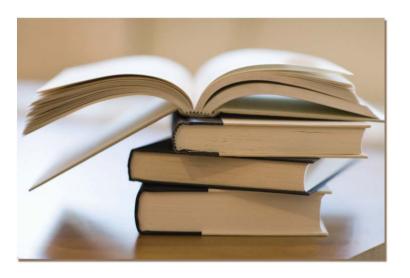
European Structural and Cohesion Funds

for Hospitals and Healthcare services







Hospitals and healthcare services

The European regional policy has been introduced by the article 158 of the Treaty establishing the European Community (Rome, 1957), in order to reduce inequalities between the different levels of development of the European regions. The aim of this policy is the social and economic cohesion of the European Union.

For the first time ever health infrastructure and prevention are now clearly mentioned amongst the priorities identified by the European Union. HOPE wishes to clarify the mechanisms to its members and since healthcare projects have been in the pas financed by structural funds, it seems also worth looking back at examples.

1. The new distribution process of the European Structural and Cohesion Funds

The main tools for the implementation of the regional health policy are on one hand, the structural funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF) and on the other, the Cohesion Fund (an extra help for the poorest regions and is dedicated to the field of transports and environment).

The orientation programme of the Structural and Cohesion Funds between 2007 and 2013 is defined by Regulation N° 1083/2006 of 11 July 2006. It focuses on a limited number of objectives, reflecting the Lisbon (growth, competitiveness and employment) and Göteborg (environment) agendas.

1.1. THE THREE NEW OBJECTIVES FOR THE PERIOD 2007-2013

The regional policy for 2007-2013 focuses on three new objectives: Convergence, Regional Competitiveness & Employment and finally, Territorial Cooperation. These objectives will supersede the former Objectives 1, 2 and 3 for the 2000-2006 programming period. A total of EUR 308.041 billion will be allocated to financing its regional policy.

♦ CONVERGENCE (1st objective)

It aims to help the least-developed Member States and regions catching up more quickly with the European average of growth and employment. The fields of action will be: physical and human capital, innovation, knowledge-based society, adaptability to change, environment and administrative effectiveness.

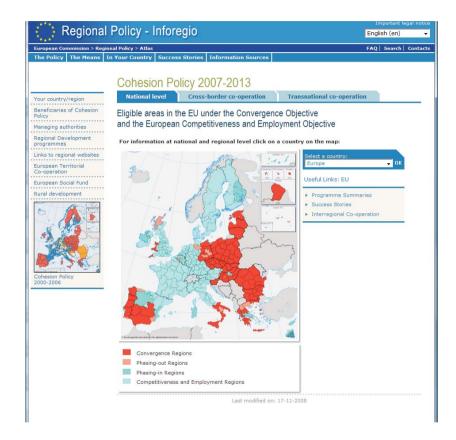
It will be financed by the European Regional Development Fund, the European Social Fund and the Cohesion Fund. The total resources allocated to this objective are EUR 251 163 billion, 81.54% of the funds dedicated to the cohesion policy.

The eligible regions for the Structural Funds are:

- the regions with a per capita GDP (Gross Domestic Product) below 75% of the Community average.
 They will receive 70.51% of the funds allocated for this objective;
- the regions with a per capita GDP which has risen above 75% of the Community average due to the enlargement. They will benefit from transitional, specific and digressive financing (phasing out regions), 4.99% of the total allocation.

Cfr. corresponding map:

http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm



Unlike the Structural Fund, the Cohesion Fund is a support for the Member States and not only for regions. A Member State is eligible for the Cohesion Fund objective if its GNP (Gross National Product) less than 90% of the EU-27 average and it is running economic convergence programmes (Bulgaria, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Slovakia, and Slovenia). If the GNP of a Member State benefiting from the Cohesion Fund rises above the 90% threshold, it may no longer receive funding for new projects or new stages of a project.

