



European Union  
Regional policy

# en info regio panorama

10

June 2003

## Round table

Cities for cohesion

## In focus

ISPA

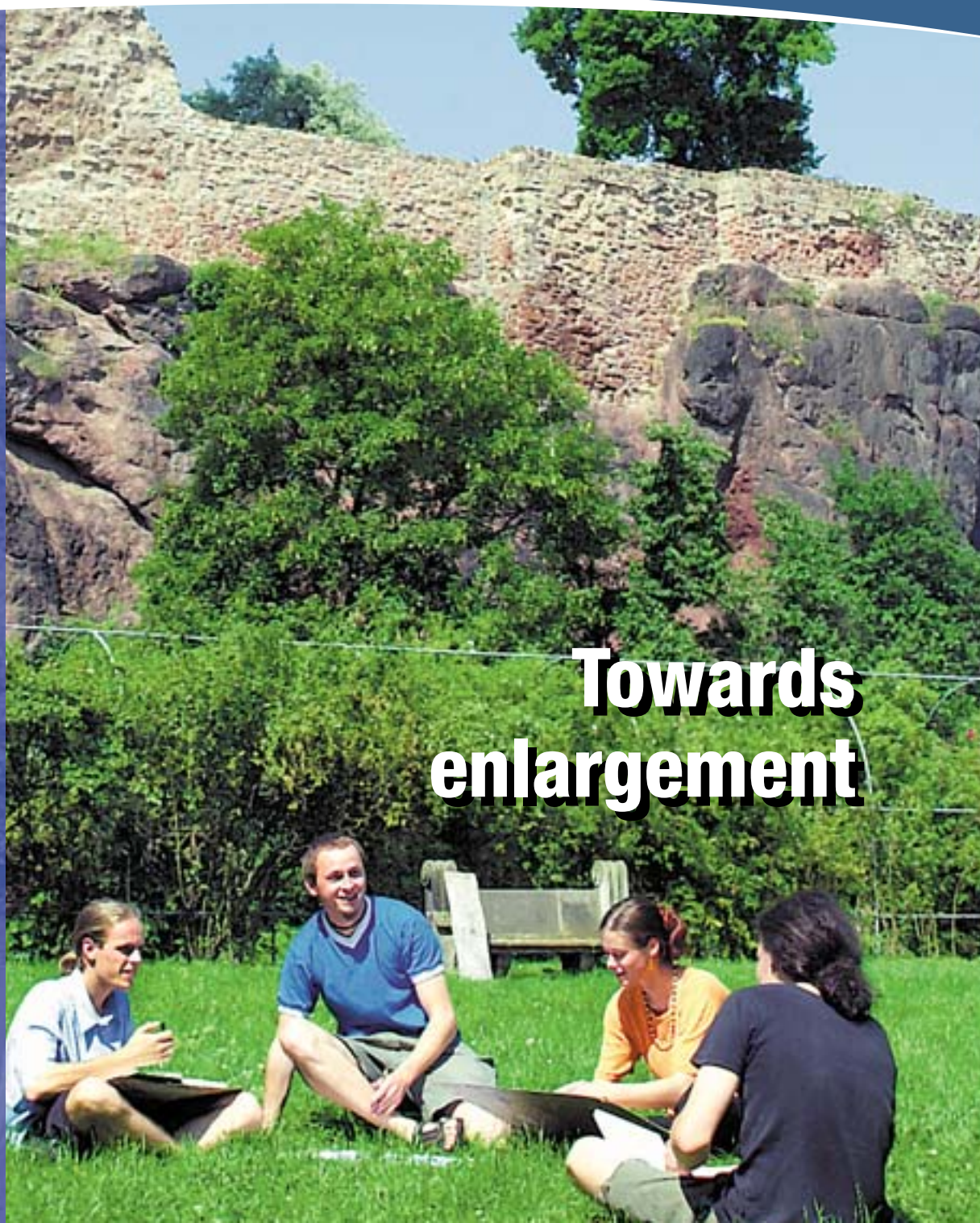
## Discovering an accession country

Poland

## Discovering a region

Saxony-Anhalt  
(Germany)

# Towards enlargement





# Round table

## 'Cities for cohesion': urban solidarity at the heart of Europe

What role can cities play in building a cohesive and prosperous Europe? How can European policy better incorporate the urban dimension? *Info regio panorama* put these questions to four eminent representatives of the 'Cities for cohesion' network: Jean-Paul Huchon, President of the Région Île-de-France (France), Manuel Royes I Vila, President of the Diputació de Barcelona (Spain), Edgar Savisaar, Mayor of Tallinn (Estonia), and Lord Smith of Leigh, Head of the Association of Greater Manchester Authorities (United Kingdom).

In Europe, there is a contradiction in many urban areas, between strong growth, on the one hand, and an increase in the number of neighbourhoods facing major difficulties, on the other. How is it possible to avoid these dualities, which are an obstacle to social and economic cohesion?

Jean-Paul Huchon, Île-de-France



This is a problem with a genuine Community dimension, as urban areas, not only in the Union but also in the future

Member States are facing marked internal disparities. The statistics do not reflect the reality on the ground, where there is often a concentration of social, urban and environmental difficulties. Policy must take account of this challenge of the unequal distribution of growth. If we want a strong Europe then we must

have a cohesive Europe. Although Europe's cities and regions are, by virtue of their prerogatives and their proximity, best placed to implement effective policy, we need the Union's financial support. I am convinced that European funds are the best means of encouraging citizens to be positive and proactive in taking responsibility for Europe. An ambitious European regional policy, benefiting all Europe's citizens and with a strong urban dimension, is the way to meet the specific needs of vulnerable areas and to make the most of the opportunities that exist in these areas, which are the motors of growth.

