises and high-quality jobs created in the information and communication technology sector.

The TZE houses several SMEs and start-ups.

Total costs: EUR 32.7 million

European Union contribution (ERDF): EUR 7.2 million

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The local community of Güssing in southern Burgenland has been placing its faith in renewable energy sources since 1990.

A European Centre for Renewable Energy Sources is also located there, which is intended to provide the region with new momentum for its economy. A plant was erected by the company Güssinger Fernwärme GmbH with EU support between 1995 and 1999 in which certain technological innovations relating to a biomass heating plant were applied for the first time in Austria. Under this project, forest cuttings from the commercial forests of the Burgenland region are used to supply public and private customers with remote heating energy.

The project thus represents a model for the exploitation of alternative energy sources and improves the quality of life in the region. Regional competence in the domain of ‘renewable energies’ is further enhanced. The biomass heating plant in Güssing operates with new ‘fluidised bed gasification’ technology to generate electricity and heat from biomass in which force-heat coupling is implemented using gas motors.

**Total costs:** EUR 7.9 million

**European Union contribution (ERDF):** EUR 1.3 million

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**Heat from the forest**

Biofuel offers new opportunities.
EU Regional Policy in Austria

Regional revival
The federal state of Carinthia (‘Kärnten’), which is situated in southern Austria on the borders of Slovenia and Italy, will receive around EUR 85 million from the EU Structural Funds via the Objective 2 programme between 2000 and 2006. Of the 564,091 inhabitants of Carinthia, 256,580 live in Objective 2 areas. Trade and industry as well as agriculture and forestry and the tourism sector are undergoing serious restructuring problems. Funding from the Interreg III Community initiative is also available to Carinthia for transnational cooperation, as are financial resources for further training and employment measures from the European Social Fund. The Objective 2 programme is intended to help attract companies and establish new enterprises as well as strengthen the tourism sector. It has three main areas of emphasis:

- trade, industry and production-related services;
- tourism and regional development;
- further training and industry.

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Environmentally friendly products for the world market

Arnoldstein is situated in the region where Slovenia, Italy and Austria meet. Following economic restructuring measures and the closure of the established Bleiberger Bergwerksunion in 1994, the unemployment rate in the region grew to 30%. Under a reorientation scheme, the Euronova industrial park and an innovation centre were created in Arnoldstein. Chemetall was one of the first companies to move to the industrial park.

With a progressive product policy, Chemetall GmbH, a successor company of Bleiberger Bergwerksunion-Chemie, aims to offer an ecologically oriented range of products on its principal markets in Europe, Japan and the United States. The project supported by the EU was concerned with developing environmentally friendly friction linings with new materials based on so-called matrix sulphides. In order to achieve greater penetration of the market for environmentally friendly product innovations, further developments are underway with the aim of increasing the efficiency of materials at low temperatures and in the production of substitute substances for copper in the matrix sulphides.

Arnoldstein

Total costs: EUR 508 000
European Union contribution (ERDF): EUR 40 800

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EU Regional Policy in Austria
Regional revival

The economy around the Millstätter Lake in Upper Carinthia, one of the largest recreation lakes in the region, is heavily influenced by craft trades, construction and the tourism sector. A business cooperation strategy was pushed through to counteract the decline in the numbers of visitors and place new emphasis on the tourism market.

Between 1997 and 1999, a multi-stage project, the Millstätter See Hotel Cooperation project, was supported by EU funding, with 13 hotels elaborating a joint initiative to improve their capacity and to develop new forms of cooperation. Based on a feasibility study, the following areas of cooperation were agreed upon:

- purchase of materials for kitchens;
- staff pool to cover different operational capacities;
- transport pool and machinery;
- insurance;
- laundry and cleaning;
- joint initial and further training of staff;
- sales and marketing.

The project can also set examples for tourism in other regional enterprises with regard to developing a potential tourist industry in the inner Alpine region.