♦ REGIONAL COMPETITIVENESS AND EMPLOYMENT (2nd objective)

The objective "Regional Competitiveness and Employment" aims to strengthen the competitiveness, employment and attractiveness of regions other than those which are the most disadvantaged. It must help to anticipate economic and social changes, promote innovation, entrepreneurship, and protection of the environment, accessibility, adaptability and the development of inclusive labour markets. It will be financed by the European Regional Development Fund and the European Social Fund.

The resources intended for this objective total EUR 49.13 billion, 15.95% of the total. It is divided equally between the European Regional Development Fund and the European Social Fund. Of this amount:

- 78.86% is intended for the regions not covered by the Convergence objective.
- 21.14% is earmarked for transitional digressive support (for phasing out regions).

Under this objective, measures can be co-financed up to 50% of public expenditure. The ceiling is 85% for the outermost regions (Martinique, Guadeloupe, Réunion, the French Guiana, the Canarias islands, Madeira and the Azores).

The eligible regions are:

- Regions which fell under Objective 1 during the period 2000-2006, which no longer meet the regional
 eligibility criteria of the Convergence objective, and which consequently benefit from transitional
 support.
- All other regions of the Community not covered by the Convergence objective.

Cfr. corresponding map:

http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm

♦ EUROPEAN TERRITORIAL COOPERATION (3rd objective)

The European Territorial Cooperation objective aims to strengthen crossborder, transnational and interregional cooperation. It is based on the former INTERREG initiative and will be financed by the European Regional Development Fund. It aims to promote common solutions for neighbouring authorities in the fields of urban, rural and coastal development, the development of economic relations and the creation of networks of small and medium-sized enterprises. Cooperation will be based around research, development, information society, the environment, risk prevention and integrated water management.

The intended resources for this objective are about EUR 7.75 billion, fully covered by the European Regional Development Fund. The amount allocated to this objective is distributed between the different components as follows:

- 73.86% for financing crossborder cooperation;
- 20.95% for financing transnational cooperation;
- 5.19% for financing interregional cooperation.

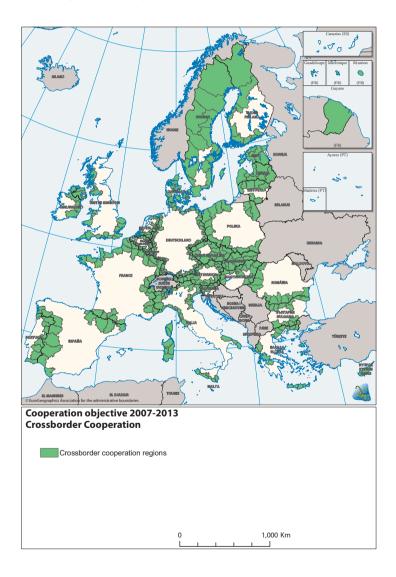
The ceiling for co-financing is 75% of public expenditure.

For interregional cooperation, all regions in Europe are eligible.

For **crossborder cooperation**, the eligible regions are those regions which are situated along internal land borders, certain external land borders and certain regions situated along maritime borders separated by a maximum of 150 km. It is the Commission, which adopts the list of eligible regions, in a decision.

See corresponding map:

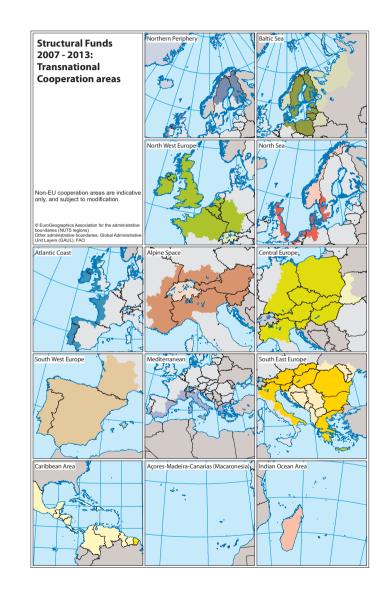
http://ec.europa.eu/regional_policy/images/map/cooperat2007/crossborder/crossborder27_eu_07.pdf



For transnational cooperation, the Commission adopts a list.