Lord Smith of Leigh, Greater Manchester



The future of the EU's cohesion policy must look at all aspects of the urban dimension of cohesion policy. This includes the



In the renovated city centre of Manchester.

role of the Structural Funds, State aid, transport policy and all questions of relevance to urban areas. We believe the way forward is to embrace the Lisbon strategy. This is the way to make the EU the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion. In Greater Manchester we are building on our status as a 'knowledge capital'. In many ways this mirrors the goals of the Lisbon strategy. This not only means

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Editor: Thierry Daman, European Commission, Directorate-General for Regional Policy

This magazine is available on the Info regio web site in the 11 languages of the European Union: [http://europa.eu.int/comm/regional\\_policy/index\\_en.htm](http://europa.eu.int/comm/regional_policy/index_en.htm) and is printed in five languages (English, French, German, Italian and Spanish) on recycled paper. The text in this publication is not legally binding.

Photos (pages): Landesmarketing Sachsen-Anhalt GmbH (1, 12), Marketing Manchester (2), Cities for Cohesion (2, 3, 4), Mike St. Maur Sheil (6, 14, 15), ISPA/Lithuanian Ministry of the Environment (8), Polish Tourism Organisation (10), Ministerstwo Gospodarki, Pracy i Polityki Społecznej (11), Verbindungsbüro des Landes Sachsen-Anhalt (13)

Cover photo: Art students, Halle (Saxony-Anhalt)



developing our excellence in the field of research but also bringing this research capability to local businesses, developing the skills of the local community and graduates, promoting new business start-ups and, as a result, playing a greater role in Greater Manchester's economic development by promoting growth sectors, as well as area-based regeneration schemes.

**The European Commission has initiated a consultation process on the future of economic and social cohesion. To what extent do you think the 'urban question' should be at the heart of future cohesion policies?**

**Jean-Paul Huchon, Île-de-France**

It is essential for our regions, our countries and our continent's cohesion. Between 60 and 80 % of Europe's population lives in major urban areas. The Commission has placed the 'urban question' at the centre of its concerns. It must be at the heart of future structural policy, with a dual objective: to help urban areas in difficulty to achieve lasting regeneration and to achieve the Lisbon objective of making Europe the world's most competitive knowledge-based economy by 2010. The year 2003 is a crucial year. The Commission is currently drawing up its proposals for cohesion policy after 2006. That is why my European partners and I are very active. I would view any decision to limit European funds for areas

undergoing restructuring and for urban areas in crisis as a political and social setback, something our populations would find hard to understand. I believe it would be dangerous to think that regional policy has now fulfilled its role.

**Manuel Royes I Vila, Diputació de Barcelona**



The vast majority of Europeans live in towns. These are areas where wealth and productive capacity are concentrated. But they are also areas with serious problems, such as high unemployment, social exclusion and deterioration of the environment. Europe's towns and cities have great potential. They are dynamic and can generate innovative solutions to their problems. But they must be supported. That is why it is so crucial for urban issues to be at the very centre of the European Union's policy for economic and social cohesion, post 2006. There is a need for comprehensive support instruments for urban development. These instruments must go beyond the traditional approaches of structural actions, especially in non-Objective 1 regions. They must propose innovative solutions, with a major Community added value. They should also be the result of participative processes and have a lasting effect.

**The URBAN initiative incorporates several innovative elements, such as the integration of different policies, flexibility and partnership with local associations. Do you believe these elements could serve as an inspiration, in a broader sense, for the Structural Funds themselves?**

**Manuel Royes I Vila, Diputació de Barcelona**

The concept of cooperation envisaged in the Community's URBAN II initiative is fundamentally very positive. The activities of an URBAN project facilitate a multidisciplinary and multiannual working framework between the various levels of the administration and the socioeconomic players, a framework which it is difficult to obtain by other means. This experience can be transferred easily to other activities financed by the Structural Funds and the new Community initiatives in the period beyond 2006, provided the Member States allocate the necessary resources to satisfy the principle of cooperation as laid down in the general regulations. In this respect, the lessons learned by towns and cities in the current Member States, whether benefiting from URBAN or not, will constitute a major added value for the cities and urban areas in the candidate countries.

**Lord Smith of Leigh, Greater Manchester**

We like many elements of URBAN: partnership, an integrated approach, a

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single fund and flexibility. However, as a model for the future we think the current programme is too small in size with too small a budget and too few projects. In addition, although area-based initiatives are important, we must also pay attention to the development of specific sectors.

#### Edgar Savisaar, Tallinn



I fully agree that the URBAN initiative is a very important tool for urban development, and several of its qualities, especially the close

partnership with local authorities, should inspire the Structural Funds in general. Nevertheless, I must remind you that enlargement in 2004 will not mean that this initiative will be open to cities in the new Member States. The Commission has explained to us that for a two-year interim period it may not be practical to open the new programme to the accession States. However, we feel that participation in the URBAN initiative would provide us with invaluable experience in running a fully integrated programme, as well as in developing strong partnerships. We feel that if accession towns and cities are excluded from this process we will be denied this experience and will not be able to undertake important groundwork for the future. The experience we could acquire under this initiative could help us to create high-quality, well-managed and fully integrated projects

with strong partnerships under the post-2006 Structural Funds

#### How do you see the future of 'Cities for cohesion'? Do you plan to develop and widen the network in the future?

#### Edgar Savisaar, Tallinn

At the moment there are only two cities from the accession countries that are members of the network, Tallinn and Prague. With EU enlargement we hope that other cities from the new Member States will join us in pursuing our common goals. We think it is important to bear in mind that regional/local representations form only 6 % of the Brussels-based offices which are cooperating with the European institutions. If the EU wants to improve its decision-making it must hear all the stakeholders. As the direct representatives of the citizens, local and regional authorities need to be present and to make themselves heard in order to help the EU to become more democratic and closer to its citizens.

