



European Union
Regional policy

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Interview

Frank Gaskell,
President of
Euromontana

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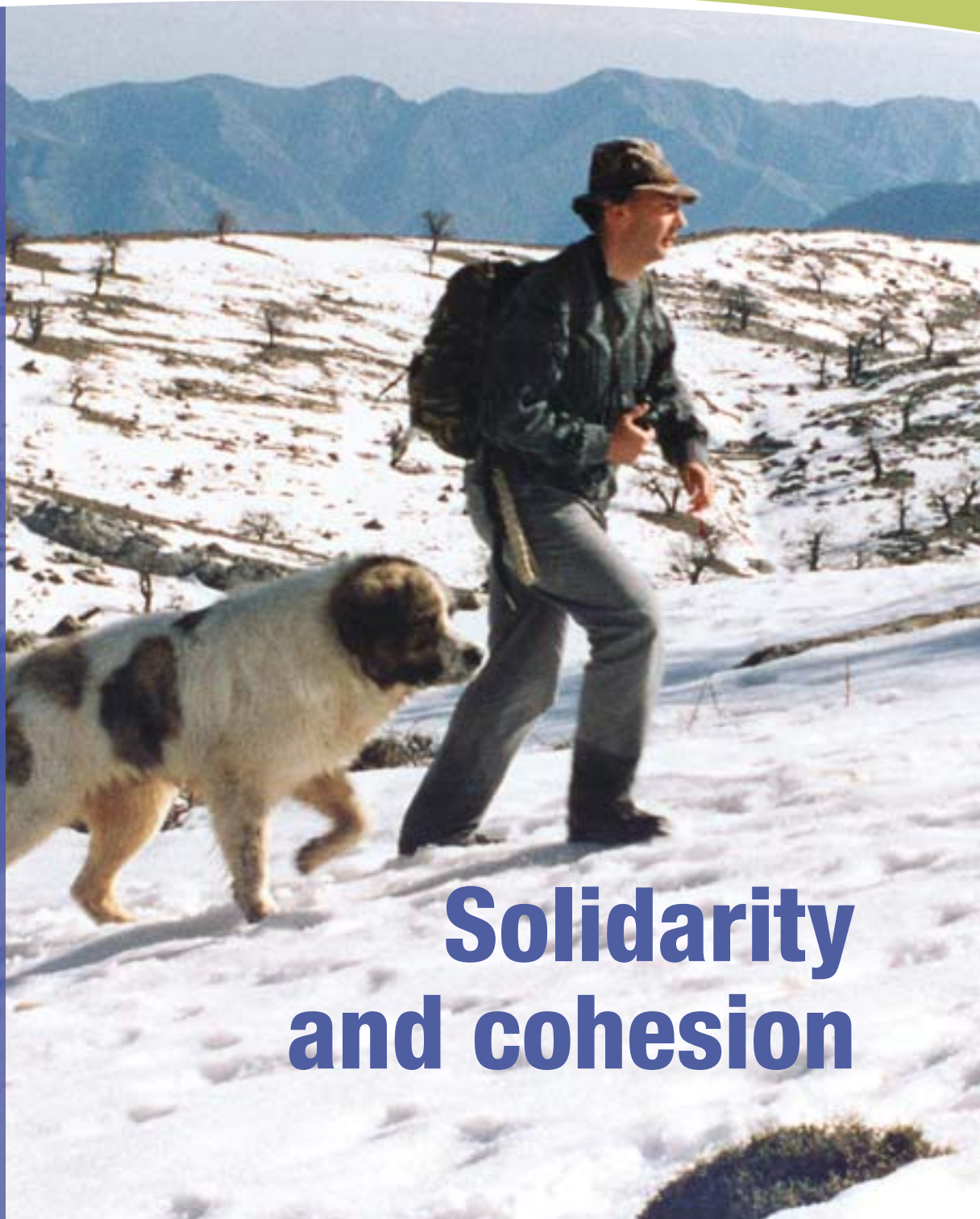
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Solidarity and cohesion

Frank Gaskell

President of Euromontana



How would you define Euromontana's role in a few words? Is your action essentially technical or rather 'political'?

Euromontana is a European association for cooperation between mountain regions. Our constitution states that our purpose is to promote the economic, social, cultural and environmental interests of mountain dwellers and I think that this is an accurate summary of our activity. Our network embraces regional and national organisations of mountain people from greater Europe, including: socio-professional organisations — agricultural and rural development centres, economic development and environmental agencies, territorial

authorities, and research institutes. This multisectoral quality makes Euromontana particularly dynamic and flexible in responding to mountain challenges and influences and reinforces our mission to promote integrated and sustainable development.

Although our unofficial motto might be 'actions not words' and we pride ourselves on our technical and operational capacity, we also take every opportunity to describe the fragility of mountain communities and to promote their invaluable economic and social potential. This of course means that we do act politically. The technical role is important because it reinforces the political role and provides more immediate impact.

What is the main message that you put forward? How is it perceived in the Member States and at European level?

Our main message is very simple: Europe's mountain areas are among the last reservoirs of diversity, not only biodiversity but diversity of culture, craft and local products. In this age of globalisation and standardisation, mountain communities represent a precious but

fragile economic and social asset for Europe. It is therefore not just morally wrong to neglect mountain areas but also economically irresponsible.