See corresponding map:

http://ec.europa.eu/regional_policy/images/map/cooperat2007/transnational/transnat_mosaic.pdf



1.2. THE ALLOCATION MECHANISM OF THE STRUCTURAL FUNDS

Firstly, the European Commission proposed priorities presented in the "Community strategic guidelines." They have been adopted by the European council, after the Parliament's assent. To elaborate them, the Commission worked in very close cooperation with the Member States.

After the adoption of the strategic guidelines, each Member state proposed its national strategic reference framework (NSRF), on the basis of consultations with partners and dialogue with the Commission. That document defines the strategy chosen by the Member State and proposes a list of operational programmes (OPs) it hopes to implement. The OPs present the priorities of the Member State (and/or regions) as well as the way in which it will lead its programming. An OP consists of: an analysis of the eligible area (strengths and weaknesses), a justification of the priorities retained, the specific objectives of the key priorities, funding plans, the implementation of the programmes (designating management, audit and certification authorities) and an indicative list of large projects. Finally, these documents had to be approved by the Commission. For that, the Commission evaluated each programme put forward in order to determine if it would contribute to the objectives and priorities of the Community strategic guidelines on cohesion policy, and of the national strategic framework.

An obligation exists for the countries and the regions concerned by the convergence objective: 60% of expenditure must be allocated to the priorities arising from the Union's strategy for growth and jobs (called the Lisbon strategy). For countries and regions concerned by the competitiveness and employment objective, the percentage is 75%. For the 2007-2013 period, around 450 OPs have been adopted by the European Commission.

After the Commission has taken a decision on the OP, the Member States and its regions then have the task of implementing the programmes, i.e. selecting the thousands of projects, to monitor and to assess them. All this work takes place through what are known as management managing authorities in each country and/or each region. But the Commission monitors each OP alongside the Member State and strategic reports are submitted by the Commission and by the Member States throughout the 2007-2013 programming period.

The following website presents the managing authorities in the different countries: http://ec.europa.eu/regional_policy/manage/contact_en.htm



The strategic guidelines for the period 2007-2013 were officially adopted by the council's Decision of 6 October 2006.

1.3. THE CONDITIONS FOR FINANCING A PROJECT

Proceedings

Each project must respect some conditions in order to be valid:

- a) Eligibility of expenditures.
- b) Co-financing: European funds intervene only as a supplementation of national or/and regional funds.
- c) It is not possible to overlay funds: projects cannot be financed by two European programmes.
- d) Setting up a reporting system distinct of the classical mechanism of the beneficiary's structure.
- e) The grant's refund is given on the base of effective expenditures realised.
- f) The N+2 rule: if two years after the project's agreement by the committee of programming, any expenditure is realised, there is a proceeding of de-commitment. It requires de-commitment of any funds not spent by the end of the second year following the year to which they were allocated.
- g) Factors of eligibility will concern elements of the project itself: field of action, beneficiary, actions, targets, and the budget...
- h) Each programme will dispose of an OP which will describe the priorities.

The project pertinence

What matters is the added value of the project, its impact on employment and its innovative nature, particularly its contribution to the region's economic competitiveness.

1.4. THE PROJECT EXAMINATION AND FINANCING: A REGIONAL AND/OR NATIONAL TASK

First of all, it is crucial to understand that there is no harmonized implementation at European level. Each country establishes its own selection procedures, although they all follow basic rules of transparency. On the whole, the regional or national authorities are in charge of this mission. At the same time, business promotion agencies, chambers of commerce, information websites, etc. act as intermediaries for companies or entities interested in regional funding, to give information.

