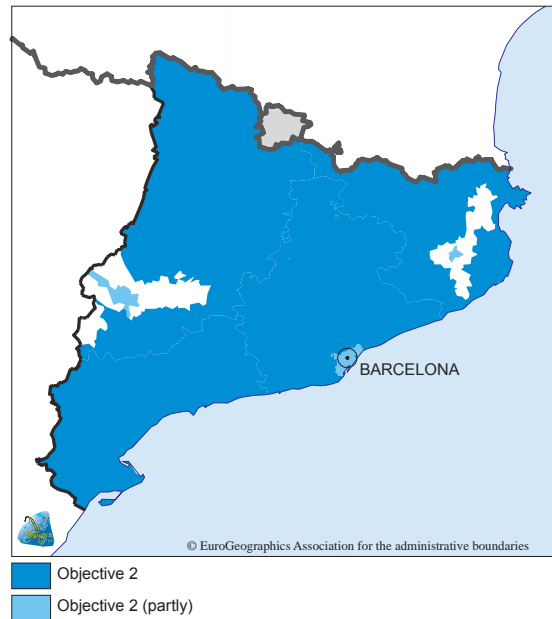


## European Structural Funds in Spain (2000-2006)

### Cataluña (Catalonia)

**Two major challenges are posed in this particularly dynamic region: the disparities between the urban, industrialised areas and its rural hinterland, and the damage to its environment.**

Catalonia has 6.5 million inhabitants, 1.7 million of whom live in its capital, Barcelona. This city lies at the heart of an area with a longstanding industrial tradition, on one of the major European economic development axes. The region is also the second most important after Madrid in terms of research investment. Its highly diversified industrial structure - textiles, leather, footwear, metallurgy, chemicals, electrical equipment, car manufacturing, etc. - is nevertheless dominated by SMEs, which are often less open to investment and innovation. The other major pillar of the Catalan economy is the tertiary sector, in which most of the jobs are concentrated. By contrast, agriculture and fishing play a less significant role. If the growth in tourism has brought about a certain territorial rebalance, significant dualism opposes the industrialised areas and rural, mountainous interior, which is sparsely populated and poorly equipped. Other major challenges include damage to both the urban and natural environment - water and air pollution, threats to highly valuable biotopes, degradation of landscapes - and the congestion of certain major roads. Catalonia is almost entirely covered by Objective 2 Structural Funds, the INTERREG III Initiative, an URBAN II programme and Cohesion Fund projects.



#### Objective 2

Catalonia's participation in Objective 2 Structural Funds amounts to EUR 1.235 billion (total cost: 2.652 billion). Priorities: competitiveness, employment and productive fabric (particularly for the competitive development of SMEs); environment and water resources (water conveyance and treatment, regeneration of natural sites, etc.); knowledge society (notably its promotion in the rural environment); transport and energy networks (improvement of the road network, multimodal transport, renewable energies, etc.); local and urban development (rehabilitation of urban areas, infrastructure and social and tourist facilities, etc).

#### INTERREG III and URBAN II

Apart from the INTERREG III A "Spain/France" crossborder programme, which receives European aid worth EUR 84.3 million (total cost: 173.9 million), Catalonia takes part in the INTERREG III B crossborder programmes "South West Europe" (Spain, France, Portugal, United Kingdom) and "Western Mediterranean" (the initial four countries plus Italy). It is also included in the "South" zone of the INTERREG III C interregional cooperation programme. One URBAN II programme has been implemented in Sant Adrià de Besòs, receiving aid of EUR 12.34 million (total cost: 24.68 million).

### Practical example: A former dormitory area brought to life by advanced technologies

Designed in the 1960s as a dormitory area, the Nou Barris district was totally devoid of infrastructure which would encourage its economic development. This suburban area to the North of Barcelona, home to some 168,000 inhabitants, now has a "North Forum", built on a 10,000m<sup>2</sup> area of rehabilitated land, surrounded by a park. This site includes an Innovative Business Centre, where 42 businesses are established, the advanced services area, with meeting and conference rooms and premises intended for training 3 000 annual users - mainly personnel from the micro-enterprises and SMEs - as well as the "Cyberbarium" whose numerous areas are aimed at demonstrating to students, businesses and professionals the possibilities offered by new telematic technologies. It was created jointly with the La Villette district in Paris.



### European cohesion policy in brief

European cohesion policy aims to reduce regional disparities and strengthen the Union's economic, social and territorial cohesion. It is based on financial solidarity. The programmes are financed principally by the four **Structural Funds**: the **European Regional Development Fund** (ERDF) for infrastructures and small and medium-sized enterprises (SMEs), the **European Social Fund** (ESF) for social integration, training and employment, the **European Agricultural Guidance and Guarantee Fund** (EAGGF, Guidance section) for rural development and the **Financial Instrument for Fisheries Guidance** (FIFG) for the modernisation of infrastructure in this sector. Between 2000 and 2006 these Funds were granted a budget of EUR 195 billion, with an additional 15 billion for the new Member States (2004-2006). The allocation for Spain is EUR 46.768 billion.

Approximately EUR 150 billion, which includes EUR 39.548 billion for Spain is granted as aid to the **Objective 1** regions which are lagging behind in development, that is, whose per capita GDP is less than 75% of the Union average. Support under **Objective 2** (EUR 22.50 billion, which includes EUR 2.748 billion for Spain) is to assist certain regions, whether industrial, urban, rural or dependent on fisheries, which are experiencing reconversion difficulties. **Objective 3** aid (EUR 24.05 billion, which includes EUR 2.222 billion for Spain) is not territorial but thematic: it is designed to improve training and increase job opportunities throughout the Union, with the exception of the Objective 1 regions whose programmes already include measures of this kind. Financial support is also granted through four **Community Initiatives** (EUR 2.043 billion for Spain): **INTERREG III** (cross-border, transnational and inter-regional cooperation), **URBAN II** (economic and social regeneration of cities and urban districts in crisis), **LEADER+** (sustainable development of rural areas) and **EQUAL** (combating inequalities and discrimination in the labour market). The **Innovative actions** support experimental regional programmes.

Another fund, the **Cohesion Fund** (EUR 25.6 billion for EU-25), supports transport and environmental projects in the least prosperous Member States of the Union.

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### Contact

#### Generalitat de Catalunya

Departament d'Economia i Finances

Rambla de Catalunya 19-21

E-08007 Barcelona

Tel.: +34.93.3162000

Fax: +34.93.3162110

E-mail: [jluria@gencat.net](mailto:jluria@gencat.net)

Web: [http://www.gencat.es/economia/progecon/fons\\_estructurals](http://www.gencat.es/economia/progecon/fons_estructurals)



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

Or write to us at the following address:

#### European Commission

Directorate-General for Regional Policy,

Inforegio Service

Avenue de Tervuren / Tervurenlaan 41

B-1049 Brussels

E-mail: [regio-info@cec.eu.int](mailto:regio-info@cec.eu.int)