There are indications that this argument is affecting both the Member States' perception of mountain issues and the European institutions' strategy. Along with islands and sparsely populated areas, mountains were identified in the second European cohesion report as a regional policy priority for the Union. This success is gratifying but we must still reinforce our message constantly during this critical period leading up to enlargement and the associated 2006 reforms of the EU regional and agricultural policies.

What are the specificities of European mountainous regions?

While we have to acknowledge that there is a significant variation in the prosperity of mountain regions, all suffer permanent common disadvantages, imposed by the physical impact of mountain features, such as fragmentation of communities, difficulties of access and communication, adverse agricultural conditions. These often combine with

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

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other structural problems, such as lack of access to higher education and depopulation. But we must also recognise the many special qualities of mountain areas: rich environmental resources, unique local products, and, most of all, resilient and resourceful communities.

How important is the European dimension for the development of mountain areas?

It would be unfair to Member States to suggest that the European dimension is paramount, but it is true that in most European countries the mountain perspective is a minority issue. Combining and coordinating these separate mountain interests at European level is therefore invaluable in ensuring true territorial cohesion. The existence of a clear European mountain strategy can only assist in concentrating Member States' attention on problems that might otherwise be overlooked.

Are there 'exemplary' policies for mountain areas at national level? Would they be transferable at European level?

It is difficult to envisage the successful application throughout Europe of specific policies developed by, and suited to, one Member State. However Euromontana feels that more general approaches developed locally can usefully be transferred. These exchanges are of the most significant value when they are focused on strategic fields and on what we consider to be the 'comparative advantages' of mountain areas.

For example the way quality products have been successfully developed in

some mountain regions can provide valuable strategic information for other mountain areas. As Commissioner Fischler's mid-term review of the CAP has clearly acknowledged, quality food production is an opportunity that must not be missed and it is our view that this opportunity is most clearly available to mountain areas.

The need to investigate transferable experiences in this field for mountain areas is only reinforced by this recent proposal. Euromontana is seeking to catalyse exchanges at the European level in several strategic fields and is about to start a large project aimed at fulfilling the need for information for the development of quality products in the different mountain regions of Europe.

How does Euromontana foresee the future of European regional policy?

We are optimistic. We are convinced that Europe will recognise the strength of our argument. Not only equity, but also economic advantage dictates that a truly regional economic development policy respecting territorial — as well social and economic — cohesion must emerge from the 2006 reform. The accumulating evidence of a Europe-wide trend towards severe polarisation of economic activity will also concentrate the attention of Europe's policy makers. The European Union's mountain communities with their irreplaceable culture, skills and products, greatly enriched by the incoming mountain areas from eastern Europe, will not be allowed to vanish and the whole of Europe will profit from the salvation of our mountains' future.

A voice for Europe's mountains

In 1974, the Confederation of European Agriculture (CEA) set up a permanent working group for 'socioeconomic issues in mountain regions'. Called 'Euromontana', the group comprised agricultural representatives from the countries of the Alps and Pyrenees and organised a conference every two years.

In 1994, Euromontana decided to establish new relations with the central and east European countries and to include representatives of sectors other than agriculture, such as rural development and the environment.

In 1995, Poland hosted in Cracow the first Euromontana conference ever organised in a central European country. The meeting was so successful that Euromontana decided to become a legal entity. The representatives of 14 European regions or countries (Albania, Bulgaria, Scotland, Spanish Basque Country, France, Greece, Italy, Macedonia, Poland, Romania, Slovakia, Slovenia, Switzerland, Czech Republic) convening in Rome on 4 March 1996 declared themselves the founding members of the association.

Euromontana today represents 36 organisations of all kinds in 15 European countries (Portugal and other regions have joined the founding members).

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Interreg III B: 'North-west Europe' Transnational cooperation moves into top gear

With an overall budget of EUR 650 million, of which EUR 330 million is ERDF co-funding, the 'North-west Europe/NWE' programme (2000–06) is setting its sights high.

The NWE area of cooperation stretches from Scotland to Switzerland and has a population of some 171 million people, accounting for nearly half of the population of the European Union. Of the 13 Interreg III B transnational programmes, this one has by far the largest budget and is providing a unique opportunity to the towns and regions concerned to broaden their horizons and take advantage of the extremely enriching experience of transnational cooperation.

Despite the economic prosperity north-west Europe has long enjoyed, many towns and rural areas are still suffering from the harmful, and sometimes devastating, effects of industrial decline and also from the excessive concentration of certain activities in the large cities. Inequalities between regions, saturation of the main communication routes, deterioration of natural areas, ailing city neighbourhoods and destructive flooding are all problems that everyday undermine this regional entity, a driving force behind the building of Europe.

In the face of such realities, the NWE programme intends to take advantage of a certain number of assets in the cooperation area — excellent roads, railways and airports; a highly skilled labour force, etc. — but at the same time directly tackle the damaging effects mentioned above.

Rethinking regional planning for a more balanced and sustainable development

The NWE programme encourages towns and regions to work together to

find common answers to their respective problems. These are problems that, because of their nature, can only be solved effectively if dealt with in a transnational way. With this in mind, the Member States and regions participating in the programme have identified five priorities:

- **Priority 1: An attractive and coherent system of urban centres and regions**

Strike a better balance between large cities and medium-sized towns, and

between urban areas and rural areas. Bring urban growth under control. Fight against social exclusion. Bring back to life abandoned industrial areas.

- **Priority 2: Internal and external accessibility**

Improve connections between north-western Europe and the rest of the world by encouraging alternative means of transport (make air, rail and sea transport more interchangeable) and strategies of



sustainable mobility. Access to the information society is also being encouraged in awareness and promotional actions aimed at the general public and businesses in a bid to bring them into closer contact with advanced information and communication technologies.