#### Lord Smith of Leigh, Greater Manchester

Originally, 'Cities for cohesion' stressed 10 key principles that should underlie any future cohesion policy. We are now looking at the solutions for delivering these 10 key principles. We are placing emphasis on three concerns: the needs of urban areas, the opportunities presented by urban areas for the regions and the European Union, and the resources available to these areas. Our group has a very

informal approach. And of course we would be more than happy to welcome other organisations that could add their voice to the goals of the 'Cities for cohesion' group and share its objectives.

#### Cities for cohesion

The 'Cities for cohesion' network functions as a platform for exchanges and joint actions between Europe's local authorities.

In June 2002, 16 urban areas in Europe supported the 'Cities for cohesion' manifesto. In this document, the signatories stress 10 key principles for ensuring that the urban dimension is better catered for in economic and social cohesion policy. There is a particular commitment to one central idea: the need for better integration of policy through the Structural Funds.

Members of 'Cities for cohesion' want to act on two complementary fronts: to resolve the problems of neighbourhoods in crisis and to strengthen the role of towns and cities in a general process of European growth. They believe that economic growth and social development are linked. Consequently, the only way to tackle pockets of poverty in the cities is by supporting the wider territory. 'Ghetto effects' must be avoided at all costs.

At present, while continuing to offer stimulating reflection on the substance of policy, 'Cities for cohesion' would also like to take an additional step and set up, on the basis of urban local authorities, concrete projects for cooperation which pursue this same cohesion objective.

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#### The 'Cities for cohesion' partners

Amsterdam, the Association of London Government, Berlin, Diputació de Barcelona, Copenhagen, Frankfurt-Rhein-Main, Greater London Authority, Greater Manchester, Greater Merseyside, Région Île-de-France, Malmö, Prague, Stockholm, Tallinn, Vienna.

Note that the Brussels-Capital Region supports the network but is not a formal member.



## Future management of the Structural Funds: what division of responsibilities? Evolution, not revolution

Post 2006, how can the management of the Structural Funds be changed without compromising the Community added value of structural policy or the Commission's responsibilities for control? On 3 and 4 March, more than 500 representatives of national administrations, management bodies and local authorities met with the European Commission to discuss this complex issue. The message from the participants was clear: they wanted improvements and adjustments, but not a radical break with the past.



Just over two years ago, at the initiative of Commissioner Michel Barnier, the European Commission launched a wide-ranging debate on the future of cohesion policy. In addition to discussions on content, this also included the question of organisation: how, after 2006 (thus beyond the present period), will the Structural Funds be managed? This question is even more important in the context of enlargement, post 2004. The rules of management will clearly have to be adapted to allow for a more diverse framework.

### Unavoidable reform

Earlier reforms, in 1999, clearly brought more decentralised management, while at the same time strengthening Commission control. Yet this system attracted criticism. Some condemned the superposition of control procedures, some criticised the Commission for too much regulation, while others expressed concern at the consequences of a single system of management — especially in the light of enlargement, which will include 10 new Member States with very different administrative contexts.

So how can things be developed and improved? At the seminar on 3 and 4 March, Michel Barnier recognised the need to pursue the reforms. In his

introductory address, he stressed that as the 2000–06 programming period reaches mid-term, it is now time to look at the future rules of management.

Mr Barnier said that it was important to take stock of the situation at the end of the first three years of the current period. He said that not everything was bad and that there were certainly positive points, such as the virtues of multiannual programming, the setting up of partnerships and the progressive integration of a culture of evaluation. But he acknowledged that one weakness remained: the lack of real decentralisation.

### Three challenges

On the basis of this analysis, Michel Barnier identified three major challenges.

How to better clarify the respective responsibilities of the Commission, the Member States and the regions? While greater decentralisation must apply to the Member States and the regions, this transfer of power must not detract from Article 274 of the Treaty, which states that the Commission bears ultimate responsibility for effective budget implementation and management.

The second major challenge is whether to maintain a uniform management system or to opt for greater differentiation, based on the amounts allocated and the respective capacities of the Member States.

The third challenge concerns the fact that at present the Commission concentrates its efforts on controlling expenditure. In future, would it not be

better for it to be more concerned with the evaluation of results, and policy and strategic objectives?

### A need for balance

The debates were lively, both in the workshops and plenary session. Almost 250 delegates contributed, which was almost one in two.

Although very diverse opinions were expressed, two key ideas emerged.

First of all, participants expressed their desire for change, but in the form of an evolution rather than a revolution. The management authorities do not want all the rules to be amended, as they would see this as a source of insecurity. They want a more balanced approach. For example, they demanded more flexibility while accepting common rules of management for the essential principles. They requested less sluggish procedures, but without questioning the need for controls.

The second strong message was that while subsidiarity is desirable, decentralisation should not lead to renationalisation, or the absence of rules for the use of Community funds. The European Commission must be able to meet its own obligations. When managing funds it must be able to account for its actions to the European Parliament and the Court of Auditors. This is a constraint which is fully justified by virtue of democratic means of control and the desire for openness to public scrutiny.

