

European Cohesion Policy in Sweden

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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.

Cohesion Policy 2007–13



IMPACT AND RESULTS OF COHESION POLICY IN SWEDEN

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

Some examples of achievements from 2000 to 2006 include:

- More than 77 000 jobs created.
- More than 22 000 businesses created.
- In the Norra Norrland region, 163 training projects were financed, including vocational training programmes for the construction industry based on wood and wood products. Overall, almost 40 000 people as well as over 1 800 firms in the region participated in training courses designed to enhance and develop skills. In the Södra region, funding helped to establish eight new educational establishments and expand provision of distance learning courses (over 10 000 students participated in around 480 educational programmes).

A SNAPSHOT OF ACHIEVEMENTS

- More than 77 000 new jobs
- More than 22 new businesses
- Skills training for over 20 000 men and 18 000 women
- Investment in new rail links across the Södra Skogslänen and Norra Norrland regions which will also connect with national and European main lines



- One notable achievement of EU investment in transport and infrastructure is the construction (still ongoing) of the Botniabanan railway, a large-scale infrastructure project started in 1999, and which will provide a rail link across the Södra Skogslänen and Norra Norrland regions and also connect with national and European main lines. European investment has also increased telecommunications infrastructure. The county of Västernorrland in the Södra Skogslänen region now has 80% broadband coverage rate for households and 95% for firms. The county of Jämtland in the same region has also increased the coverage rate to 80%, with the city of Östersund reporting a 90% coverage rate.
- **Investment in tourism** – Structural Funds have supported the development of tourism (an important industry in terms of income and employment) in all regions, investing in natural and cultural heritage attractions.

EUROPEAN INVESTMENT IN SWEDEN – 2007–13

For 2007–13, Sweden has been allocated almost **€2 billion** in total Cohesion Policy funding: €1.6 billion under the Regional Competitiveness and Employment Objective¹ and €265 million under the European Territorial Cooperation Objective.

Sweden has eight regional programmes funded by the ERDF. One national countrywide programme is funded by the ESF.

FUNDS FOR SWEDEN IN BILLION € 2007–13

Objective	Fund	EU	National Public	Total
Regional Competitiveness and Employment	ERDF	0.9	1.1	2
	ESF	0.7	0.7	1.4
Total Regional Competitiveness and Employment		1.6		
Total European Territorial Cooperation*	ERDF	0.3	-	0.3
TOTAL		1.9	1.8	3.7

Figures have been rounded up

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

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'.

Sweden has made a strong commitment to gear its Structural Funds investment towards Lisbon-related activities to promote growth and jobs, with a focus on the promotion of innovation, information and communication technologies (ICT) and the knowledge economy, renewable energies and sustainable public transport. **The objective is to create 33 800 jobs and 12 400 new businesses.**

MAIN PRIORITIES OF COHESION POLICY IN SWEDEN, 2007–13

- Nearly €741 million earmarked in support of **research and development (R&D)** and **innovation**. The money will be used to strengthen cooperation between R&D, business, education and public sectors; support networks and clusters; promote the development of regional specialisations; and stimulate innovation in business.
- €102 million for developing and improving **information and telecommunication technologies (ICT) infrastructure and services** – in particular to stimulate and facilitate the use of ICT in small and medium-sized enterprises (SMEs) and expand broadband networks in sparsely-populated and rural areas.
- €312 million to promote **entrepreneurship** and support **small and medium-sized enterprises (SMEs)**, in particular through **improving access to risk capital**.
- €204 million to be invested in activities to improve **employability, education and skills**.
- Nearly €77 million in improving **transport infrastructure and accessibility**, in particular to expand national road and railway networks in the peripheral and sparsely-populated areas.
- Increasing participation in the labour market is an important priority given the ageing population and the current high level of welfare services. In response, some €459 million will be targeted at **increasing the labour supply through, for example, education schemes and skills training** for early school-leavers, immigrants and those on long-term sick leave.
- Protecting the **environment** and promoting sustainable growth also rank highly, with planned cohesion policy investment amounting to around €183 million. This investment will be targeted mainly at measures to combat the effects of **climate change, improve energy efficiency and promote renewable energies**.

THE ESSENTIALS 2007–13

- Nearly €741 million for R&D
- €459 million to help increase the supply of labour through targeted training
- €312 million to support entrepreneurship

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

● BUILDING BRIDGES BETWEEN NEIGHBOURS

In Europe today, economic success is often dependent on a region's capacity to develop networks with other regions. Cooperation and sharing experience between regions can be a key trigger in stimulating a dynamic, forward-looking regional development process. The EU has an important role to play in brokering and supporting such partnerships, both between regions within the Union, and with neighbouring regions outside. Thousands of projects developed over many years under the INTERREG initiative have demonstrated the benefits for regions of working in partnership, sharing ideas and charting new and innovative ways of harnessing European investment.

