

4.5 Hovedstaden (including Bornholm)

1. Identification

1.1. Identification of NUTS2 area and corresponding NUTS3 region(s)

NUTS2: Capital Region of Denmark – DK01

NUTS3: Bornholm – DK014

*** Before 1 January 2007 when the local government reform entered into force:**

NUTS2: Denmark DK00

NUTS3: The County of Bornholm DK007

1.2. Identification of relevant programmes supported by ERDF or Cohesion funds:

2000-2006:

Denmark's Objective 2 Programme 2000-2006

CCI no: 2000DK162DO001

The County of Bornholm, Objective 2 Programme Complement 2000-2006

2007-2013 (NUTS 1: Denmark, one programme for the five NUTS2 regions):

Programme for the European Regional Development Fund in Denmark 2007-2013, regional competitiveness and employment, 'Innovation and Knowledge'

CCI no: 2007DK162PO001

*** Bornholm's Regional Growth Forum:** business development strategy and action plan

In the case of Denmark it is significant to stress that for both the periods 2000-2006 and 2007-2013, there was/is only one OP. The regional set-up has been changed between the two periods with the local government reform in Denmark in 2007, which entailed that the County of Bornholm became a part of the NUTS 2 region, the Capital Region (Hovedstaden). Until 2007 when it was changed to NUTS 1, Denmark was a NUTS 2 region. Bornholm is still considered a NUTS 3 region, as part of the Capital Region. In the case of the Capital Region it is also relevant to stress that Bornholm, which is the area with specific geographical features, governs ERDF funds independently of the Capital Region. Therefore in most cases in the templates, it is not relevant to refer to NUTS 2 and NUTS 3 levels, but more relevant to discuss NUTS 3/Bornholm compared to the national level (NUTS 1) which is the level at which the OP has been developed.

In elaboration of the governance situation, since the local government reform in 2007, the allocation of ERDF funds is managed by the regional Growth Fora which have been set up in each region. Although Bornholm is a part of the Capital Region, it has got its own Growth Forum. With the reform, Bornholm, as the only territory in the country was given the status of Regional Municipality, which entails that Bornholm has the mandate to manage regional development. Thus, Denmark has six Growth Fora, one for each of the administrative regions, and one for Bornholm. This entails that allocation of funding to

ERDF projects is decided locally on the island. The Capital Region and Bornholm thus each have an allocation of ERDF which they in turn allocate in the, in this sense, separate regions. Administratively in other areas, not dealing with regional development/ERDF, Bornholm is a part of the Capital Region. There is no Programme Complement for the 2007-2013 period. However, the ERDF funding is channelled towards the focus areas of the business development strategy and action plan for Bornholm, developed by the Growth Forum.

2. Regional features and Domestic Policy Responses

2.1. Main characteristics of NUTS2 and NUTS3 regions

Since 2007, the NUTS3 region, Bornholm, has been a part of the NUTS2 region, the Capital Region. Bornholm is an island based in the southern part of the Baltic Sea, 145 km from Copenhagen, 37 km from Sweden, 88 km from Germany, and 90 km from Poland. It is an area of 587 square kilometres. The island has a coastline of 158 km and is characterised by its natural wealth. It has the third largest forest area in Denmark located at the middle of the island. The forest, beach, rocks, heather areas, and waterfalls are characteristics of the island which makes it attractive to tourists.⁷⁵

There is a contrast to be found between Bornholm and the Capital Region, for example in terms of the population density, which in the Capital Region overall is 640,8 persons per square km while the population density is 73,1 persons per square km in Bornholm. Comparing these figures with the population density of Denmark, which is 126,7 persons per square km, it is evident that the NUTS2 and NUTS3 regions in question are respectively high above and well below the population density of the national average.

As an island, Bornholm is dependent on functioning ferry and air traffic. This constitutes a handicap, as although the island is located in proximity especially to Sweden and Denmark, it is difficult to commute, especially during winter, due to infrequent transport opportunities.

2.2. Position, trends and dynamics

- ***Population and demographic trends:***

The population of the eligible regions in 2000-2006 totalled 537.718, representing 10.2% of the Danish population.⁷⁶

The total population in Denmark in 2007 was 5,447,084 million, which exhibits an increase from a total of 5,330,002 in 2000. The Capital Region (NUTS2) had a total population of 1,636,749 of which 43,135 people lived in Bornholm (NUTS3). The total population in Bornholm has decreased since 1999 when the island had 44,426 inhabitants.