- **Priority 3: The management of water resources and the fight against damage caused by flooding** Improve the integrated and sustainable management of water systems and resources. Prevent and reduce damage caused by river and coastal flooding.

- **Priority 4: Other natural resources and cultural heritage** Reduce the environmental impact of human activities by promoting networks of green and ecological corridors. Fight against urban sprawl. Protect and improve the environment and cultural heritage. Devise and test mainstream territorial development strategies for coastal areas, protected regions, sensitive areas and regions with a rich biodiversity.

- **Priority 5: Promotion of territorial integration in the maritime areas of the NWE area**

Encourage cooperation between the ports of the NWE area, promote short-distance maritime transport between regions. Facilitate cooperation between maritime regions and inland regions. Preserve fish reserves and prevent the risks of maritime pollution caused by human activity.

The authority managing the NWE programme is the region of Nord – Pas-de-Calais in France, which is being assisted by a joint technical secretariat located in Lille. A monitoring committee and a payment authority are responsible for the transnational implementation and management of the programme.

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NWE cooperation area

The area of transnational cooperation covered in the programme includes regions in **eight countries**:

- The entire territory of **Belgium, Luxembourg, Ireland and the United Kingdom**;
- **13 French regions**: Nord – Pas-de-Calais, Picardie, Haute-Normandie, Île-de-France, Basse-Normandie, Centre, Champagne-Ardenne, Lorraine, Bourgogne, Alsace, Franche-Comté, Bretagne, Pays de la Loire;
- **9 Dutch provinces**: Overijssel, Gelderland, Flevoland, Utrecht, Noord-Holland, Zuid-Holland, Zeeland, Noord-Brabant, Limburg;
- **6 German Länder**: Nordrhein-Westfalen, Hessen, Rheinland-Pfalz, Saarland, Baden Württemberg, Bayern (Schwaben, Unter-, Mittel- und Oberfranken);
- **15 Swiss cantons**: Basel-Stadt, Basel-Landschaft, Aargau, Solothurn, Bern, Jura, Uri, Schwyz, Obwalden, Nidwalden, Luzern, Glarus, Zug, Zürich, Neuchâtel.

NWMA, precursor to the concept of 'transnational territorial planning'

The predecessor of NWE, the Interreg II C 'NWMA' programme has introduced a new way of viewing and managing the Structural Funds.

The first generation of the north-west Europe programme, which in 1997 was given the name of NWMA (North Western Metropolitan Area), was successful. If we take a quick look back at what was accomplished, 'the results are extremely positive and encouraging' says Angèle Martinez, head of the finance department at the NWE Secretariat. 'NWMA has introduced a new way of viewing and managing the Structural Funds and made the main players think in terms of common benefits.'

Despite the numerous differences in government, culture, legal systems and language in the seven participating countries, NWMA materialised as an operating structure that was virtually unique at the time: a joint technical secretariat and a monitoring committee operating in a purely transnational way.

'The result of this success was a tenfold increase in the budget,' notes Angèle Martinez. In total, NWMA co-funded no less than 45 projects involving 367 organisations from all sectors.

The success of the transnational concept explored by NWMA also resulted in the compulsory introduction of the transnational operating method in the 10 other Interreg C cooperation areas which had not opted for this decision-making set-up (at the time of NWMA, the only other cooperation areas operating on the basis of a transnational decision-making model were the Baltic and the North Sea). The other significant innovation introduced by NWMA was a much more flexible, original and efficient way of managing the funds, with the result that virtually the entire budget committed was used.

Community policies and mountain areas

On 17 and 18 October, some 400 people from mountain regions in the European Union met in Brussels for a seminar aimed at examining the specific problems mountain areas encounter with regional development and how the Structural Funds could better take these into account in the future.

Mountain areas cover 30 % of Europe's territory and are home to 30 million people. This seminar, which was organised by the Directorates-General for Regional Policy and Agriculture as part of the International Year of the Mountains, provided a first opportunity to evaluate the impact of Community policy on these areas. Three parallel workshops were held on the following themes: regional policy and regional planning, the challenges of mountain farming, and quality of life in mountain areas.

Summing up the work and debates of the two days, Guy Crauser, Director-General for Regional Policy, concluded that the mountains could be approached from different perspectives and that various courses of action were possible. He noted that the Commission was now discussing the support instruments to be put into place after 2006. These included:

- taking better account of the distinctive features of the different mountain areas;
- combining policies between sectors and between levels of responsibility;
- optimising the use of the many instruments that already exist;
- strengthening cooperation and promoting more exchanges of experiences between regions, particularly through Interreg;
- taking advantage of the mountains' own potential and the quality products found there.

Additional information on the seminar can be obtained on the InfoREGIO web site:
http://europa.eu.int/comm/regional_policy/newsroom/index_en.htm

Wallonia (Belgium)

In the land of flying boats

In the Belgian province of Hainaut, the ambitious programme to modernise the central canal was completed in September with the opening of two feats of engineering that are unique in the world: the ship lift in Strépy-Thieu and the tubular bridge in Sart.