For each operational programme, the Member State appoints:

- a managing authority (a national, regional or local public authority or public/private body to manage the operational programme);
- a certification body (a national, regional or local public authority or body to certify the statement of
 expenditure and the payment applications before their transmission to the Commission);
- an auditing body (a national, regional or local public authority or body for each operational programme to oversee the efficient running of the management and monitoring system).

Furthermore, public, private and voluntary sector bodies can all make applications. The application must be sent with an accompanying letter requesting a European grant, dated and signed by the legal representative of the applicant. The letter must include the project's name, its total cost and the amount of the desired subsidy. The European applicant must then complete the subsidy request form which is available from the service which manages the programme.

The following sections must be completed:

♦ The project intended goals

The applicant must show that the anticipated results correspond to the regional development priorities listed in the OP and will contribute to, for example, higher employment, a cleaner environment or the improvement of equal opportunities.

♦ The project content

The applicant must present the steps and the method used to implement the project. The entrepreneur must also evaluate the project's impact using quantitative indicators (jobs created, target market, etc.). The fund managers are strict about the methods used and the implementation timetable proposed because they do not want failed projects to tie up funds that could be used for other things.

♦ The project provisional budget

The applicant must provide a provisional budget with the sources of all finance obtained, both public and private, as well as the revenues that the project will eventually generate. It must also include a description of any permits or licenses required for the implementation of the project such as building permits. A word of warning: European subsidies reimburse money already spent. The successful applicant must therefore be able to finance the entire cost of the project before obtaining the subsidy.

Then, the files shall therefore be examined by the devolved State departments and/or the departments of the regional and local authorities (Managing Authorities) to check whether they meet the eligibility criteria of the operational programmes.

This department then consults all the competent services in order to establish a report resuming the strengths and weaknesses of the project.

If the subsidy has been approved, the entrepreneur becomes the contracting authority by signing an agreement with the management of the European programme. This agreement covers the main points of the project - timetable, financing, technical and financial arrangements - and sets out certain obligations.

The contracting authority promises to respect the timetable, to transmit financial and operational reports, to respect European law (competition, environment, public works contracts, equal opportunities etc.), to submit to all controls and audits, and to conform to the advertising rules for European funds.

Finally, the subsidy agreement defines the European fund payment terms and in particular the project phases and the percentage of European financing. At the end of each phase, the contracting authority justifies all expenditures, with supporting documentation, and requests reimbursement of the expenses according to the financing percentage fixed by the programming committee.

2. The Structural and Cohesion Funds in the sector of Healthcare, between 2001 and 2007

The European Structural Funds participate in the improvement of treatments and operability of European hospitals and healthcare services. The following part presents different examples of some projects in the sector of the healthcare, co-financed by the European Union for the period 2001-2007.

2.1. THE PROJECTS OF CONVERGENCE (objective 1)



Estonia

Focus: Hospital Infrastructure

The project aimed at the improvement of hospitals infrastructures for better health care services:

- Extensions of two major Hospitals (Tartu university clinic, North Estonian Regional Hospital);
- A new building for Pärnu Hospital.

Technical information

Total cost: EUR 31 000 000 European financing: EUR 24 800 000 Estonian national subvention: EUR 8 300 000



Finland

Focus: Telemedicine services in Lapland

To respond to the problems linked to the isolation of the Lapland Healthcare District, the TEL LAPPI project set up a telemedicine system for the local health centre of Sodankylä, the central and the university hospitals. The system is made up of seven parts: teletraining, radiology, first aid, ophthalmology, transfer of ultra sound and FCM.

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Technical information

Total cost: EUR 729 000 European contribution: EUR 391 500

HOPE - Structural Funds May 2009 HOPE - Structural Funds May 2009



France

Region of French Guyana (outermost region)

Focus: Telemedicine device

The objective of this Project was to equip several isolated hospitals in French Guyana with telemedicine device.