*Further information is available at the following address:*

*[http://europa.eu.int/comm/regional\\_policy/sources/docconf/responsibilities/index\\_en.htm](http://europa.eu.int/comm/regional_policy/sources/docconf/responsibilities/index_en.htm)*

## A cohesive accession

### The role of ISPA in the countries of central and eastern Europe

**Between 2000 and 2002, the European Union decided to award grants under the instrument for structural policies for pre-accession (ISPA) to 249 projects in the transport and environment sectors — two sectors facing huge investment needs — in the 10 central and east European candidate countries. With just one year to go before eight of these countries become full members of the Union, ISPA is already exercising a significant lever effect.**

From 15 to 25: on 1 May 2004, 10 new Member States will join the European Union. Economically, this unprecedented enlargement will present the Union with important new opportunities, associated in particular with the higher growth rates in the accession countries and the creation of a much bigger single market. But enlargement will also bring new challenges. The new Member States will include eight central and east European countries (CEECs) — Estonia, Hungary, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and Slovenia — whose global revenue will be 40 %

below the average in the enlarged EU. It will also result in a doubling of the development gap between the richest and the poorest regions, with most of the latter being in the new Member States. Because of this, the EU's economic and cohesion policy will be more important than ever in ensuring the harmonious development of the new Community of 25.

Therefore, unlike previous enlargements, the EU this time drew up a 'pre-accession strategy' and has granted structural aid to the 10 CEEC candidates prior to



This road in Romania was upgraded with EU financing.

membership. Totalling EUR 21.84 billion <sup>(1)</sup> over a seven-year period (2000–06), this pre-accession aid is being allocated on the basis of accession partnerships concluded between the European Commission and each candidate country. The funds are channelled through three financial instruments. The first, Phare <sup>(2)</sup>, is concerned with strengthening institutions, regional and social development, industrial restructuring and SMEs. The second, Sapard <sup>(3)</sup>, supports agricultural and rural development measures. And the third, ISPA, co-funds infrastructural development in the environment and transport sectors.

### ISPA modelled on the Cohesion Fund

In the latter two fields, the accession countries are facing enormous problems and urgently require investment. Similar to the Cohesion Fund, which is implemented in four existing Member States (Spain, Greece, Ireland and Portugal), ISPA is intended to assist the CEECs in making these investments without compromising their efforts at budgetary management. It has a total budget of EUR 7.28 billion (EUR 1.04 billion per year) and co-finances three kinds of actions, based on priorities set by the accession partnerships. The following are the priorities.

- Projects to help ensure the application of European environmental legislation and principles (principles of precaution, prevention, damage rectified at source and the polluter pays). Assistance is focused on larger investments to solve serious environmental problems, such as the supply of drinking water, the treatment of wastewater, solid waste management and air pollution.
- Projects related to the trans-European transport networks (TENs), including the building or repair of road, rail, port and airport infrastructure, and links between national networks and their connection to the TENs. Investments are made in projects that promote effective, intermodal (combined road and rail) and environment-friendly transport.
- Technical assistance and preparatory studies related to the above projects. These are crucial to guaranteeing the high standard of projects, in terms of technical effectiveness and management, while also encouraging the decentralisation of management.

A balance is sought between environmental and transport projects. In addition to concrete projects, an important

ISPA objective, linked to decentralisation, is to enable beneficiaries to familiarise themselves with the workings of Community aid programming and the necessary procedures to be respected in terms of concluding contracts, management and evaluation. This experience will be particularly valuable after accession, when the new Member States will be responsible for managing projects co-funded by the Cohesion Fund and the Structural Funds.

### 249 projects approved between 2000 and 2002

During its first three years, ISPA aid was approved for 249 projects. The Community contribution was more than EUR 5 648 million, out of a total eligible cost of EUR 8 753 million <sup>(1)</sup>. This is more than 73 % of the total ISPA budget for the period 2000–06. At the end of 2002, total payments amounted to EUR 600 million, or three times the amount paid at the end of 2001. Per sector, 56.19 % was allocated to transport, 43.14 % to the environment, 0.14 % to decentralisation, and 0.53 % was provided as special assistance to help cope with the aftermath of the recent floods.

With less than one year to accession, an initial wave of ISPA projects is already well under way. This clearly shows their benefit to society, the economy and the environment, as well as the ‘added value’ for the Community. Although much remains to be done in terms of developing the appropriate management and control structures, the public administrations in the CEECs are also slowly acquiring experience in the implementation of major infrastructural projects under conditions similar to those they will encounter after accession.

From May 2004, all the ISPA projects approved for the new Member States will become Cohesion Fund projects, through which one-third (EUR 7 590.5 billion) of the Community allocation for structural actions in these countries will be channelled between 2004 and 2006. Funds already committed under ISPA will be used first however. The ISPA budget not taken up will be transferred back to the Community budget. The CEECs which are not joining in 2004, namely Bulgaria and Romania, will be able to receive larger amounts than at present, the exact level of which has not yet been decided. The aim is not to exhaust the remaining ISPA budget but to support effective projects in the interests of cohesion.

#### *To find out more:*

[http://www.europa.eu.int/comm/regional\\_policy/funds/ispa/enlarge\\_en.htm](http://www.europa.eu.int/comm/regional_policy/funds/ispa/enlarge_en.htm)

<sup>(1)</sup> At 1999 prices.

<sup>(2)</sup> Originally (1990): ‘Poland-Hungary: aid for economic restructuring’, or ‘Phare’.