As a connecting link between the Escaut river basin, the French network of inland waterways and the Sambre-Meuse-Rhine river area, the Central Canal was no longer able to cope with a new generation of boats. Work to widen a 3.5 km section to meet European standards (1 350 t) was being delayed by the complex problem of getting boats through the area where the waters divide between the Meuse and Escaut basins, an 88 m drop over a very short distance. To overcome this obstacle, two major works of engineering were carried out:

- a gigantic lift allowing 1 350-tonne boats to cross a section of about 7 km in less than 2 hours, instead of the previous 6 hours, and manage a drop of 73.15 m. The ship lift in Strépy-Thieu is 105 m high, 140 m long and 85 m wide, making it the largest structure of its kind ever built;

- an impressive tubular bridge (500 m long, 10 to 20 m deep, 140 000 t load limit) which spans across a major road network, allowing boats to cross over the road vehicles underneath.

It took 20 years and some EUR 600 million to complete the canal's modernisation. Begun in 1982, the work was partly hindered by financial problems. However, this all changed when the European Commission gave the project priority status in its Master Plan for Inland Waterways of Community Interest (1993) and when in 1996 the Walloon Region commissioned a public-private partnership company to oversee the work. This company was able to mobilise various sources of funding, including capital from the region, grants from the European Union, long-term loans from the European Investment Bank, and private capital.

The work, which required great technical feats, has now been completed and the new wider section, which can handle boats from across Europe, was inaugurated on 2 September. The elimination of the bottleneck has opened up a new area of river navigation for boats of up to 1 350 t, connecting on the one hand the Parisian basin and the Nord – Pas-de-Calais area (Dunkerque and Lille) and on the other hand the Netherlands, Germany and the countries of eastern Europe. In addition to being a tremendous showcase for the future of environmentally-friendly means of transport, the opening of the spectacular complex in Strépy-Thieu also provides a new tourist attraction, in line with the development strategy of the Belgian Province of Hainaut implemented under the Objective 1 programme.

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With the Strépy-Thieu elevator, boats can clear a change in level of up to 88 m.

Present your projects on the Info regio web site

The Info regio web site (http://europa.eu.int/comm/regional_policy/index_en.htm) contains a database with close to 500 examples of economic or social development projects benefiting from the support of the Structural Funds and the Cohesion Fund. Searches can be conducted by country and by theme. An online questionnaire also offers the possibility of submitting various information on interesting new projects for inclusion in the database. Please do not hesitate to let us know about your projects by going to the following address:

http://europa.eu.int/comm/regional_policy/projects/stories/index_en.cfm



Discovering an applicant country

Slovenia

A success story

Already successful in the days of the former Yugoslavia, Slovenia is the most prosperous of the 10 central and east European countries applying for membership in the European Union and is also one of the closest to completing negotiations on accession to an enlarged Union.

Bordering Austria in the north, Hungary in the north-east, Croatia in the south-east and Italy and the Adriatic Sea in the west, this former federated republic of Yugoslavia, independent since 1991, is a country of modest size: 20 254 km².

Mountainous and heavily forested, Slovenia can be divided into three natural regions: 'Gorenjsko', the local name for the Alpine mountains, 'Notranjsko' ('the interior') corresponding to the chalk plateaux of Karst, and 'Dolenjsko', an area of plains and hills. This last region is where most of the industrial activities and cities are located, including the capital, Ljubljana (pop. 350 000). A 46.6 km coastal strip along the Adriatic Sea provides Slovenia with a maritime outlet.

Return to prosperity

Slovenia has a variety of natural resources (lead, zinc, mercury, coal, oil and timber) and its industry is very diversified. Thanks to important trading routes between the Adriatic and central Europe that cross the Slovenian Alps, the country has long benefited from the trade connected with this traffic. This explains its early development and its relatively privileged economic situation today.

Before gaining independence, Slovenia was the most prosperous of the six republics of the former Yugoslavia. However, the loss of the Yugoslav markets and the prolonged war in Bosnia-Herzegovina has had serious repercussions on the Slovenian economy. The public authorities have taken measures to revive the economy, reforming the market and the banks.

They have encouraged the privatisation of State enterprises, a process that is still underway.

Good infrastructures and skilled labour have helped the country recover. Between 1994 and 1999, Slovenia had an average growth rate of 4.2 % and unemployment was halved (7.3 % in 1999). Inflation (200 % in 1992) has been brought under control, even if it still appears relatively high (7.9 % in 2000). Per capita GDP reached 69 % of the EU-15 average in 2001, putting Slovenia between Greece and Portugal in terms of its standard of living.

Industry accounts for 56 % of Slovenia's GDP. The main industrial sectors are electronics, electrical machines, the processing of metals, metalworking, electrical appliances and automobiles. The country exports raw materials, semi-finished products, machines, electric engines, food, clothing, pharmaceutical products and cosmetics. The European Union absorbs 70 % of Slovenia's exports. Tourism is also an important and steadily growing source of income.

Accession

Since winning international recognition in 1992, Slovenia has become a member of numerous international organisations. It entered into accession negotiations with the European Union in March 1998.

For the period 2000–06, Slovenia is benefiting from the Phare programme and also support under the ISPA programme to set up environmental and transport infrastructure projects. It is also receiving financial aid under the Sapard programme for pre-accession measures to promote

agriculture and rural development. To give just an example, the total amount of financial aid available for Slovenia in 2000–02 was: EUR 6.5 million per year (in addition to EUR 3.3 million in 2001) under Phare; EUR 6.6 million per year under Sapard; and between EUR 10.8 million and EUR 21.7 million per year under ISPA.

Slovenia may also use national funds to finance part of its participation in Community programmes, such as the framework programmes for research and technological development and education and business programmes. In addition, Slovenia has access to sources of funding under multinational and horizontal programmes related to the Community *acquis*.