Millstätter See

Hotels working together

Total costs: EUR 165 000
European Union contribution (ERDF): EUR 12 800

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A view of the Millstätter lake.
EU Regional Policy in Austria

Regional revival
Lower Austria

The federal state of Lower Austria (‘Niederösterreich’), which is located in north-eastern Austria on the border of the Czech Republic and Slovakia, will receive around EUR 177 million from the EU Structural Funds via the Objective 2 programme over the period 2000–06. Of the region’s 1 538 000 inhabitants, 495 869 live in Objective 2 areas. The regional economy is characterised by the dominance of smaller and, in part, non-competitive businesses with an above-average dependency on employment in agriculture. Funding from the Interreg III Community initiative is also being made available to the Lower Austrian region for transnational cooperation, as are financial resources from the European Social Fund for further training employment measures. The Objective 2 programme is intended to help create around 3 400 new jobs and has three main points of emphasis:

- regional development, enterprise infrastructure and pilot projects;
- entrepreneurial development and promotion of innovation;
- tourism and leisure sector.

Lower Austria

Inhabitants: 1 538 000
— of whom living in Objective 2 areas: 495 869
GDP per capita/region (2000) (1): 96.8
Unemployment rate (2000) (1): 3.2 %
Agricultural workers (2000): 9.7 %
Industrial workers (2000): 29.4 %
Service sector workers (2000): 60.9 %

(1) According to Eurostat.

EU Structural Funds
1995–99: EUR 140 million
2000–06: EUR 177 million

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Left: Melk Abbey on the Danube.
Over the past few years, nine regional innovation centres have emerged in Lower Austria as part of the region’s plan to promote the setting-up of new businesses and to develop technologies.

A centre of this type was established in Krems on the Danube in 2000 with the focus on biotechnology. With 23 000 inhabitants, Krems is the largest town in the Waldviertel region and is particularly affected by economic change because of its traditional industrial structure.

An interesting location base for companies, the Krems Science Park is taking shape on an area of 84 000 m² in close cooperation with the municipality of Krems, the Danube University, a regional development agency and the regional innovation centre. People setting up businesses there are provided with an extensive range of consultation and information services as well as the necessary infrastructural facilities.

**Total costs:** EUR 6 million

**European Union contribution (ERDF):** EUR 1.2 million (total for Objectives 2 and 5b)

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With its unspoiled landscape, the Waldviertel border region offers excellent possibilities for developing health tourism packages. This segment is being maximised in Gars am Kamp with the help of individual pilot projects.

The Gars Bio-Training Hotel was established in 1986 and now has over 146 beds in the four-star category. With 100 employees, the hotel is the leading tourism enterprise in the Kamptal region. An additional hotel featuring similar activities was opened in Gars in 2001, creating 12 new jobs and appealing to new target groups. With the establishment of a health centre on the banks of the River Kamp, additional training programmes for doctors and seminars for laypeople on Chinese health practices and on alternative therapies will be offered in the future. It is anticipated that 22 new jobs will be created there.

It is envisaged that these projects will create a momentum for development in this structurally weak region which will boost the regional economy, employment and the supplier industry.

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<th>Gars am Kamp</th>
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<tr>
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Well-being Austrian style: Chinese health practices and good food.
EU Regional Policy in Austria

Regional revival
Upper Austria

The federal state of Upper Austria (‘Oberösterreich’) borders on the Czech Republic in the north and Germany in the west. During the period 2000–06, a sum of around EUR 122 million will be made available to the region from the EU Structural Funds via the Objective 2 programme. Of the region’s 1 377 000 inhabitants, 302 005 live in Objective 2 areas. The aim is to improve the regional economic structure by providing impetus in the areas of research and tourism, amongst others. Funding from the Interreg III Community initiative is also being made available to the Upper Austria region for transnational cooperation, as are financial resources from the European Social Fund for further training employment measures. The aim of the Objective 2 programme is to create and safeguard 4 135 new jobs. It has three main points of emphasis:

- economic infrastructure;
- promoting companies, industry, services and tourism;
- sustainable regional economic development.

Upper Austria

Inhabitants: 1 377 000
— of whom living in Objective 2 areas: 302 005
GDP per capita/region (2000) (1): 109.4
Unemployment rate (2000) (2): 2.6 %
Agricultural workers (2000): 7.3 %
Industrial workers (2000): 35.8 %
Service sector workers (2000): 56.9 %

2) According to Eurostat.

EU Structural Funds
1995–99: EUR 115 million
2000–06: EUR 121 million

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Left: Schloss Ort on Lake Traun.
Factors for improving competitiveness

Modern production requires research and technology transfer. The company ‘Profaktor’, based in Steyr, was founded in 1994. Since then it has been combining pure and applied industrial research with innovative solutions for industry within the framework of international and regional projects.