<sup>(3)</sup> Special action programme for agriculture and rural development.

## Vilnius (Lithuania)

# Transparent waste management

**For the first time ever a Lithuanian non-governmental organisation was involved at the preparatory stage of an ISPA project. The project concerns the management of solid municipal waste in the Vilnius region.**

The collection and treatment of solid municipal waste is a major problem in Vilnius County. In some rural areas there is no waste collection service, and existing municipal dumps have no environmental protection systems, with the exception of the Kariotiskes dump, which serves Vilnius and adjoins the Trakai National Park. But even there, analysts have recorded a deterioration of the water table. Some 350 000 m<sup>3</sup> of effluent enters the soil every year from the region's 125 dumps.

The current ISPA waste management project in the Vilnius region includes the closure of five municipal dumps, including the Kariotiskes dump, and the construction of a new regional dump, which meets national and European standards, in the municipality of Elektrenai, on the site of a former quarry. This new dump will have a containment shell, an effluent pumping system, 10 wells for water table analysis, and a biogas collector for electricity production. The project will ultimately make it possible to achieve a four-fifths reduction in effluent seepage.

A notable aspect of the project — and a 'first' for ISPA — is the involvement in the preparatory discussions of the Lithuanian Green Movement (LGM), a non-governmental organisation. Invited as an observer by the project monitoring committee, the LGM was a participant in the public hearings to evaluate the environmental impact of the various options available. Its opposition to the construction of a waste incinerator, mainly due to the high cost, finally won the day. Another controversial issue was the siting of the regional dump: protests by the local population and other associations, together with the carefully thought-out campaign of the LGM, caused the authorities to abandon the idea of using a green area in the municipality of Sirvintai in favour of the former industrial site of Kazokistes.

This positive experience shows that, despite the reputation they sometimes

have as 'troublemakers', NGOs can play a key role in ensuring the quality and public transparency of projects. It also highlights the benefits of sharing expertise. The associations, professionals and the administrations all have a role to play and can all learn from the experience of implementing complex projects of this kind.

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### *Final beneficiary*

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E-mail: vaatc@takas.lt*

Dump site in the Vilnius region.





# Discovering an accession country

## Poland

### A grand entry

**A predominantly agricultural country, Poland has the biggest surface area, population and economy of any of the accession States. However, as it prepares to enter the European Union, it also has wide social divides and contrasting economic indicators.**

Geographically, Poland is situated in the heart of Europe, bordered by Germany to the west, the Czech Republic and Slovakia to the south, the enclave of Kaliningrad (Russia) to the north, and by Lithuania, Belarus and Ukraine to the east. It has a continental climate, with hot summers and cold winters. Apart from the mountainous south (Sudetan and Carpathian Mountains), Poland is a flat country. While its industrial cities are among the most polluted in Europe, Poland also has Europe's last remaining virgin forest and 27 % of its surface area is wooded. Another notable statistic is that 38.1 % of the Polish population are rural, compared with an average of 14 % for the European Union as a whole.

Poland has managed to retain its national identity, despite major border changes during the course of its history. In the 16th century, Poland was Europe's largest State. In the 19th century it literally disappeared from the map, before reappearing in 1918 in the form of a parliamentary republic. Poland suffered greatly during the Second World War when a quarter of the Polish population, including three million Jews, were murdered by the Nazis.

#### Changes and reforms

After liberation, Poland fell under Soviet influence. In the 1980s a wave of strikes spread across the country, giving birth to the independent trade union Solidarnosc, headed by Lech Walesa. This came to represent a

period of political transition and in 1988 Solidarnosc was legally recognised. Tadeusz Mazowiecki (a member of the independent union) became Polish prime minister in the country's first free elections, and in 1990 Lech Walesa was elected President of the Republic. Political democracy and the free market economy had arrived.

Poland has seen major economic changes in the last 50 years. After the Second World War, the country concentrated on heavy industry and exploited its natural resources, particularly coal and sulphur. Poland also retained its agricultural traditions: in contrast to other collective systems of this period, four-fifths of agricultural land continued to be privately managed. The average farm size was only eight hectares, however, and yields were low.

In the 1980s, with the new political regime, Poland adopted a two-pronged approach to economic reform: a concentration on processing industries, and massive privatisation. Between 1991 and 1996, 25 % of Polish companies were transferred to the private sector.

#### Social and regional disparities

Recently, the Polish Government has taken some drastic measures (sharp reductions in public spending and social benefits) to cut the budget deficit by half. However, against a background of huge disparities in

earnings, this has given rise to significant social problems.

Poland's economic indicators present a mixed picture. Inflation has followed a continuous downward trend: 30.4 % in 1994, 12.5 % in 1997, 8.5 % in 2000, and around 2 % in 2002. Growth, on the other hand, has slowed, from 4 % in 2000 to 1.7 % in 2001 and 1 % in 2002. Unemployment has risen: from 15 % in 2001 to almost 20 % of the active population in 2002.

Regional differences also remain marked in Poland, particularly between the major urban centres, where new activities are concentrated, and the rural areas, which continue to lag behind. A report <sup>(1)</sup> from the International Labour Office (ILO) in 1999 identified a number of factors which were responsible for regional imbalances in Poland. These included 'the notoriously inadequate infrastructure outside the major towns, the lack of roads and railways, and deficiencies in telecommunications'. These are all factors which threaten to limit trade and curtail the development of rural areas.

#### A European beneficiary

In recent years Poland has been actively preparing for entry to the European Union. Administrative reforms launched in 1998 divided the

<sup>(1)</sup> 'Studies on the social dimensions of globalisation – Poland', International Labour Office, Geneva, 1999.