Technical information

Budget: EUR 327 119 Year of realisation: 2001

Project carrier: CHC (Cayenne Hospital Center) Andrée ROSEMONT de Cayenne - Docteur Le Guen

Financial partners:

European Union (ERDF): 33.30 %Centre National d'Etudes Spatiales: 32 %

- French State: 19.9 %

- Cayenne Hospital Centre: 15.26 %

Region of Martinique (outermost region)

Focus: Healthcare infrastructure

In the aim to reduce the worrying statistics on the infant mortality, the European funds financed a maternity hospital called "Maison de la Femme, de la Mère et de l'Enfant", in Fort-de-France.

Technical information

Year of realisation: 2003-2005

Project carrier: hospital and university of Fort de France

Budget (total cost): EUR 55 735 000

Financial partners:

- European Union (ERDF): 39%

- State: 7%

- Conseil régional (Region): 5%

- Master builder: 42%

- Conseil Général (District): 6%

- City of Fort de France (City): 1%



Greece

Focus: Information System

The project aimed the implementation of PANEGO and NSPSA, in hospitals in Greece and abroad. Both are new systems for early medical diagnosis and biotechnological applications.

Technical information

Total cost: EUR 1 820 000

European contribution: EUR 1 365 000



Ireland

Focus: Healthcare infrastructure

The project consisted in the construction of a new hospital in Tallaght (Eastern Region of Ireland), to make easier the healthcare access for the inhabitants of the region and to answer to the demographic shifts. The hospital also boasts Ireland's first Picture Archiving Computer system (PACS), to replace x-rays with computer images.

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Technical information

Total cost: EUR 177 763 330.9

European contribution (ERDF): EUR 45 710 570

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Latvia

Jëkabpils

Focus: Emeraency

The project aimed to quarantee the availability of first aid at the Admissions Department Jëkabpils District Central Hospital.

Technical information

Project applicant: Jëkabpils District Local Government Medical Care Non-Profit Organisation Limited Liability

Company, Jëkabpils Central Hospital Project expenses: EUR 356 000

Sources of funding: ERDF, Local Government co-financing

Liepaja

Focus: Emergency

The projects aimed to improve the Provision of Emergency Medical Assistance at Liepaja Central Hospital.

Technical information

Project applicant: City of Liepaja Central Hospital

Project expenses: EUR 510 000

Sources of funding: ERDF, Local Government co-financing

Ventspils

Focus: Emeraency

The project aimed to optimize the Emergency Medical Assistance Service Providers' Structure in Ventspils.

Technical information

Project applicant: City if Ventspils Local Government Non-Profit Company, Ventspils City Hospital

Project expenses: EUR 2 680 000

Sources of funding: ERDF, Local Government, own funds

Daugavpils

Focus: Emergency

The project aimed to quarantee the Availability of Emergency Medical Assistance at the Admissions Department of Daugavpils Regional Hospital.

Technical information

Project applicant: Daugavpils City Council and Daugavpils District Council's Local Government Limited Liability Company "Daugavpils Regional Hospital".

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Project expenses: EUR 863 000

Sources of funding: ERDF, Local Government, own funds

Jelgava

Focus: Emergency

The project aimed to increase the Effectiveness of the Provision of Emergency Medical Assistance at Jelgava City Hospital.

Technical information

Project applicant: Limited Liability Company "Jelgava City Hospital"

Project expenses: EUR 94 000

Sources of funding: ERDF, Local Government co-financing

Riga (first project)

Focus: Emergency

The project aimed the provision of Emergency Medical Assistance at Riga's 1st Hospital.

Technical information

Project applicant: Local Government Non-Profit Organisation Limited Liability Company "Riga's 1st Hospital".

Project expenses: EUR 510 000

Sources of funding: ERDF, Local Government co-financing

Riga (second project)

Focus: Emergency

The project aimed the development of the Children's Clinical University hospital's Emergency Medical Assistance and Admissions Department.