The **European Territorial Cooperation Objective** is financed through the ERDF for the period 2007–13 and supports cross-border, transnational and interregional cooperation programmes to encourage regions and cities across the EU and further afield to work together and learn from each other.

With a budget of €265 million allocated under the European Territorial Cooperation Objective, **Sweden participates in 13 Territorial Cooperation programmes:**

- six cross-border cooperation programmes which cover internal EU borders and Norway: 'North' with Finland and Norway; 'Botnia-Atlantica' with Finland and Norway; 'Sweden/Norway'; 'Öresund, Kattegatt, Skagerrak' with Denmark and Norway; 'South Baltic' with Germany, Denmark, Lithuania and Poland; and 'Central Baltic' with Estonia, Finland and Latvia;
- three transnational programmes which cover larger areas of Cooperation – 'Northern Periphery', 'North Sea' and 'Baltic Sea';
- all four interregional cooperation programmes (total budget for all the 27 EU Member States: €443 million)²: INTERACT II, URBACT II, ESPON/ORATE 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

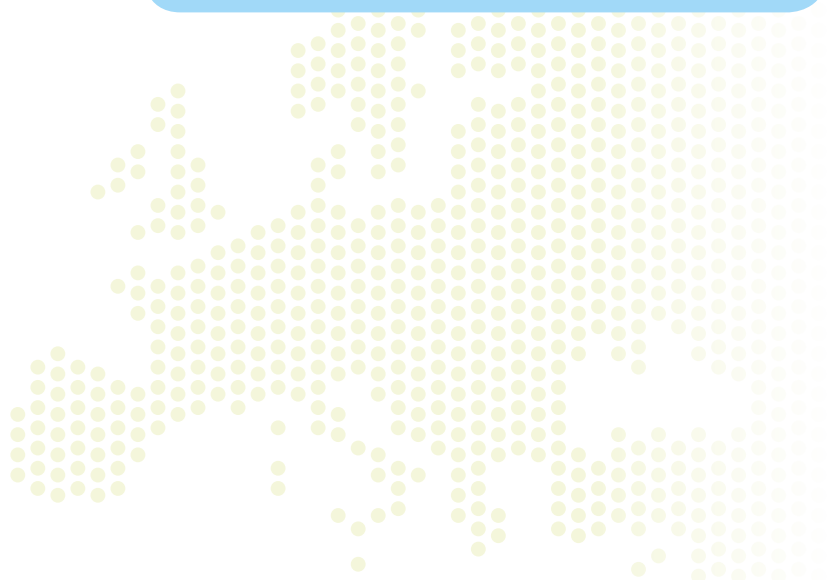
The **European Union Solidarity Fund (EUSF)** was created after the floods which hit Central Europe in summer 2002. It grants emergency aid to Member States and acceding countries in the event of a major natural disaster.

Sweden benefited nearly €82 million of EUSF aid following a severe storm in January 2005, which caused serious damage, estimated to amount to over €2.3 billion, to infrastructure, businesses and private households in several parts of the country. The grant was used to reimburse public funds spent on the immediate emergency response and on the restoration of basic infrastructure.

Sweden

€1.9 billion for
2007–13

Boosting
growth, jobs and
competitiveness



Regional Policy on the ground

FIBER OPTIC VALLEY (2000–06)

With the support of EU Structural Funds, the region of Hudiksvall in Sweden has worked with local high-technology businesses to boost its competitiveness in the area of fibre optics. Long-term growth in the data and telecommunications sector is driven by new applications requiring high-speed data transmission. The project, called 'Fiber Optic Valley', also included training and research initiatives, the development of inexpensive access networks and components, and the creation of an innovation system for developing new products and services.

As a result, approximately 30 new companies have been created in Fiber Optic Valley since 2002. The number of senior researchers within Fiber Optic Valley has increased to 54 compared to 35 at the end of 2005.

Total cost: €13.9 million

EU contribution: €3.3 million

BROADBAND EXPANSION IN NORRBOTTEN COUNTY (2000–06)

High-quality ICT infrastructure is essential for remote and sparsely-populated regions such as the county of Norrbotten in the far north of Sweden.

Structural Fund assistance has helped to extend the broadband network and develop telematic applications based on broadband technologies.

The laying of some 3 000 km of fibre optic cables was entrusted to the public company, IT Norrbotten AB, owned by the council and the 14 municipalities in the county. Over 300 villages in Norrbotten now have broadband, with all schools connected and 93% of the population in the region able to access broadband services. The project also led to the creation of 60 jobs and three businesses.

The total cost of the project amounted to €10.2 million, with the EU contribution totalling €4.5 million.



Broadband – an online lifeline for Sweden's more remote communities

BIOTECHNOLOGY ACROSS BORDERS (2000–06)

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

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



More information

EU Regional Policy

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

Cohesion Policy in Sweden

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

National website

<http://www.sweden.gov.se/sb/d/1470>

European Social Fund

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