In 1990 Bornholm had an age composition which largely reflected the situation in the rest of the country. During the period 1990-2010, the number of young people in the age group

⁷⁵ <http://www.brk.dk/BRK/site.aspx?p=133>

⁷⁶ http://ec.europa.eu/regional_policy/country/prordn/details.cfm?gv_PAY=DK&gv_reg=ALL&gv_PGM=50&LAN=7&gv_PER=1&gv_defL=7

20-29 years old has been significantly reduced, and the number of child births was also reduced during this period. In 2010, within certain age groups of people in their twenties, the number of young people was lower than the number of people of 80 years or older. According to a population prognosis for the period 2010-2012, a continuing decrease in the population is expected on Bornholm down to 39,470 inhabitants in 2021, which corresponds to a decline of approximately 6,4%.⁷⁷

Bornholm is experiencing depopulation unlike at the national level, where overall the population is increasing. Moreover, the tendency towards a decreasing group of young people in the age group 20-29 years old, and an increasing group of people of 80 years or more, is especially severe in Bornholm. In 2007 the unemployment rate was higher than that of the national level and at the same level as the EU27 average of 7.2%. While the number of employees in services has increased in the period 2000-2007, the number of beds in Bornholm has been reduced. Recent expansion in ferry and airline traffic facilitates accessibility, however mainly during the tourism high-season.

The tendency towards a decreasing group of young people in the age group 20-29 years old, and an increasing group of people of 80 years or more is, and according to forecasts will increasingly become a major challenge in Bornholm. The tourism industry is an asset for the island, but it is seasonal, and thereby also leads to seasonal unemployment. Especially ferry departures are less frequent during low-seasons which limit possibilities for daily commuting to and from mainland Denmark and Sweden.

- **Economic growth:**

The GDP of Denmark increased from EUR 32,500 in 2000 to EUR 41,600 in 2007. In 2007 the GDP of the Capital Region was EUR 51,500, while it was EUR 31,000 in Bornholm (figures not available for 2000). Bornholm's GDP is higher than the EU27 of EUR 24,900 in 2007.

The average unemployment rate in Objective 2 regions was 8,1% in 1999 compared to the national average of 5,8%. During the period 1994-1999 the unemployment rate decreased in these regions.⁷⁸

In 2007 the unemployment rate was higher in Bornholm with 7,2% compared to the national unemployment rate of 3,8% and that of the Capital Region of 4,3%. Notably the unemployment rate in Bornholm was exactly the same as the EU27 average of 7,2% in 2007.

- **Economy structure:**

The share of persons employed in the agriculture and fisheries sector has not changed in Bornholm between 2000 and 2007, where it comprised 100 persons. The same was the case for the Capital Region where 600 persons were employed in the sector. At a national level this sector experienced a decrease from 9,500 in 2000 to 8,000 persons employed in 2007.

The employment in the services sector has increased in Bornholm from 1,400 in 2000 to 1,500 persons in 2007. The rest of the country has also experienced an increased

⁷⁷ Bornholms Regionskommune (2010) Befolkningsprognose 2010-2021.

⁷⁸ http://ec.europa.eu/regional_policy/country/prordn/details.cfm?gv_PAY=DK&gv_reg=ALL&gv_PGM=50&LAN=7&gv_PER=1&gv_defL=7

employment in this sector, at a national level from 203,000 in 2000 to 221,700 persons employed in 2007, of which 83,700 were in the Capital Region.

- ***Others:***

At a national level and in the Capital Region, the number of beds increased in the period 2000-2006, in the Capital Region the number increased from 26,342 to 32,772 beds in 2007. Meanwhile, in Bornholm the number of beds decreased from 3,771 in 2000 to 3,065 beds in 2007.