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Area

20 273 km²

Population (2000)

1 982 600 inhabitants

Density: 98 inhabitants/km² (EU-15:
118 inhabitants/km²)

Economy and employment

Per capita GDP (2001):

EUR 16 000 (EU-15: EUR 23 200)

Per capita GDP index at PPP (2001):
69 (EU-15: 100)

Unemployment rate (2001):
5.7 % (EU-15: 7.4 %)

Interview with Dr Tea Petrin, Minister of the Economy of Slovenia



How do you explain the traditional success of the Slovenian economy?

Over the past decade, the Slovenian economy has not only experienced

fundamental structural changes but has also had to adapt to an environment of sharply increased competition. The relatively successful adaptation of Slovenian enterprises as well as the surge of entrepreneurial activity taking advantage of new opportunities can be explained by the favourable operating conditions. These are: a stable macroeconomic environment, an overall fiscal balance, a well-educated labour force, rapid growth in higher education, low corporate taxation, an excellent geographical location and connections, modern technological infrastructure, extensive public support for scientific research, access to quality health-care services, and a comprehensive social welfare system.

What are Slovenia's main economic and social challenges and how are they integrated into the national regional policy?

Slovenia is aiming to become an active and successful competitor in the global economy, with competitive strengths based on high value-added manufacturing and services, quality, innovation, and entrepreneurship. The end goal is high economic growth, which in turn ensures a strong and prosperous country with a high quality of life and good social welfare.

To achieve this, the operational goals of Slovenia's economic policy are to strengthen the development of the human factor and social cohesion, to improve the economic infrastructure and services, to support balanced regional development and to achieve Slovenia's accession to the EU. The latter is perceived not only as a process of regional integration but also as an important step forward in the globalisation of the Slovenian economy.

As a response to the globalisation and integration process, Slovenian economic policy is following three basic strategic orientations. The first orientation is to increase the flexibility and adaptability of the economy to help take advantage of

development opportunities and control the risk that comes with having an open economy subject to global economic changes. The second orientation is to help businesses adjust to a much larger internal market by encouraging more specialisation, promoting strategic partnerships and building the capacity to acquire new knowledge. Finally, the third orientation is to cope with the social risks of globalisation and take responsibility for global sustainable development.

In view of the above, the national regional policy is oriented towards creating the conditions for strengthening the economic vitality of all regions. It is based on the principles of sustainable development where all the potential in a region is used and where the resources and possibilities of development for future generations are not diminished. It is oriented towards the development of institutional support for individuals, local communities and regions to help them successfully and quickly adapt to new opportunities.

To cope with the problem of existing inequality in regional socioeconomic development, a proactive policy has been devised and is currently being implemented to promote entrepreneurship and competitiveness, to encourage the creation and growth of businesses, to attract investment and to develop infrastructure. To complement regional development programmes, Slovenia has introduced policy measures to support the development of agriculture and the countryside, to protect the country's natural heritage and to regulate space and the environment.

What are Slovenia's greatest expectations in joining the European Union?

By joining the EU, the economic opportunities available to Slovenian companies will increase considerably. Of course, this will depend on the extent to which we are able to turn these opportunities to our advantage. Therefore, it is important to prepare the country so that it can cope with the increased competitive pressure of the single internal market. A lot has already been achieved in this respect, particularly with the pre-accession support of the EU.

As far as regional policy is concerned, we would like to receive fair treatment from

the EU when it implements its structural policy in Slovenia. It is our view that Slovenia should be compared to EU Member States with a similar level of economic development, i.e., Portugal and Greece. Such treatment is necessary if Slovenia is to achieve its goal of balanced regional development and to narrow the existing development gap with the EU average.

What are the most difficult points left to be negotiated in Slovenia's accession process?

So far (September 2002, ed.), Slovenia has temporarily completed 28 chapters in the accession negotiations ⁽¹⁾. The chapters still under discussion concern agriculture and the budget. On agriculture, the key questions relate to quotas and the entitlement of Slovenia's farmers to direct payments. As far as the budget is concerned, the issues still being discussed are Slovenia's contribution to the EU budget and the country's net financial position. We firmly believe that the discussions with the Commission on a territorial division ensuring balanced regional development will continue, so that by the end of 2006, when Slovenia will have become a Member State of the Union, its NUTS classification can be reviewed.

In terms of regional policy, what can Slovenia bring to the European Union and, reciprocally, what can the EU and its Member States bring to your country?

Different countries have different experiences with the implementation of regional policies. The 'Slovenian model' of polycentric development could be of interest to some of the Member States with similar regional difficulties. We strongly agree with the opinion — and this can already be empirically tested — that a geographical concentration of economic activities can very easily lead to a congestion of facilities, unemployment in the surrounding areas and a real-estate boom in the centre. Similarly, the 'good practices' in balanced regional development of which the EU Member States have experience could be of great importance to us when devising our own regional policy measures.

⁽¹⁾ The negotiations for accession to the European Union are divided into 31 'chapters'.

Discovering a region

Burgenland (Austria)

A gateway to eastern Europe

With the enlargement of the European Union, Burgenland's position along the east European border, which has long penalised its development, has today become an asset.

Lying in the far eastern corner of Austria, Burgenland shares borders with Hungary, Slovakia and Slovenia. A unique feature, well known to those familiar with the area, is the immense arid plain surrounding Lake Neusiedl. Previously belonging to Hungary, the region became Austrian in 1921. It has no major cities.