Near Suwalski, the 'Land of a thousand lakes', in the most north-eastern part of Poland.

country into 16 regions. In 2002, Poland designated management structures which will be responsible for implementing the Cohesion Fund. It has presented the Commission with its first national development plan for the period 2004–06, which will serve as a basis for the Community support framework.

Poland benefits from a number of pre-accession programmes. For the 2000–06 period it will receive annual aid of between EUR 385 million and EUR 398 million under the instrument of structural policy for pre-accession (ISPA). During the same period it will receive EUR 168.6 million per annum under the Sapard programme for rural development. Under the Phare programme, which has supported the modernisation of central and east European countries for more than a

decade, Poland received annual financial aid of EUR 398 million in 2000–02.

When it joins the Union, Poland will be a major beneficiary of European aid. On the basis of the allocation criteria defined at the Copenhagen summit (December 2002), Poland will receive between 45.65 and 52.72 % of all financial aid granted to the new Member States by the Cohesion Fund. Under Objective 1 funding alone, it will receive EUR 7 320.7 million (1999 prices: EUR 13 234.4 million for the 'Ten' as a whole), which is more than half of the total Community aid envisaged for these regions.

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**Surface area**

312 680 km<sup>2</sup>

**Population**

38 700 000 inhabitants

Density: 124 inhabitants/km<sup>2</sup>  
(EU-15: 118 inhabitants/km<sup>2</sup>)

**Economy and employment**

Per capita GDP index at PPP (2002):  
41.1 (EU-15: 100)

Unemployment rate (December 2002):  
18.1 % (EU-15: 7.8 %)

# An interview with Krystyna Gurbiel

## Under-secretary, Minister for the Economy, Labour and Social Policy



**For a country on the verge of joining the European Union, Poland shows rather weak economic growth compared with its performance in the**

**1990s, and with the other candidate countries. Poland also has high levels of unemployment. How do you think that Poland will reverse these key economic indicators?**

The government is not the only key player in this field. Poland has a free market economy which is open to the world market, and is therefore largely dependent on global and in particular European economic trends.

That said, naturally the Polish Government is working on policies aimed at stimulating higher economic growth and the creation of new jobs. I would like to stress two important recent initiatives in this regard.

The Ministry of Finance is preparing a reform of the public finances which is aimed at stimulating economic growth. This is to be finalised in May of this year. The main goals of the reform include fiscal reform, and rationalisation and decentralisation of public spending.

The Ministry of the Economy, Labour and Social Policy is also implementing an action plan in 2003. It has four priorities: poverty alleviation and social inclusion; employment promotion; effective use of Structural

Funds; and economic recovery. The plan includes a series of measures, both legislative and institutional, which should help to improve the business environment and conditions for investment in Poland. It also provides for the introduction of much more active labour market policies, as well as more focused and effective support for the poor and groups threatened with social exclusion.

**With the financial support your country will receive through membership of the European Union, how do you plan to guarantee more cohesion? How will you marry economic growth with the reduction of social and regional inequalities in Poland in the coming years?**

The strategic focus of the national development plan (NDP) is very much on bridging the economic and social gap between Polish regions and regions in the current Member States. This does not mean that we are not going to tackle internal disparities. Special attention will be paid to regions with structural problems, in agriculture or traditional industries, and also to special social groups, including the unemployed and those threatened with unemployment.

**What are the priorities of the national development plan, which will form the basis of the Community support framework when Poland joins the European Union in May 2004?**

As I mentioned, the overall goal of the NDP is to make the economy more

competitive. The specific goals include: contributing to the achievement of a high and sustainable GDP growth rate; the creation of jobs and a better educated workforce; connecting Poland with the European transport and information networks; contributing to economic restructuring (in terms of employment structures and structures of GDP); supporting the poorest regions and social groups threatened with marginalisation and social exclusion.

**In your opinion, what are Poland's key strengths, which can also benefit the rest of the European Union?**

It would be difficult to provide a comprehensive list, but I would like to name just three: it has a young and skilled population — more young people are entering the job market in Poland than in any other European country; it is active in a number of areas of scientific research, although more resources, marketing and financial, are required to implement innovations arising from this research; and it has a spirit of enterprise, an intangible asset demonstrated by a large section of Polish society during the last 15 years of dramatic change.

*Interview conducted on 14 April 2003.*



# Discovering a region

## Saxony-Anhalt (Germany)

# Combining science and economics

**A rich agricultural and a highly industrial region, Saxony-Anhalt has focused its redevelopment on its traditional ability to innovate.**

Lying in the centre of north-east Germany, Saxony-Anhalt is a region of diverse landscapes: the hills of Altmark to the north, the muddy plains of the Elbe in the centre, and the Harz massif and valleys in the south-west. The geographical and geological conditions also combine to give the *Land* of Saxony-Anhalt a diverse settlement pattern. The north is characterised by sparsely populated villages (density: less than 50 inhabitants/km<sup>2</sup>) and is strictly an agricultural area. Further south, and in the lower Harz region (Harzvorland), metals, coal and salt have been mined for many centuries. The Elbe and the Saale have always been important waterways. In the far south, bordering the *Land* of Saxe, towns such as Weissenfels, Naumberg and Zeitz form a densely populated (more than 200 inhabitants/km<sup>2</sup>) industrial zone at the centre of the Halle–Leipzig–Erfurt triangle.