There are more than 50 physicists, mathematicians, mechanical engineers, electrical engineers, computer scientists and management specialists conducting research to improve products and processes. The main focus in this respect is on cooperation with small and medium-sized enterprises in the following areas:

- simulation-assisted planning and optimisation of complex production, energy and environmental installations;
- manageability of regulated production processes, e.g. in high-speed cutting (HSC), sensor-controlled robotics and coating techniques;
- information and management systems for innovations in technology and organisation.

Total costs: EUR 13.2 million
European Union contribution (ERDF): EUR 2.46 million

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The most important project for the economic development of the municipality of Geinberg near Linz over the past few years has been the setting-up of the Thermal Centre.

The combination of bathing and thermal areas, sports facilities, sauna village and health centre offers a significant competitive advantage. Combining tourism with health promotion has markedly enhanced the attractiveness of the location.

The establishment and operation of the Thermal Centre has both safeguarded and created a total of 400 jobs, with increasing numbers of visitors taking advantage of the local hotel and catering businesses in particular. The diverse programmes offered are directed at different objective groups: while the ‘health hotel’ awaits the ‘modern health tourist’, the spa hotel is geared towards guests staying for longer periods.

Healthy for the local economy too.
The federal state of Salzburg is situated in the geographical centre of Austria and bordering Germany to the north. During the period 2000–06, a sum of around EUR 18 million will be made available to the region from the EU Structural Funds via the Objective 2 programme. Of the region’s 515 000 inhabitants, 43 389 live in Objective 2 areas. The regional economy is characterised by the dominance of tourism as well as the timber, furniture and construction industries, while research and development are under-represented. Funding from the Interreg III Community initiative is also being made available to the region for transnational cooperation, as are financial resources from the European Social Fund for further employment training. The aim of the Objective 2 programme is to create around 1 400 new jobs with the following three main emphases:

- tourism and leisure industry;
- processing industry and associated services;
- industry-wide regional development.

**Managing authority**

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This project, carried out between 1998 and 2000 under the Interreg III Community initiative focused on women in the Salzburg–Bavaria border region. The objectives of the ‘Women in business’ advice centre in Salzburg were to promote equal opportunity, support entrepreneurial initiatives, as well as encourage transnational cooperation and the creation of new jobs.

Women set up mostly very small enterprises, preferring certain service sectors and normally requiring only a small amount of start-up capital. One of the main motives for women to set up their own business is the desire and necessity to reconcile professional, family and private interests. ‘Women in business’ has helped the setting-up of numerous new enterprises and, as a result of cooperation at regional, national and international level, it has established itself as an important centre for contact and communication, competence and further training to develop women’s entrepreneurial skills.
Between 1997 and 1999, the EU provided support for the ‘Pinzgau cycling tourism programme’ project, in which 28 local communities cooperated to establish a cycling path network.

The aim was to take advantage of cycling tourism as one of the most successful tourism sectors for further development of the regional economy.

With the help of the Salzburg Objective 5b programme, uniform and easily discernible signs were placed along the entire Tauern cycle route as well as the newly developed mountain bike routes. Nine informative resting places were also set up with covered information boards, wells, tables and stools as well as a playing field for gymnastic loosening-up exercises. Support was likewise provided for the production of easily understandable cycling route maps for the entire Pinzgau region and for organising events focusing on all elements concerned with cycling.

Pinzgau is the leader in Austria in this sector with a cycle path network in excess of 1,200 km. Everything the cyclist could possibly want is available there, from the extreme mountain bike route in the rocky mountainous region, to the relaxed flat route at the foot of the valley.

Total costs: EUR 494,000
European Union contribution (ERDF): EUR 51,742
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Finding one’s way in the Pinzgau cycling network.
The federal state of Styria (‘Steiermark’), which is situated in the south of Austria on the border of Slovenia, will receive around EUR 215 million from the EU Structural Funds via the Objective 2 programme for the period 2000–06. Of the region’s 1 204 000 inhabitants, 660 773 live in Objective 2 areas. Styria is continuously undergoing change in its economic structure, accompanied by the modernisation of industrial companies, the founding of new enterprises and investments in research infrastructures. Funding from the Interreg III Community initiative is also being made available to the region for transnational cooperation, as are financial resources from the European Social Fund for further training employment measures. The Objective 2 programme has four main emphases:

- promotion of the production and service sectors;
- competitive locations and information society;
- integrated regional development, tourism and culture;
- employment and workforce potential.