In terms of transport, Bornholm has improved its accessibility during recent years. Based on an Agreement of the Government in 2007, an additional high speed ferry with space for 1,400 passengers and approximately 400 cars was provided to service the route from Rønne (the largest town in Bornholm) to Ystad (in Sweden). The departures of the ferry have become more frequent with three times per day during low-season and ten times per day during high-season. Less frequent routes also operate between Rønne and Køge (Denmark) and Sassnitz (Germany). Airline traffic is run commercially, and with the addition of one airline in 2009 and another in 2010, there are now three airlines which offer daily departures on the route Rønne – Copenhagen. Moreover, through a network called ‘Task Force Poland’, a Polish airline has shown an interest in establishing a direct flight connection between Poland and Bornholm.⁷⁹

2.3. Domestic Policy Responses

Peripheral areas in Denmark has recently become a bigger part of the political debate in Denmark, especially triggered by a debate between ‘Copenhagen’ and local politicians over the location of a hospital in Western Jutland. In 2010 the Danish Government issued the policy document ‘A balanced Denmark in a global world’, which introduced a number of areas in which it will allocate additional funding to the transition of peripheral areas in Denmark. The additional support will be allocated to areas such as regional business development; green growth; help to municipalities with particularly difficult situations; better infrastructure in peripheral areas; and subsidies to business schools in the peripheral areas (The Government 2010)⁸⁰.

There is one domestic policy instrument which supports islands, a fund for acquisition of ferries for the small islands of Denmark. For the period 2008-2010, an allocation of EUR 27 million was provided for this purpose annually. As part of this initiative, in 2009, an additional EUR 27 million was allocated for island municipalities (including Bornholm) and municipalities with small islands for co-financing of ferry investments. This funding is managed by the Ministry of Interior and Health.

With the focus on infrastructure support, the fund which supports islands is mainly concerned with compensating the disadvantages of islands. The more recent policy strategy concerning a ‘balanced’ Denmark indicates a combination of compensating disadvantages and boosting advantages. Green growth initiatives, for example, is introduced as a way of boosting advantages of peripheral areas.

⁷⁹ Bornholms Vækstforum (2010) Handlingsplan ’10 Fra strategi til mål. Det unikke Bornholm – vækst via kreativitet og kvalitet.

⁸⁰ http://www.stm.dk/multimedia/Danmark_i_balance_i_en_global_verden.pdf

5. ERDF and CF Programme priorities and fields of intervention

The total budget allocation of ERDF has increased from EUR 126,545,463 million in 2000-2006 to EUR 254,788,620 million in the 2007-2013 programming period. In the current OP approximately 90% of the funds are targeted at the Lisbon Agenda (growth and jobs) objectives.

In Bornholm the total ERDF budget for the period 2000-2006 was EUR 6,896,657. In the period 2007-2013 it is approximately EUR 7.5 million.

The 2000-2006 Objective 2 Programme comprised both the ERDF and the ESF (EUR 56,540,416).

In the 2000-2006 OP, the allocation by priority for ERDF was:

- Productive environments: 80%
- Human resources: 0%
- Basic infrastructure: 18%
- Technical assistance: 2%

The priority of human resources was covered by the ESF.

In Bornholm, the allocation was different:

- Productive environments: 44,3%
- Human resources: 0%
- Basic infrastructure: 52,2%
- Technical assistance: 3,5%

Bornholm thereby allocated a substantial share of ERDF funding to infrastructure projects, while committing less to the priority of productive environments. This may be related to the fact that basic infrastructure also includes support to the investments of individual firms.

In the 2007-2013 OP, the priority of allocation is:

- Innovation: 30%
- Utilisation of new technology: 20%
- Entrepreneurship: 20%
- Technical assistance: 30%.

Priorities are now to a higher extent focused on innovation and knowledge, which Bornholm is also adapting to in its ERDF allocation.

In the 2000-2006 period, the allocation by field of intervention in Bornholm (NUTS3) was as follows:

Fields of intervention	Territorial level (Nuts)	EU	EU	DK	DK014
	Name		Islands	Danmark	Bornholm
	Region eligibility SGF	Objective 2	Objective 2	Obj. 2	Obj. 2
			I		I
11 Agriculture		0.2%		0.0%	
12 Forestry		0.1%		0.0%	
13 Promoting the adaptation and the development of rural areas		2.5%	5.5%	4.1%	0.3%
14 Fisheries		0.0%		0.0%	
15 Assisting large business organisations		5.1%	16.4%	2.3%	1.6%
16 Assisting SMEs and the craft sector		31.2%	12.7%	28.6%	33.8%
17 Tourism		10.2%	5.0%	30.4%	1.6%
18 Research, technological development and innovation (RTDI)		10.1%	11.5%	14.6%	6.9%
21 Labour market policy		0.1%		0.0%	
22 Social inclusion		0.7%		0.0%	
23 Developing education and vocational training		1.4%	2.0%	0.0%	
24 Workforce flexibility, entrepreneurial activity, innovation, ICT		0.4%		0.0%	
25 Positive labour market actions for women		0.1%		0.0%	
31 Transport infrastructure		7.7%	4.6%	7.4%	14.2%
32 Telecommunication infrastructure and information society		2.9%	6.0%	5.2%	33.3%
33 Energy infrastructure		0.8%	0.5%	0.2%	0.5%
34 Environmental infrastructure		5.2%	22.6%	0.0%	
35 Planning and rehabilitation		17.0%	8.7%	5.0%	4.2%
36 Social and public health infrastructure		1.9%	2.9%	0.0%	
41 Technical Assistance and innovative actions		2.3%	1.7%	2.0%	3.5%
Total		100.0%	100.0%	100.0%	100.0%
<i>Total 1 Productive environment</i>		<i>59.5%</i>	<i>51.0%</i>	<i>80.0%</i>	<i>44.3%</i>
<i>Total 2 Human resources</i>		<i>2.7%</i>	<i>2.0%</i>	<i>0.0%</i>	
<i>Total 3 Basic infrastructure</i>		<i>35.6%</i>	<i>45.3%</i>	<i>17.9%</i>	<i>52.2%</i>
<i>Total 4 Technical Assistance</i>		<i>2.3%</i>	<i>1.7%</i>	<i>2.0%</i>	<i>3.5%</i>

Source: Sweco, 2008

The Table indicates three main ways in which Bornholm stands out compared to the average for islands in the EU. First, Bornholm had a high investment in productive environments. Second, it had higher commitments in assisting SMEs and the crafts sector, and in transport. Third, in Bornholm, there was a comparatively high investment in telecommunication infrastructure and the information society.

An overview of fields of intervention in Bornholm is not available for the 2007-2013 period. However, Bornholm's Growth Forum is focused on the four priorities of the OP.

Within priority 1) productive environments, there are several fields of intervention, where the NUTS2 and 3 levels differ. Notably, for example, Bornholm has funded less projects than the remaining Objective 2 areas in the field of tourism, 1,6%, compared to the Objective 2 areas' allocation of 30,4%. Meanwhile, Bornholm has allocated slightly more funds to assisting SMEs and the crafts sector with 33,8%, compared to the Objective 2 areas of 28,6%, which may also comprise activities related to tourism. Bornholm has allocated 6.9% to RTDI, which is about half as much as the Objective 2 areas overall of 14,6%.

Within priority 3) basic infrastructure, a field of priority which particularly stands out is telecommunications infrastructure and information society, where Bornholm allocated 33,3%, compared to the Objective 2 areas where the average spending was 5,2%. This may

demonstrate a high degree of funding to the investments of individual firms on the island. With regard to transport infrastructure, Bornholm also allocated more, 14,2%, compared to the Objective 2 areas which allocated 7,4%.

6. ERDF and Cohesion Fund strategies and relevance

In the 2000-2006 OP special consideration was paid to the 27 small islands in Denmark, in the sense that they were given a lower threshold in terms of allocation of funding, and that funds would be allocated to cooperation projects between these islands. The County of Bornholm had its own Programme Complement which dealt with the specific challenges on the island.

Whereas previously it was only certain areas of the country which were covered by the OP, with the removal of territorial zoning, the 2007-2013 OP is targeted at the entire country. The areas covered previously are, to the extent they are still defined as such, in the 2007-2013 period referred to as peripheral areas. With the local government reform which entered into force 1 January 2007, a national political agreement was made stating that the peripheral areas shall receive, as a minimum, the same share of the Structural Funds as in the previous period, i.e. approximately one third. The definition of peripheral areas has been changed with the reform, as it has entailed amalgamations of municipalities, thereby in some cases changing the status of previous Objective 2 areas. The peripheral areas are characterised by 1) a low income level, i.e. the income level per capita in the municipality is less than 90% of the country's average, and 2) a weak population development, i.e. a decreasing population or less than half the population increase of the national average. 16 out of 98 municipalities, as well as the 27 small islands, are defined as peripheral areas. This also includes the island and Municipality of Bornholm.