Technical information

Project applicant: Non-profit Organisation State Joint Stock Company "Children's Clinical University Hospital" Project expenses: EUR 1 116 000

Sources of funding: State budget co-financing, Hospitals budget funds, ERDF co-financing

Gailezers hospital (Riga)

Focus: Emeraency

The project aimed the improvement of the Provision of Emergency Medical Assistance at "Gailezers Clinical Hospital".

Technical information

Project applicant: Riga Local Government Non-Profit Organisation Limited Liability Company "Gailezers Clinical Hospital"

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Project expenses: EUR 5 300 000

Sources of funding: ERDF, Local Government co-financing

Latvia - Other project

Focus: Emergency

The project aimed the establishment of an Emergency Medical Assistance Support Brigade.

Technical information

Project applicant: Catastrophe Medicine Centre

Project expenses: EUR 1 400 000

Sources of funding: ERDF co-financing, State budget co-financing



Lithuania (Eastern and South-Eastern Lithuania)

Focus: Healthcare infrastructures

The project aimed the reduction of the Incidence and Mortality Rates of Cardiovascular diseases in Eastern and South-Eastern Lithuania by modernising and optimising the Health Care System Infrastructure and the Provision of Services. All institutions participating in the project were provided with the equipment necessary for the diagnosing and treatment of cardiovascular diseases.

Technical information

Project applicant: Santariškés Clinic of Public Institution Vilnius University Hospital

Project partners: (39 partners) treatment establishments in 12 districts and 3 municipalities (Visaginas, Elektrenai and Druskininkai) of Eastern and South-Eastern Lithuania including 21 primary health care centres, 15 district hospitals (in each of them an outpatient cardio consulting unit will be established and cardio resuscitation will be strengthened), 2 rehabilitation establishments (Abromiškes and Valkininkai sanatoria), and the Kaunas Medical University Clinic.

Project length: 30 November 2004 – 28 February 2007

Total cost: EUR 20 500 000

European financing: EUR 15 600 000 National contribution: EUR 3 900 000



Portugal

Focus: Healthcare infrastructures

The project Hospital for the future in Viseu consisted in the creation of the São Teotonio hospital, to replace the former hospital centre in Viseu. The São Teotonio hospital has state-of-the-art equipment and offers a wide range of health-care services.

Technical information

Total cost: EUR 64 800 000 ERDF: EUR 40 900 000



Spain

Focus: Healthcare infrastructures

The project aimed at the creation of the Dr. Negrin Hospital, which has brought together units, which were before scattered over a number of centres. It has become the bench mark high-technology health point for the Canary Islands, Gran Canarias (outermost region).

Technical information

Total cost: EUR 98 400 000 ERDF (1994-1999): EUR 21 000 000

2.2. THE PROJECTS OF REGIONAL COMPETITIVENESS AND EMPLOYMENT (objective2)



France

Region of Basse Normandie

Focus: Telemedicine

The TENOR project aimed at the creation of a telemedicine platform and the experimentation of management of a unique shared patients' file.

Technical information

Project duration: 2003-2006 Total cost: EUR 1 000 000 ERDF contribution: EUR 500 000

Region of Auvergne (first project)

Focus: Cancer

The "nutrition-Cancer" project focused on the study of the metabolism's modulation by food and the capacity to correct genetic or metabolic cellular troubles lead by the cancerous disease. Therefore, it dealt with two other orientations:

- Prevention from cancers mailing to breast and prostate's one. The approach is experimental but also clinical.
- Active and adapted take in charge of the patient's nutritional state for cancerous disease.

Technical information

Date of the project: 2005

Project partners: "University of Auvergne", "University Blaise Pascal", Teaching Hospital Centre of St Etienne, CHU de Clermont-Ferrand, cancer speciality centre of "La Loire", INRA

Total cost: EUR 1 697 627 ERDF: EUR 609 484

Region of Auvergne (second project)

Focus: Imaging

This project consisted in developing "imaging" part of the device in order to detect more efficiently malign melanomas and improve practices in the field of chemotherapy, in the Massif Central's regions.

