

SAXONY-ANHALT - GERMANY

Basic regional socio economic data

Total population: 2,522,941 (2003); population density: 123 inhabitants/km² (2003)
area: 20,445 km² (of which is 9,8 % covered by settlement and urban areas; 21,7 % by forests and 62,5 % by agricultural areas)
Institutional and administrative system: Federal State, capital: Magdeburg; 3 districts (Magdeburg, Halle, Dessau), 24 counties incl. cities of Magdeburg, Halle and Dessau and 1,0170 communities

The state of Saxony-Anhalt is located in the heart of Germany. Its territory is mainly characterised by the the river Elbe flowing through on a length of more than 300 km and by the Harz low mountain range to the west as well as the fertile "Magdeburger Börde" being a large agricultural area in the northern part of the state.

GDP: total 45,805 Mio. Euro (2004); GDP per capita: 17,810 Euro (2003)

Main productive sectors (industrial sectors according to annual turnover): foodstuffs industry, chemical industry, metalworks industry, rubber and plastics, glass and ceramics, vehicle construction

Foreign trade:

Imports total (2004, provisional data): 5,353 Mio. Euro

Main origins: Europe (92.8 %; EU 53.0%), Asia (5.2 %)

Exports total (2004, provisional data): 6,143 Mio. Euro

Main destinations: Europe (80.6 % ; EU 71.2 %); Asia (9.5 %)

Infrastructure: Saxony-Anhalt features a well developed rail, motorway and waterway systems that provide access to markets and suppliers throughout Europe. In addition there is an advanced system of 2 universities (Magdeburg and Halle), 8 universities of applied sciences and colleges as well as numerous other research institutions.

Economic relations: Due to its traditional strenghts in the field of chemical industry, foodstuffs industry and plastics and rubber technologies, renowned companies from here and abroad (i.e. USA, France and Italy) have engagements in Saxony-Anhalt. With approximately five billion Euro of foreign investments, the state thus tops the list of all the New Laender in Germany.

Employment according to main economic sectors (in percent, 2004):

agriculture/fishery: 3.4 %; manufacturing industry: 15.5 %; construction: 10.0 %; trade/transportation: 24.2 %; finance/business services: 12.7 %; public and private services: 33.5%

Number of employed people: 1,018,3 thousand (2004, annual average)

number of unemployed people (2003, annual average): 268,206

Unemployment rate (referring to all civil employees, annual average 2003): 21,8 %

Public services: about 654,0 Mio. Euro (in 2003) were spent on social services such as subsistence money, financial aid for home care and rehabilitation of disabled people. About 95,579 people received subsistence money from the state government in 2003.

Demographic data:

emigration (total, 2003): 127,152

immigration (total, 2003): 113,925

foreign population (total, 2003): 50,509 (representing 2,0 % of total population)

Further information: www.sachsen-anhalt.de (information available in English, French, Polish, Italian and Japanese)

Description of the framework of Structural Funds and programmes operating in the region

Being a region with an considerable development gap (objective 1-area), the state of Saxony-Anhalt receives an amount of approx. 3.5 billion Euro over the period 2000-2006 from the three Structural Funds ERDF, ESF and EAGGF. This budget, in conjunction with national co-financing from the public and private sector (2,75 respectively 2,6 billion Euro) will be committed within the framework of an Operational Programme (OP).

This document is the basic operational framework for the implementation of the EU funding in the region and is part of the Community support framework for the New German Laender (objective 1).

With focus on the specific conditions of development in the state of Saxony-Anhalt, the EU intervention of the Structural Funds generally aims at fostering economic growth and adjustment as well as significant improving of labour market situation.

Furthermore, transition onto a self-supporting and sustainable economic development and, in the following a step-by-step reduction of the necessary requirements for transfers.

Every region of the state should be able to benefit from the economic growth and permanent social exclusion of certain groups should be prevented.

Additional development objectives include:

- enhanced economic growth,
- increasing labour participation,
- increasing proportion of the number of persons employed either in industry or industry-related services,
- disproportionate improvement of the labour market situation for women and disadvantaged groups,
- permanent supply of adequate opportunities for vocational training,
- prevention of serious regional disparities concerning conditions of life.

The Operational Programme revolves five priority areas and technical assistance measures.