Since the local government reform in 2007, the allocation of ERDF funds is managed by the regional Growth Fora which have been set up in each region. Although Bornholm is a part of the Capital Region, it has got its own Growth Forum. With the reform, Bornholm, as the only territory in the country was given the status of Regional Municipality, which entails that Bornholm has the mandate to manage regional development. Thus, Denmark has six Growth Fora, one for each of the administrative regions, and one for Bornholm. This entails that allocation of funding to ERDF projects is decided locally on the island. There is no Programme Complement for the 2007-2013 period. However, the ERDF funding is channelled towards the focus areas of the business development strategy and action plan for Bornholm, developed by the Growth Forum.

In the 2000-2006 OP, as part of the socio-economic analysis and follow-up from the 1994-99 programming period, short sections are designated to the special circumstances of the 27 small islands. It is stressed that efforts should be directed at strengthening the service industries and improving transport infrastructure to increase opportunities for commuting and tourism on the islands. The ex-ante evaluation briefly adds to the socio-economic analysis and states that in addition to the 27 small islands, other islands, especially Bornholm, are in a difficult situation with threats of unemployment, emigration and loss of income. The OP is concerned with the characteristics of the islands at NUTS2 level, while Bornholm's Programme Complement is concerned with this NUTS3 area.

The 2007-2013 OP refers to the continuing prioritisation of peripheral areas, which is not as such based on specific geographical characteristics. As described above, it comprises municipalities with low income levels and weak population development, which consequently comprises most islands in the country. All 27 small islands, although not all part of peripheral municipalities are also defined as peripheral areas. Although Bornholm is part of the NUTS2 area of the Capital Region, it is taken into consideration separately in the socio-economic analysis. The socio-economic analysis provides reference to a more in-depth analysis of the identification of peripheral areas in Denmark in the National Strategic Reference Framework.⁸¹ The peripheral areas are referred to in a short section of the socio-economic analysis, not distinguishing between islands and other areas, stating that a main challenge in these areas is the low level of education.

The Danish islands (Læsø, Ærø, Langeland, Lolland, Samsø, Bornholm and the 27 small islands) have got the exemption that they are allowed to provide support to individual firms' investments. This is an opportunity which was utilised widely in the 2000-2006 programming period. In the current programming period there is more focus on cluster development and collaboration between different actors, but the opportunity to provide support to individual firms is still utilised, an example of which is 'the diamond spa of Bornholm', a project which supports one firm, but aims to prolong the tourism season on the island and generate further effects on the economy of the island (introduced further in section 11. Conclusion).

In summary, the OPs of respectively Objective 2 areas and Denmark have not engaged in in-depth analyses of geographical specificities. However, both programmes provide specific reference to islands. In the 2000-2006 OP focus was placed on strengthening the service industries and improving transport infrastructure, while the 2007-2013 referred to the exemption of the islands that they are allowed to provide support to individual firms' investments. This exemption may be considered a key point in terms of taking into consideration geographic specificities of islands in the 2007-2013 OP of Denmark.

7. Quantitative results of the ERDF/CF programme

The 2000-2006 Objective 2 Programme had the following output indicators/objectives reached according to expenditure in %, 1 July 2005 (Teknologisk Institut 2005):

Priority 1 (development of the region):

Number of projects – 115%

Number of projects supporting SMEs – N/A

Number of projects with R&D – 238,1%

Number of projects with IT/ICT – 149,2%

Number of projects with an environmental impact – 119%

Number of jobs created, directly – 630,2%

Objectives under priority 1 were reached by 630,2%, especially the objective of number of jobs created was succesful.

⁸¹ Erhvervs- og Byggestyrelsen (2003) Regional konkurrenceevne og beskæftigelse i Danmark 2007-2013, Danmarks strategiske referenceramme, 23. november 2006.