Managing authority

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Admont Abbey’s library.
The company Pankl Racing Systems AG in Bruck an der Mur specialises in the production of components for special engines, drives and chassis from selected alloys.

These are principally used in motor racing and the aircraft industries. The company, which employs a workforce of 240, also has subsidiaries in Los Angeles, Bicester (United Kingdom), Tokyo and Zurich. Operational research and development projects applied in the field of aircraft and automobile engineering were supported via funds from the Objective 2 programme.

When the company expanded production and its R & D activities, the EU assisted in the necessary plant extension, e.g. with the construction of a production facility and corresponding investment relating to engine component production.
Platingtech is a company specialising in surface techniques at the Niklasdorf High-Tech Centre. The company’s areas of activity cover the production and design of metal coatings in the most varied — the electrolyplating industry — and often unusual materials as well as the optimisation of production processes. The EU assisted in the investment costs for extending the plant.

This was necessitated by the development of the ‘lubriccoat’ technique for BMW. The process enables a precise, even application of the coating of cogwheels in engine and gearbox production, for which a defined setting of the tooth flank play is stipulated. Other projects initiated by Platingtech are concerned with innovative surfaces for high-performance batteries, fuel cells, filters and air preservation systems.

Environmentally safe products.
EU Regional Policy in Austria

Regional revival

St. Anton am Arlberg.
The federal state of Tyrol (‘Tirol’) is situated in western Austria, bordering on Germany to the north and Italy to the south. Tyrol will receive around EUR 44.6 million from the EU Structural Funds via the Objective 2 programme for the period 2000–06. Of the region’s 660 000 inhabitants, 123 535 live in Objective 2 areas. The economic structure is characterised by the region’s special geographical position as a mountainous area with a bridging function between the industrial regions of southern Germany and northern Italy. Funding from the Interreg III Community initiative is also being made available to the region for transnational cooperation, as are financial resources from the European Social Fund for further training employment measures. The aim of the Objective 2 programme is to create around 1 400 new jobs with the following three main emphases:

- support for companies, enhancing the attractiveness of the region, plus new technologies;
- tourism, leisure and quality of life;
- innovative solutions to regional and environmental problems.

Tyrol

Managing authority

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The aim of the Lantech Innovation Centre in Landeck is to enhance the economic momentum in the structurally weak Oberland region of Tyrol and encourage the setting-up of new enterprises.

The natural surroundings of Tyrol played an essential role in the selection of topics to be focused on at the Centre. Apart from information technology, the main emphasis is on Alpine technology and Alpine resources.

The Centre has been in operation since June 2000, with the first phase covering an area of 2,600 m². Utilisation rate is almost at 100%, and the site houses enterprises and organisations which occupied the area were as expected. The establishment of the Alpine Safety and Information Centre in December 2000 showed that the Alpine environmental technology field has a high priority at the Centre. The proportion of newly founded enterprises is very high at 45%, illustrating how important this regional impetus is for young entrepreneurs.

**Landeck**

**Emphasis on ‘Alpine technology’**

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**Total costs:** EUR 2.7 million

**European Union contribution (ERDF):** EUR 0.69 million
Old handicrafts revived

Tyrol has a rich heritage of items of furniture from different cultural eras. Specialised craftsmen are needed to preserve and properly restore this rich legacy.

The project began with the idea of a committed school principal and master joiner to revive old handicrafts and make them accessible to an interested group of people through a specialised course. This idea developed into a future-oriented vocational training programme with several objectives. The programme’s main aims are to provide training for higher vocational qualifications and help the mostly small joinery firms in the region to develop a niche in the crafts market by combining old traditions with new techniques.

The organisers are the three regional vocational schools in the northern, eastern and southern Tyrol regions (Absam, Lienz and Brixen), which drew up the concept for this specialised training course together with the Joiners Guild and other experts, which was then supported by the Interreg II Community initiative. Excursions to important local and international sites were also organised for the purpose of enhancing the content and methodology of the programme.

Wanted: highly skilled craftsmen.