Its geographical location, which directly connected it with the former Iron Curtain, hindered the development of Burgenland for decades. Although more recently the region has had a growth rate above the Austrian average, its GDP still remains well below the national average.

The development of Austria's easternmost Land also shows some major differences within the region itself. In the north, around the regional capital of Eisenstadt (pop. 11 000), numerous small and medium-sized companies, and also large industrial firms, have set up several collective structures, like the industrial park in Siegendorf, the business park in Müllendorf and the Technological Centre in Eisenstadt (see article). Around Lake Neusiedl, the north also has the largest continuous vineyard in Austria and the largest tourist area ('Seewinkel'). In contrast, the

economy of central Burgenland is essentially based on agriculture whereas the south, which has a large number of natural springs and spa health centres, is an important part of the spa region of Burgenland-Styria.

Over 11 % of the working population are employed in agriculture and forestry, sectors that alone account for nearly 8 % of the region's added value, which is considerably higher than the Austrian average. The main processing sectors are metalworking, the agri-food industry and the leather and textile industry. The building sector and mining industry also play a very important role in the regional economy. The tertiary sector is growing steadily. It represents over 60 % of economic activity and also testifies to the importance of the public sector to the region.

Because the main international communication routes to Hungary go through Burgenland, regional policy aims to transform the Land into 'a gateway to eastern Europe' and a relay platform for economic trade between east and west. Burgenland therefore offers numerous possibilities to companies interested in doing business in eastern Europe. In this respect, the creation of the cross-border financial

activities park in Heiligenkreuz-Szentgotthard has opened up important new opportunities.

The Objective 1 programme has three major goals: to make Burgenland a modern region in central Europe, to prepare it for the Union's enlargement and to reduce the differences within the region. This means improving the region's economic performance and making its firms more competitive. Therefore, strong emphasis is being placed on innovation, technological transfers and the development of business networks.

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Area	Economy and employment	Structural Funds (2000–06)			
3 966 km ²	Per capita GDP at PPP (1999): 71.4 (EU-15: 100)	Objective No 1			
Population	Unemployment rate (2001): 8.2 % (EU-15: 7.4 %)				(EUR)
278 600 inhabitants		EU	Other public funds	Private funds	Total
Density: 70 hab./km ²		271 million	98.57 million	494.32 million	863.90 million
(EU-15: 118 inhab./km ²)					

High tech Burgenland

European aid turns Burgenland into technological centre.

On the eastern edge of Austria, Burgenland was until now better known for its vineyards than for its state-of-the-art technology. The Objective 1 programme has enabled the region to diversify into advanced technologies.

European grants totalling EUR 7.2 million have led to the creation of 'Technologie Zentrum Eisenstadt (TZE)', which is home to multinational firms, SMEs and young start-ups specialising in information technology.

The Technology Centre consists of a series of ultramodern buildings and rooms with all the digital and IT facilities needed for activities based on advanced communication technologies. There are also various collective facilities, such as a videoconferencing room.

The choice of Eisenstadt was made on the basis of an assessment of its key

assets: with a population of 450 000 living within a radius of 45 km from the city and a labour pool of 75 000 workers in the secondary and tertiary sectors, Burgenland's main town was a perfect location for the project.

The figures speak for themselves: since the establishment of the Technology Centre in 1997, the economy of the Eisenstadt basin has grown on average by 3.6 % per annum and created an additional 5 200 jobs. At the regional level, TZE has unquestionably made Burgenland more competitive while offering numerous training and long-term employment opportunities. This is confirmed by the fact that the University's faculty of international economic relations is now preparing to move to a building at the TZE.

The TZE's success has led to the creation elsewhere of four other centres in Burgenland, which are

based on the same model but specialised in other sectors, such as renewable sources of energy in Güssing and electron optics in Jennersdorf.

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Objective 1 Burgenland Small projects will become big

In addition to the large structural projects, the Objective 1 programme in Burgenland is also co-funding small-scale local projects in different sectors. Outlined below are some examples.

• Research & Development

Based in Pinkafeld, the audiovisual company 'Sunamic Visualisierung und Netzwerk GmbH' has obtained an Objective 1 grant to develop an optical system providing better contrast in colours, thereby improving outdoor LED video displays.

• Training on the job

A two-year certified training course has been set up in several IT firms in

Eisenstadt based on the 'learning-by-doing' model.

• Social inclusion

In southern Burgenland, the Bungis association is organising training programmes for the disabled and the long-term unemployed.

• Local products

With Objective 1 grants, the women farmers of the 'Rural market of Bad Tatzmannsdorf' will soon be able to transfer their market place to the town's main square.

• Fruit juice

A logistics centre equipped for the storage, packing and labelling of fruit juice has been set up in Stegersbach.

• Spa restaurant

Thanks to Objective 1 aid, a restaurant owner has been able to accomplish his dream of opening his own restaurant near a spring. Several micro-business projects are being linked in this way to water cures, another important sector for the regional economy.

Devastating floods prompt new EU response to major disasters

In the aftermath of the floods that devastated parts of Europe this summer, the European Commission has proposed the establishment of a new EU Solidarity Fund to ensure a speedier response to such catastrophes in the future.

The floods, the worst experienced in decades, ravaged central Europe in mid-August, claiming the lives of over 100 people. Billions of euros worth of damage to infrastructure and property were caused and the clean-up and reconstruction efforts are expected to take months, if not years.