Approximately one quarter of the population of this German *Land* live in the three major cities of Halle (population: 254 000), Dessau (150 000) and Magdeburg (232 000), the regional capital. These three cities enjoy excellent links with European networks and have major industrial centres. They are particularly active in the areas of

agri-food — the Magdeburg Börde are among the most fertile soils in Germany — chemicals and pharmaceuticals, metalwork, textiles and the manufacture of machine tools.

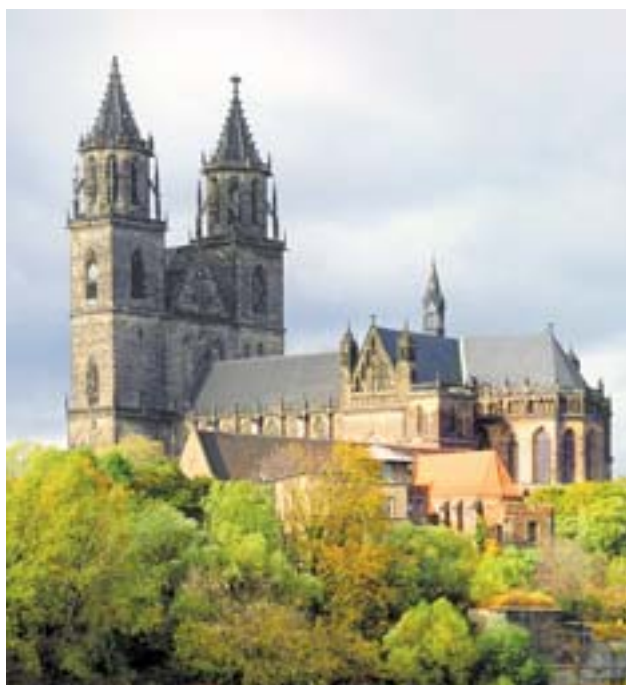
These sectors were seriously affected by the restructuring of the new *Länder*. However, 12 years after German reunification, Saxony-Anhalt has successfully modernised its infrastructure and reoriented its activities by drawing on its greatest strength: its traditional ability to innovate by combining science and economics.

Releasing the forces of innovation to create new employment opportunities is at the heart of the *Land*'s regional strategy. The Objective 1 programme is contributing EUR 8.7 billion to the implementation of this strategy in the period 2000–06, including EUR 3.4 billion in Community contributions.

To optimise this cooperation between the regional socioeconomic players, the *Land* regional government is organising various development programmes within Landesinitiativen (regional initiatives).

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Magdebourg cathedral.

### Surface area

20 447 km<sup>2</sup>

### Population

2 570 000 inhabitants

Density: 126 inhabitants/km<sup>2</sup> (EU-15: 118 inhabitants/km<sup>2</sup>)

### Economy and employment

Per capita GDP at PPP (2000: 68 (EU-15: 100)

Unemployment rate (2001): 16.2 % (EU-15: 7.6 %)

### Structural Funds (2000–06)

Objective 1			(million EUR)
EU	Other public funds	Total	
3 360.445	6 107.125	8 697.414	

Combining quality of life and tourism

# New sewerage system for the historical centre of Freyburg

In Saxony-Anhalt, European funding is making a notable contribution to improving wastewater management. This is the case in the small tourist town of Freyburg.

In 2004, Freyburg (population: 5 000), the home of *Rotkäppchen* wine in south-east Saxony-Anhalt, will be celebrating its 800th anniversary. In preparation, it was decided to undertake an ambitious urban renovation programme, which includes improvements to the town's sewerage system. Originally laid in 1927, much of the old system needed to be replaced. The original pipes were either too narrow or had become blocked.

The European Union has set the objective of having all homes in the EU connected to mains drainage. In Saxony-Anhalt, 80 % of households are connected. This is a relatively high proportion, made possible by the major investment in the *Land*: EUR 330 000 in Freyburg, of which EUR 120 000 came from the ERDF and EUR 60 000 from the regional government.

With its vineyards, beautiful surrounding countryside and attractive historical centre, Freyburg is a major tourist centre for this part of Germany. It was not easy to open up the sewerage system without risking damage to this industry.



Effective coordination of the work, and of the funding, ensured that the streets and pavements were re-laid as soon as the pipes had been replaced.

## Unification of archaeological sites in Athens (Greece)

# Cleaner air allows the philosophers to be heard more clearly

Under the programme for the unification of archaeological sites, and in preparation for the 2004 Olympic Games, Athens has embarked on a project to improve the ancient Agora-Areopagus. The overall aim is to improve the quality of life for residents and visitors.

Athens, city of the gods, birthplace of democracy, and the home of many famous men who have left their mark on western civilisation. Yet if the ancient philosophers were able to tell us of their deepest thoughts, they would no doubt complain at the lack of respect they are shown by the modern world.

Archaeological sites certainly take pride of place in Athens' cultural heritage, and bear witness to its development throughout the centuries. Today these sites cover a surface area of approximately 700 hectares, but are scattered throughout the urban fabric with no links either to each other or

with the city. They also suffer from the continuous pollution produced by the city around them.

### Six archaeological sites

To protect and improve the historical and archaeological sites and monuments which surround Acropolis hill, public investment was essential. Because of this, the Ministry of Culture, the Ministry of the Environment, Planning and Public Works, the Organisation for the Planning and Protection of the Environment of Athens, and the Society for the Unification of Archaeological Sites (EAXA Ltd) have

been working since 1994 on a project to create an archaeological park covering 700 ha. More precisely, as the architect Dora Galani explains, it is a question of 'laying out a pedestrian zone linking six archaeological sites, creating green areas and covered spaces, and restoring and conserving the monuments'. Increasing the number of green areas and managing vehicle traffic around the site perimeter are a means of reducing pollution and improving mobility and the urban environment of Athens. But linking the archaeological sites not only brings benefits to the environment. The work will have



Cleaning up the sites is meticulous work.





many other positive effects for the quality of life of residents and visitors.