ABSAM, LIENZ AND BRIXEN

Total costs: EUR 123 520

European Union contribution (Interreg, ESF): EUR 53 052

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EU Regional Policy in Austria

Regional revival
Vorarlberg

The federal state of Vorarlberg is situated in the west of Austria, bordering Germany, Switzerland and Liechtenstein. The Vorarlberg region will receive around EUR 22.7 million from the EU Structural Funds via the Objective 2 programme in the period 2000–06. Of the region’s 348 000 inhabitants, 52 382 live in Objective 2 areas. The economic structure is characterised by the dominance of companies in the textile, clothing and metal industries. Funding from the Interreg III Community initiative is also being made available to the Vorarlberg region for transnational cooperation, as are financial resources from the European Social Fund for further training employment measures. The Objective 2 programme has two main emphases:

- development of competitive enterprises;
- development of competitive regions.

Managing authority

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Vorarlberg

Inhabitants: 348 000
— of whom living in Objective 2 areas: 52 382
Unemployment rate (2000) (2): 2.9 %
Agricultural workers (2000): 2.0 %
Industrial workers (2000): 43.5 %
Service sector workers (2000): 54.5 %

(2) According to Eurostat.

EU Structural Funds
1995–99: EUR 18 million
2000–06: EUR 23 million

Left: Bregenz on Lake Constance.
The economic structure of the Bregenzerwald region is characterised by a high percentage of workers in the primary sector and only a small number of technology and service-oriented enterprises. The ‘Bregenzerwald Impetus Centre’ has been providing new momentum and concrete start-up assistance since December 2000.

The Centre houses companies and institutions from the technological and economic services sectors and is equipped with modern infrastructural facilities and function rooms. Extensive management services and assistance with setting up new businesses are also provided.

Regular exchanges of information and experience between regional institutions, associations and companies, plus joint education and information events, are aimed at opening up optimum development opportunities for the tenants in the Impetus Centre and creating new perspectives for the local economy.

People are at the heart of the Impetus Centre.
The textile company Rhomberg, with its spinning mill, weaving mill and printing facility, was founded back in 1832. Then, in 1994, after more than 160 years of corporate history, the economy collapsed. Instead of demolishing the industrial complex, attempts were made to find a new use for it.

The aim was to completely revitalise the 30 000 m² facility as an industrial and commercial park while at the same time preserving what was, for the most part, industrial architecture of historical value.

In an initial development phase, enterprises from the material technology and instrumentation sectors were brought in. The second stage comprised the renovation and adaptation of the existing property plus the erection of new office buildings. High-tech enterprises have now been housed in this area. The halls and ‘mobile’ premises are equipped with the most modern infrastructure and laid out according to user needs. In the meantime, more than 80 companies employing some 1 000 people between them have found a new centre for their operations here — a successful blend of industrial, commercial and trading enterprise, high-tech and service companies, insurance firms, craftspeople, artists, graphic designers and even medical laboratories.

New life in ‘Rhomberg’s factory’

The Rhomberg’s Fabrik website gives direct access to 80 businesses.
Community initiatives are special EU programmes within the framework of the Structural Funds aimed at finding common solutions to problems that exist throughout the Union. A total of EUR 358 million is being made available to Austria over the period 2000–06 from the Community initiatives fund, compared with a sum of EUR 153 million between 1995 and 1999. The current initiatives are:

- **Interreg III**: assists cross-border, transnational and inter-regional cooperation, i.e. the forming of partnerships beyond national borders in order to support the balanced regional planning of supraregional areas;
- **URBAN II**: supports innovative strategies for reviving urban centres or districts of urban centres affected by crises;
- **Leader+**: brings together players in rural areas for the purpose of implementing local strategies for sustained development;
- **EQUAL**: aims at eliminating the causes of inequality and discrimination in the labour market.

Cooperation with its neighbours in the alpine region and in central and south-eastern Europe is of crucial economic significance for Austria. With eight neighbouring States sharing the country’s borders, most Austrian regions are situated in border areas. Some 85% of the Austrian population live in regions no further than 60 km from the border, such as in the central areas around Vienna and Graz. Most of the country’s economic performance is generated in these areas.

Cooperation projects with Germany, Italy, the Czech Republic, Slovakia, Hungary, Slovenia, Switzerland and Liechtenstein help to make better use of the development potential available in this region and find common solutions to transnational regional problems and challenges.

Lifting the barriers at the Austrian-Hungarian border.
Interreg 3A programmes (2000–06): Participation of Austrian regions
The ‘Urban belt’ in the west of Vienna had been the focus of urban planning measures for some time when the URBAN I Community initiative from 1995–99 provided the opportunity to deploy EU funding for urban renewal.