In central Europe the countries worst affected were Germany, Austria, the Czech Republic and Slovenia. The German province of Saxony was particularly badly hit and in Dresden the banks of the River Elbe gave way, causing a torrent that left some of the city's palaces and historic sites submerged. Thousands of people were evacuated from the city as well as from the neighbouring cities of Chemnitz and Leipzig.

In the Austrian town of Krems thousands more were forced to seek refuge on the upper floors of their homes when the Danube burst its banks. In the Czech Republic, which experienced its worst floods in centuries, 40 000 residents of

Prague were forced to take shelter in emergency accommodation.

Slovakia was also badly affected, with widespread power cuts in the capital, Bratislava, and extensive damage to roads and other transport infrastructure.

A new European Union Solidarity Fund

The European Commission was quick to respond to the floods and to express its solidarity with the victims. At a meeting on August 28, EU Commissioners announced a series of measures, including Structural Fund transfers and adjustments, to assist the areas affected. In the absence of an existing budgetary line to respond to such catastrophes within the EU, the Commission also put forward a proposal for the establishment of a new disaster relief fund.

A proposal for a regulation laying down the implementation modalities of this new 'European Union Solidarity Fund'

Donau-Auen National Park (Austria):
clearing the oxbows along the Danube to prevent flooding.



was adopted by the Commission on 18 September. The new Fund will consist of a swift instrument, separate to the Structural Funds, to assist affected regions in the event of major disasters.

The amount that could be mobilised by the Fund will be accessible, if needed, to the EU Member States and countries with which accession negotiations are underway.

The Fund will be focused on giving immediate financial assistance to help the people, regions and countries return to normal living as quickly as possible. Its scope will therefore be limited to the most urgent needs. The medium to long-term reconstruction of infrastructure and businesses will be left to other instruments.

The Fund will provide aid for activities such as:

- the immediate restoration of important infrastructure and services such as energy, water supply and treatment, communication, transport, health and education;
- temporary accommodation for the victims and for the rescue teams providing for first needs;

- safeguarding security infrastructure such as dams;
- the cleaning up of damaged natural areas.

Funding will be granted on request by the affected country on the basis of an agreement between the European Commission and the beneficiary country. The implementation of the aid, in particular the selection of individual projects, will be the responsibility of the country and the regions concerned. The fund is due to come into force in November 2002 — assuming that it is approved by the Council and the Parliament.

Presenting the text of the proposal, European Commissioner for Regional Policy Michel Barnier stressed that while **'the European Union's Solidarity Fund is the answer for immediate relief action'**, an improvement in prevention and risk management was also required. He confirmed that, **'the prevention of risks will be one of the priorities of the future European regional policy'**.

Further details are available at:

http://europa.eu.int/comm/regional_policy/index_en.htm

IRMA, to prevent flooding from the Rhine and the Meuse

Within the framework of Interreg II C, the Union has co-funded 153 risk-prevention projects in the regions of the Rhine and Meuse rivers.

On two occasions, at an interval of thirteen months in 1993 and 1995, the Rhine and Meuse broke their banks, resulting in very serious flooding. To deal with this recurring problem, a transnational prevention programme, IRMA ('Interreg Rhin-Meuse Activities'), was launched in 1997 and subsidised by the ERDF under Interreg II C. IRMA stimulates cooperation and an integrated approach to the problem of flooding by encouraging the exchange of experiences between the countries concerned by the Rhine and Meuse river basins: the Netherlands, Belgium, France, Luxembourg, Germany and Switzerland. Mobilising a budget of EUR 419 million, a third of which is provided by the European Union, the IRMA programme has resulted in

153 projects focusing on three main areas of intervention: regional planning, water management and flood damage prevention.

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Andalusia against the 'digital divide'

Making the Internet accessible to all...

As part of the innovative actions of the ERDF, the government of the region of Andalusia (Spain) is setting up the 'Guadalinfo' programme. The goal is to make broadband Internet accessible to all inhabitants, including those living in the most remote areas. As part of an experiment, 25 public Internet centres are being set up as bridgeheads against the digital divide.



A more appropriate name than Guadalinfo could not have been found! 'Guada' (Oued) in Arabic means river, and for centuries the southernmost part of Spain was heavily influenced by Muslim civilisation. Guada refers to the idea of something flowing... like information. However, something precious like information is not always accessible to everyone in the same way.

Andalusia already has a high proportion of Internet users (22.8 % of the population), slightly higher than the Spanish average of 21.2 %. But this statistic hides serious inequalities, especially in the case of the broadband Internet access. Profound differences exist in Andalusia between the urban centres and the small isolated, disadvantaged villages in the countryside or mountains. In these sparsely populated areas, where income is generally low, private telecommunication operators do not want to invest because it is not

profitable. Only towns with more than 65 000 inhabitants are cabled at present (the cable is one of the channels for the 'broadband') and there are no plans to change this in the short term. If the market were left to decide, villages with populations of 5 000 or less would not be connected to the cable for another 20 years.

This situation is leading to the creation of a gap between the large towns and the small villages, and this gap is growing, creating a genuine 'digital divide'. The inability to connect to broadband Internet triggers a chain of disadvantages in an era when access to training, employment or services increasingly depends on having this digital information. 'Not having the Internet means in fact social exclusion. But it also stands in the way of innovation and puts the brakes on the economy,' says Jose Carlos Alarcon, secretary general for the development of the information society of the government of Andalusia.