## At the service of the visitor

The first task of the project (to improve the archaeological site of the ancient Agora-Areopagus) was to clean up a site where the monuments had been hidden from view for the past 50 years by overgrown vegetation. Other tasks included fencing off the site, providing three new entrances, cleaning the monuments and sculptures, repositioning them to recreate the former road, improving the fire protection systems, and supplying water and electricity. New signs, brochures and documentary films were also produced to ensure that the public would be better informed.

Job opportunities were generated in specialised fields, such as archaeological research and conservation of pottery, mosaics, sculptures and marble surfaces. During the project (1997–2000), 224 seasonal or permanent jobs were created, with equal numbers of men and women employed. On completion of the work planned in the third Community support framework (CSF), it is estimated that 30 new jobs will have

been created in the maintenance and operation of the site, which will have been enlarged by some 250 ha. The Ministry of Culture has also established a crèche in the neighbouring area of Plaka for mothers working at the site. A number of students were also assigned to the project as part of their courses of study.

The restoration work at the site, which includes Athens' first court and the city's best-preserved classical temple, dedicated to Hephaestus, attracted considerable public interest. There has been an estimated 40 % increase in visitors since the project was completed.

## A unified park in 2004?

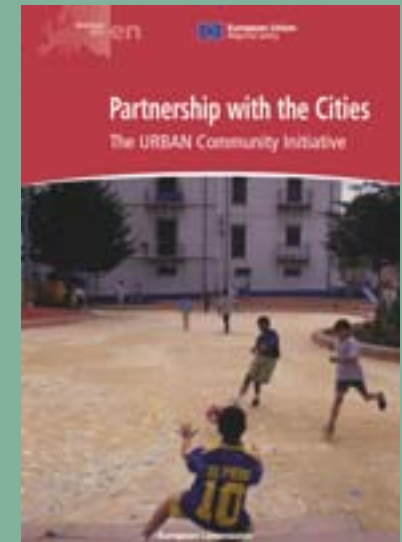
The total cost of the project is EUR 3.85 million, co-funded by the European Union (75 %) and the Greek Ministry of Culture (25 %). It is being carried out as a part of the programme for the unification of the archaeological sites of Athens. Given the number of sites involved (the temple of Olympieion, Kerameikos cemetery, the former Agora, Philopappou hill, Hadrian's Library and the south and north slopes of the Acropolis), work is continuing under the third Community support framework. The aim is that by 2004, when Athens hosts the Olympic Games, visitors will be able to walk around a large unified archaeological park, free to converse with the gods and philosophers of their choice.

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## Partnership with the cities — The URBAN Community initiative

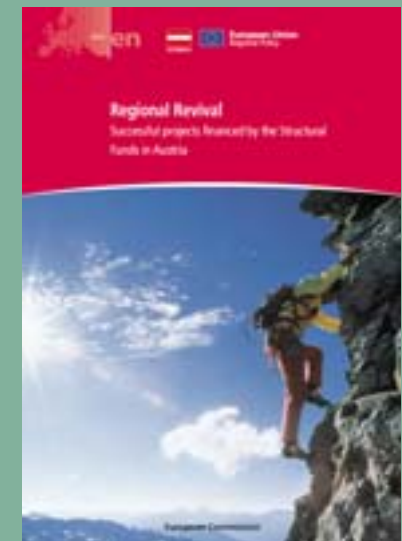
The 'URBAN method' illustrated by a selection of projects.



Available in all 11 languages of the European Union.

## Regional revival — Successful projects financed by the Structural Funds in Austria

A selection of 21 projects co-financed by the EU in Austria.



Available in German and English.

# Online



## <http://www.ewindows.eu.org>

EnviroWindows, the new Internet site of the European Environmental Agency, is a forum for the exchange of information and dialogue between local authorities, businesses and all parties to the environmental debate: socioprofessional circles, opinion leaders, and citizens. It enables consumers to access information provided by companies themselves on their products, good practices, the use of natural resources and corporate environmental performance. EnviroWindows is based on two main services: interest groups and portals, both of which facilitate the creation of intersectoral partnerships aimed at encouraging sustainable development.

## <http://www.interactt.net>

Interactt (Inter-regional action for technology transfer) has a double objective: to transfer technology developed in Crete for the production of young fish to fish farming companies in the Canary Islands and Madeira, and to promote cooperation between fish farming companies and public research centres, both intra- and inter-regional. The project was set up under the ERDF's regional programmes for innovative actions and is designed for partners (regional authorities, research bodies and fish farms) that want to overcome divisions in the sector between scientists and producers, while also promoting contacts with fish farmers. The site is accessible in English, Greek, Spanish and Portuguese.



## <http://www.elearningeuropa.info>

The European 'e-Learning' programme's portal seeks to function as a genuine virtual meeting place, stimulating the exchange of information and knowledge in the field of online education and learning. Together with everything or nearly everything published on the subject, it includes practical information on projects, institutions and resources in place or being introduced in Europe.

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Information on European Union regional aid  
[http://europa.eu.int/comm/regional\\_policy/index\\_en.htm](http://europa.eu.int/comm/regional_policy/index_en.htm)

ISSN 1608-389X

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Printed in Belgium



Publications Office

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