The Urbion project concentrated on the attractiveness of the ‘green belt’ district and on promoting economic development. In an integrated concept, green areas and former urban railway arches were upgraded and potential harnessed for establishing commercial and retail businesses.

Urban-Loritz Square and an adjacent park were redeveloped, as were the areas between the former urban railway engineering plant and the urban belt railway lines. Glass façades were fitted into the urban railway arches to make the spaces suitable for use as retail outlets.

**Total costs:** EUR 11.3 million

European Union contribution (URBAN I, ERDF): EUR 4.2 million

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Community initiatives and cross-border cooperation
Regional Revival

Transnational cooperation and coordination in the Lake Constance region aims at establishing a network of information and advice centres for girls and women in this area.

Organisations in Bregenz/Vorarlberg, St. Gallen/Switzerland and Liechtenstein work together to compare their concepts and further develop their skills and competencies. The following results have been achieved:

- setting-up of a sustainable network for women’s organisations;
- production of an overview for publication in a brochure referring to information and advice centres on offer for women and girls in the region where the three countries meet;
- establishment of an Internet platform;
- improvement of programmes and services for women;
- strengthening of cooperation between the different public and private organisations;
- organisation of transnational further-training events for advice centre staff.

TOTAL COSTS:

EUR 61 262

European Union contribution (Interreg, ERDF): EUR 28 131

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Tri-national women’s network

Winning team providing information for women and girls.
‘SPEAK’ Europe

‘SPEAK’ stands for ‘Sprachen in Europa: Animations- und Kontaktzentrum’ (Languages in Europe: Inspiration and Contact Centre) and is a department of the Federal Pedagogical Institute in Feldkirch/Vorarlberg.

Under an Interreg II project, information and educational training in the acquisition of foreign languages was developed together with educational institutions of the federal state of Vorarlberg, Liechtenstein and Switzerland. There are also cooperation arrangements with the Chamber of Industry and the adult education centres in the region. The aims of the project are to:

- make the work of language and specialist teachers in all areas and at all school levels easier;
- provide teachers with assistance and resources;
- lay the groundwork for the lifelong learning of other languages;
- promote linguistic and cultural awareness.

Total costs: EUR 208 560
European Union contribution (Interreg, ERDF): EUR 51 990

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Community initiatives and cross-border cooperation
Regional Revival

The eastward enlargement of the EU will open up new opportunities for the eastern border regions of Austria and the region around Vienna, in particular. The ‘CCC’ project stands for ‘cross-border business cooperation for central Europe’ and was supported under the Interreg II initiative.

The aim was to promote transnational economic activities and, in particular, provide assistance to small and medium-sized companies in developing new markets. The central players in the CCC project are the federal states of Vienna, Lower Austria and Burgenland — as the ‘Vienna Region’ — as well as the Republic of Austria, the Czech Republic, Slovakia and Hungary.

There are also cooperation arrangements at the institutional level between the respective economic development agencies and regional management bodies, as well as directly at company level. The following activities were focused upon:

• networking with the relevant players and filling gaps in the existing range of services offered;
• supporting companies, especially SMEs;
• improving the marketing of Austria’s ‘competence for the East’ in the international competition to attract business investment;
• initial and further training activities.

The castle of Aggstein on the Danube.

‘CCC’ for cooperation

AUSTRIA–HUNGARY–CZECH REPUBLIC–SLOVAKIA

‘CCC’ project

Total costs: EUR 1.16 million
European Union contribution (Interreg, ERDF): EUR 0.58 million

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Karst mountain ranges are complex total systems that are of great importance for the supply of drinking water in central Europe. To ensure sustainable protection of the sources in karst regions, information is required which can only be provided by a geographical information system.

The aim of ‘KATER’ (KArst waTER research programme), which was coordinated by the Vienna Waterworks and supported under the Interreg II C Community initiative, is to develop such a system.

A coordinated regional planning policy can minimise most of the negative human influences on the quality and quantity of water extraction in karst regions. Suitable methods and instruments for modelling the overall system, as well as coordinating crisis management and planning between the regions and institutions involved in Italy, Slovenia and Hungary have been developed for this purpose.
Regional revival — Successful projects financed by the Structural Funds in Austria