Priority 1 – Competitiveness/SME: Support for businesses focuses on productive investments to promote products and process innovations and on investments in technological developments in information, communication and environmental technologies. It also includes initiatives for SME and new financial instruments.

Priority 2 Infrastructure development: EU funding will focus on strengthening the region's general infrastructure with a focus on transport, training, R&D, communication, information society, tourism, and urban infrastructure.

Priority 3 – Environment: An important aspect of this priority will be to improve the environment by upgrading water treatment and supply systems, reducing air pollution, developing waste treatment methods and rehabilitating old industrial sites.

Priority 4 Human resources: The aim of this priority is to improve the level of training, encourage entrepreneurship, and provide equal access to the labour market.

Priority 5 Rural development: This priority aims at strengthening the farming sector and developing rural areas.

For further informations see www.europa.sachsen-anhalt.de.

Role and duties of the partner in the Structural Funds management process

Investitionsbank Sachsen-Anhalt (Development Bank of Saxony-Anhalt) is a public equivalent body, owned by the land of Saxony-Anhalt. Within the structural funds management process the bank has different tasks and duties as an intermediate body.

Our experience especially in Structural Funds are the following:

- Granting subsidies (co-financed by Structural Funds) for economic and rural development, since 1993,
- Advice of the Managing Authority, ERDF-Paying Authority and ERDF-Intermediate Bodies concerning administration- and control-systems on different administration levels (e.g. implementation of Council Regulations (EC) 1260/1999, 438/2001),
- Advice of different other intermediate bodies in Saxony-Anhalt concerning eligibility (e.g. implementation of Reg. (EC) 448/2004),
- Technical assistance project (ERDF 1994-1999): advice and accompanying system for final recipients,
- Technical assistance project (ERDF 2000-2006): Auditing/Financial Control (Art. 10 of Reg. (EC) 438/2001),
- Technical assistance project (ERDF/ESF 2000-2006): Supporting the Managing Authority concerning information and publicity (implementation of Reg. (EC) 1159/2000),
- Advice of and exchange of experience with partners in Poland, Estonia, Latvia, Slovenia concerning the implementation of Structural Funds.

Furthermore the Development Bank supports the Managing Authority and the Paying Authority by fulfilling there tasks concerning monitoring (e.g. "n+2"-rule) and reporting (e.g. Annual Implementation Report) concerning ERDF, ESF and EAGGF – Guidance Section.

Other relevant regional development programmes operating, organizations supporting the region in the management process

Besides the Operational Programme of Saxony-Anhalt there are other relevant regional development programmes, e.g.

- Community task „Enhancement of the regional economic structure“ (Gemeinschaftsaufgabe “Verbesserung der regionalen Wirtschaftsstruktur”; GA), which is in parts also co-financed by ERDF.
- ERDF Innovative Actions 2000-2006: Regional programme of innovative actions in Saxony-Anhalt (programme finished 12/2004) and also ESF Innovative Actions 2000-2006:
 - (1) Lokales Arbeitsmanagement – Ressourcenmobilisierung (LAM; www.ep-lam.de) and
 - (2) Lokale Innovationsstrategie für mehr Arbeit im Burgenlandkreis (L.I.S.A.-BLK.; www.burgenlandkreis.de/Lisa-BLK).
- Integrated aspect of the State Initiatives, e.g. LIST (Innovation strategies of Saxony-Anhalt, LOCALE (Local rural development), PAKTE (Local and regional pacts for employment), REGIO (Advancement of the economic growth and increasing of the employment, especially in the sector of industry and public/private services) and URBAN 21 (Development of disadvantaged urban areas).

For example the Territorial Employment Pact in the city of Zeitz (“PAKT für Arbeit der Stadt Zeitz”,

http://www.europa.eu.int/comm/regional_policy/innovation/innovating/pacts/en/list/de_zeit_z.html) stands for the need to mobilise all the actors in an area of Saxony-Anhalt to fight unemployment, and also the need to reinforce the action implemented by the structural policies in terms of employment.

- In addition to the Community Initiative Programme INTERREG III and URBAN II (2000-2006) there are also LEADER+ for rural development and EQUAL to bring unemployed people in new jobs under generating innovative projects.