25 centres

To make the broadband Internet accessible to all in Andalusia, the public sector therefore needed to step in and take action. That is precisely the spirit of the Guadalinfo programme, which is in line with the innovative actions supported by the ERDF. The idea behind Guadalinfo is to set up 25 public centres in particularly disadvantaged areas which facilitate access to the broadband Internet.

Thanks to the efforts of the government of Andalusia, the private telecommunications operators have agreed to make the necessary investments in these areas so that they have rapid and inexpensive access to the Internet.

The 25 pilot centres will not limit themselves to just providing the local inhabitants with the hardware and connections. They will work as bridgeheads in favour of integrated local development.

Leaving room for innovation

Different projects will be launched in these centres. The first one concerns 'geographical information'. The idea is to use the Internet to develop 'online' services that are tailored to local needs. This means, for example, making detailed maps of villages, providing information on pharmacies on duty or the dates when doctors in the countryside have consultations. This 'micro-information' will be an important service for inhabitants of the villages and its management could lead to the creation of new small businesses. Therefore, by setting up these centres, not only is the social situation of the local people being

improved but a stimulus is also being provided for economic activities.

Another project operating out of the public centres is the support of distance training to help certain categories of the population in difficult situations: young people, the unemployed and women. Financial aid will be granted to companies capable of providing distance-training programmes ('e-learning') that meet the needs of these target groups.

The 'ASP' (application service provider) part of the programme is for another type of service. In very small villages, many micro-businesses do not have essential resources, such as an accounting adviser or sales support. Here too, the Internet can assist if the micro-businesses are grouped together so that there is enough demand for the ASP services offered.

Finally, Guadalinfo will encourage the creation of 'virtual communities' based on cooperation between several pilot centres. These communities will share information on a wide range of topics of common interest such as, for example, the collection of food for the Third World, the compilation and cataloguing of popular songs or even rabbit hunting in the mountains.

Towards autonomy

Guadalinfo is being coordinated by the government of Andalusia as part of

its 'I@landalus' plan of strategic initiatives for the development of the information society. Following a public call for tender, the 25 centres should be selected by the end of 2002. The innovative action will last until June 2004. These centres in Andalusia (managed by public or private non-profit making associations) will receive a grant covering the cost of their equipment, operating expenses and management advice. But at the end of two years — this is one of the selection criteria — they will have to show that they are autonomous. Guadalinfo is banking on the dynamic effect of the networks and the snowball effect the centres will have. The ambition is to offer the broadband Internet by 2004 to most of the municipalities with populations of less than 20 000. So will digital information then flow just as freely as the water of a river?

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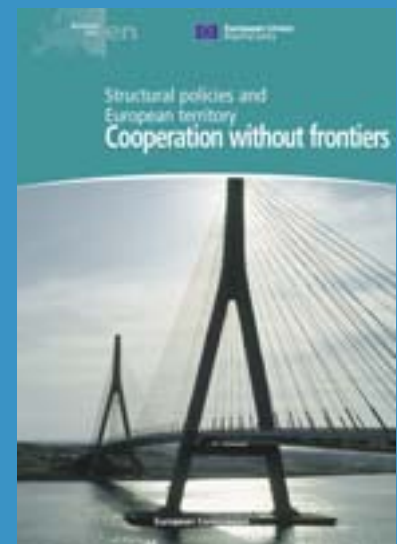
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Cooperation without frontiers

33 exemplary Interreg projects



Available in the 11 official EU languages.

Facts and figures

• Andalusia

With 7 million inhabitants, Andalusia is the most populated region in Spain. It is also one of the largest regions in Europe: 87 599 km².

• eEurope 2005

On 29 May 2002, the Commission adopted the action plan 'eEurope 2005: an information society for all'.

http://europa.eu.int/information_society/eeurope/action_plan/index_en.htm

• Budget

Guadalinfo (2002–03) has a budget of EUR 5.85 million. The ERDF is contributing EUR 2.94 million, the government of Andalusia is contributing EUR 1.33 million, and the private sector is providing a further EUR 1.58 million.

Online



<http://european-convention.eu.int/>

The Convention on the Future of Europe is bringing together representatives of governments, national parliaments, the European Parliament and the European Commission with a view to proposing a European institutional framework that can cope with an evolving world, meet the expectations of the EU's citizens and take into account the enlargement of the Union. This 11-language web site presents the organisation of the Convention, the timetable of its work, the documents and contributions, an index, etc. It has a forum for free discussion that is open to all and a forum open to civil society organisations.

www.newtowns.net

This site is devoted to the 'new towns', most of which were created in the 1970s to promote balanced territorial development. Established in April 2001, the European new town platform (ENTP) currently represents towns in France, England, the Netherlands, Wales, Scotland, Northern Ireland, Finland, Sweden and Spain and is open to all the new towns in Europe. The action programme consists of several Interreg III projects and includes the exchange of good practices with new towns in Asia through the ASIA Urbs programme.



www.sustainableregions.net

The purpose of this web site is to explore and inform about ways of achieving sustainable regional development that enables regions to meet the demands and take advantage of the opportunities of the globalised economy, without harming their socioeconomic fabric or their environment. The site is the product of the TASK (towards a sustainable knowledge based region) programme, an experiment implemented in Wales as part of the regional programmes of innovative actions co-funded by the EU. Accessible in English, the web site is a tool for networking with other regions in Europe.

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Commissioner Michel Barnier:
http://europa.eu.int/comm/commissioners/barnier/index_en.htm

Information on European Union regional aid:
http://europa.eu.int/comm/regional_policy/index_en.htm

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