Priority 2 (business development):

Number of projects – 59,6%

Number of projects supporting SMEs – 68%

Number of projects with R&D – 170,8%

Number of projects with IT/ICT – 95,8%

Number of projects with an environmental impact – 91,3%

Number of jobs created, directly – 99,4%

Objectives under priority 2 was reached by 59,6% which is significantly lower than for priority 1. The only target which was reached by more than 100% was the target concerning number of projects with R&D, but according to the final programme evaluation, this was due to an unclear definition of what constitutes R&D, and thus the actual number was lower. The general low fulfilment of objectives under priority 2 compared to priority 1, according to the evaluation indicates that the objectives were set unrealistically at the beginning of the programming period.

The absorption capacity of the 2000-2006 OP was 98% for priority 1, and 87% for priority 2 (Closure report DK 2000-2006). As described above, there is notable difference between the fulfilment of objectives under priority 1 – development of the region, and priority 2 – business development. Objectives under priority 1 were reached by 630,2%, especially the objective of number of jobs created was successful. Objectives under priority 2 was reached by 59,6% which is significantly lower than for priority 1. The only target which was reached by more than 100% was the target concerning number of projects with R&D, but according to the final programme evaluation, this was due to an unclear definition of what constitutes R&D, and thus the actual number was lower. The general low fulfilment of objectives priority 2 compared to priority 1, according to the evaluation indicates that the objectives were set unrealistically at the beginning of the programming period.

The Table below provides an overview of output indicators and the extent to which objectives were reached according to expenditure (%).

Output/results	Priority 1 - region	Priority 2 - business
Number of projects	115	59,6
Number of projects supporting SMEs	N/A	68
Number of projects with R&D	238,1	170
Number of projects with IT/ICT	149,2	95,8
Number of projects with an environmental impact	119	91,3
Number of jobs created, directly	630,2	99,4

Source: Teknologiske Institut (2005) *Evaluering af Mål 2 Programmet i Danmark 2000-2006*.

With regard to the 2007-2013 OP, at the end of 2009 approximately half (45%) of the ERDF was allocated to projects. A majority of the funds (33%) was allocated to the focus areas of innovation, knowledge sharing and knowledge building.

The three overall objectives to be reached by the end of the programming period are:

- 1000 firms/institutions/organisations have become more innovative (objective reached by 23% in 2009)
- 900 new entrepreneurs (No projects had been terminated in 2009)
- 200 firms/institutions/organisations have increased utilisation of ICT (objective reached by 1% in 2009)

By 2009, the objectives of the OP were reached to the extent expected at this time (Erhvervs- og Byggestyrelsen 2009).

According to the ex-post evaluation of the 2000-2006 OP, failure to set up realistic objectives from the beginning of the programme period led to a failure in reaching the objectives according to some indicators. Overall, the evaluation states that the objectives of the programme were reached.

According to the annual report 2009 of the Managing Authority, the priority of innovation is well integrated in the regional development strategies of all regional business development strategies and action plans as a central focus area. All Growth Fora have given high priority to innovation measures in 2009. Thus, the current programme is on the right track according to the OP focused on 'Innovation and Knowledge'

9. ERDF Governance and complementarities with other sources of funding

The governance has not changed to reflect new priorities of the ERDF; it has changed, as described above, as a consequence of the local government reform which entered into force in January 2007, when six Growth Fora were established. The Managing Authority of the ERDF is the Danish Enterprise and Construction Authority under the Ministry of Economic and Business Affairs.

In the 2007-2013 programming period, it is required that as a minimum one person, appointed by the municipalities, is representing the peripheral areas of a region in its Growth Forum. In this sense, stakeholders from peripheral areas, including islands, are involved in the implementation of ERDF in the regions. These stakeholders are not directly involved in the design of the national OP, but they are involved in developing the business development strategy of the region, which guides the implementation of ERDF funds.

In Denmark, in both programming periods, synergies are found with ESF. The allocation of ESF funds is managed by the same regional actor as the ERDF, for the 2000-2006 period by a secretariat based in the counties, and in the 2007-2013 period by the Growth Fora. Although applicants need to fill in two different application forms, ERDF and ESF funding are often allocated to different parts of the same project.

10. Conclusion

The main way in which the ERDF is relevant to, and effective for Bornholm's specific geographical characteristics, is that it provides the exemption that islands, unlike the rest of the country, are allowed to provide support to individual firms' investments. This is an

approach which is not directly promoted within the national framework, but which has remained possible within the ERDF legal framework in the 2007-2013 programming period.

The Danish OPs do not provide extensive analyses of specific geographical characteristics. In the 2007-2013 programming period an analysis has been carried out to identify peripheral areas. The peripheral areas are identified based on a low income level, and a weak population development, not on specific geographical characteristics. Meanwhile, the characteristics used to identify peripheral areas also correspond with areas such as Bornholm which has specific geographical characteristics. Furthermore all islands, although part of municipalities which are not designated as peripheral, are still guaranteed a certain amount of funding from the ERDF. Bornholm is characterised as a peripheral area and is thereby guaranteed a certain part of the national budget, as approximately one third of ERDF continues to be allocated to the peripheral areas in the 2007-2013 period.

The challenges of the island of Bornholm involve transport accessibility, which is limited during the tourism low-season, thus it is difficult to commute, especially during winter, due to infrequent transport opportunities. A way in which the ERDF is utilised to help this situation is to support projects related to the tourism industry which may help prolong the season and generate jobs.

An example from the 2000-2006 programming period is 'Havnegade (Harbour Street) – a town environment project in Allinge', which received funding from the ERDF, infrastructure investment, as well as the ESF. The objectives of the project were to create a better and more attractive town centre in Allinge to the benefit of citizens and tourists, and to facilitate the transition from the fisheries industry to trade and tourism industries. These objectives were reached, and the 11 persons employed in the project, were still employed after the end of the project.⁸²

In the 2007-2013 programming period, four projects may be emphasised. The first, which is also a main element in the business development strategy of Bornholm's Growth Forum, is called 'Cluster development in peripheral areas'. A purpose of the project is to develop a model for cluster development in peripheral areas. The objectives of the project are to develop clusters for the purpose of maintaining and creating jobs and generating growth in existing firms, and to attract new firms to the clusters. Eventually it is the intention that the clusters should become mainly self-financing. Cluster development is taking place within three strategic areas: 1) Bornholm as a green/sustainable test island, 2) The experience universe Bornholm, 3) Food universe Bornholm – the Bornholm kitchen. Members of the clusters have given presentations to the regional Growth Forum and have had the opportunity to provide input/comments to the 2011-2014 business development strategy of the island.

The second project is called 'Development of new theme or event based tourism products'. A purpose of the project is to create initiatives to help prolong the tourism season. Three themes/events will be tested during the project period: 1) 'Catch the motif', autumn 2010

⁸² Teknologisk Institut (2005) Evaluering af Mål 2 Programmet i Danmark 2000-2006.

and 2011, involves courses in oil painting, aquarelle, photo and felt combined with hotel accommodation. 2) 'the Christmas island Bornholm', Christmas 2010 and 2011, emphasis is placed on marketing the concept in the capital area and collaboration has been established with Greenland to host the 'embassy' of Santa Claus in Bornholm. 3) 'The climbing festival' is organised in spring 2011. The tourism products are identified and developed in collaboration between a network of tourism actors on the island and external consultants.

The third project, 'the diamond spa of Bornholm', was finished in 2010. The establishment of a spa and wellness concept at Hotel Griffen takes a point of departure in the nature and geology of Bornholm. Since the project was finished, the number of visitors has been higher than expected, the number of weekend tourists has increased, and it is expected that it will help prolong the tourist season on the island. The project has led to 8-10 new jobs.

The fourth project, 'Film and business tourism', was also finished in 2010. The project developed conference concepts which embedded the creating film production process. The project created a network of accommodation places, experience places and creative actors, which is now established at the organisation PLAN-Ø. The network has initiated a number of marketing initiatives, and had a test run during the project period. The project is expected to positively impact growth and employment on the island. It has created a network which would not otherwise have been created, as tourism actors are in most cases small businesses, which do not have the resources available to launch larger concepts and products.

The ongoing project 'Cluster development in peripheral areas' may be relevant to analyse more deeply, as it is stated that a purpose of the project is to develop a model for cluster development in peripheral areas. One may question how such a model is developed, and whether it is intended to be beneficial for similar areas. The project has three strategic foci areas/clusters, of which two are dominating industries on the island (food and tourism/experience economy), and a new focus area which involves Bornholm as a green island. Such a project may offer learning to other similar places, as it is suggested. Thus, further analysis into issues such as how collaboration in the different clusters was initiated, and how they work in practice, may be beneficial.