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Technical information

Date of the project: 2005
Project partners: three Universities, cancer specialist center "Jean Perrin"
Total cost: EUR 845 280

ERDF: EUR 335 780

Region of Limousin (first project)

Focus: Training

This project aimed at the training to the auxiliary nurse's professional diploma. It was a concrete response to the need of labour force in the field of health and especially of Auxiliary nurses.

Technical information

Project duration: 2004-2007

Project partners: Hospital centres of Ussel, Tulle, Guéret, Saint Yrieux, and of Limoges.

Total cost: EUR 582 899.64 ESF: EUR 279 791.83

Region contribution: EUR 303 107.81

Region of Limousin (second project)

Focus: Training

To make more attractive the training for health professionals, the European Social Fund took in charge a part of the wages, for the training.

Technical information

Project duration: from 01/07/2004 to 31/12/2005 Project applicant: Region of Limousin Total cost: EUR 121 291.20 ESF: EUR 58 219.78

Region contribution: EUR 63 071.42



Germany

Focus: Training

Retraining of long-time unemployed.

Technical information

Project duration: 1994-1999

Project partners: Paritätische Gesellschaft für soziale Dienste in Bremen GmbH.

Total cost: EUR 279 829.89 ESF: EUR 40 536.94

National contribution: EUR 239 292.95

2.3. THE COMMUNITY 'S INITIATIVES (objective 3)



Greece Balkan frontier

Focus: Medical cooperation

The political upheavals in the Balkans have resulted in a deterioration of the public health services of the countries bordering Greece, which also has consequences for Greece because of migratory flows. The project aimed to cope with the immediate needs while promoting cooperation and exchanges of experiences in the fields of medical research and health education.

Technical information

Programme: Interreg II A Greece/Albania, Greece/Bulgaria and Greece/Former Yugoslav Republic of Macedonia

Project: Crossborder public Health Centres (CBPHC)

Total cost: EUR 5 300 000

European contribution: EUR 3 700 000

Baltic e-health project

Focus: eHealth

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The aim of the Baltic eHealth project was to encourage the use of eHealth (a Baltic Health Network), thereby counteract rural migration by creating a large transnational Information Technology and infrastructure for eHealth, and extend it.

Technical information

Total cost: EUR 2.14 million

ERDF+ Norwegian national: EUR 1.14 million

Duration: 09/2004-08/2007

Lead partner: Danish Centre for health telematics County of Funen, Denmark.

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Crossborder cooperation (Finland and Estonia)

Focus: Rheumatology

The project aimed at the creation of a network of the European centres of excellence in the field of rheumatology and rheumaorthopaedics, to make students from Finland and Estonia work together and also, to use clinical material from both regions.

Technical information

Duration: 01/2004-12/2005

Project partners: Rheumatism Foundation Hospital (Finland) and East Tallin Central Hospital (Estonia). European structural funds: ERDF and Southern Coastal Zone Interreg III A programme.



Transborder cooperation (Austria, Czech Republic, Slovakia, Hungary)

Focus

The "healthregio" project aimed at the implementation of a sound data basis, which optimizes the healthcare service sector. The priorities were: legislative changes for progress in national systems, comparisons of statistical data on the region, mobility of patients & health professionals, education and skills development for health professionals.

Technical information

Project duration: 07/2004-12/2006

Total cost: NC Project partners:

- Nyugat-Magyorszàgi Egyetem-University of West Hungary, Hungary
- Urad Verejneho Zvadrotnictva Slovenskej Republiky Public health authority of the Slovak Republic, Slovakia
- The Regional Authority of south Bohemia, Social Affairs and Health Care Department, Czech Republik

HOPE had identified several other examples in "Hospital co-operation in border regions in Europe"

a report carried out by the HOPE Working Party on Cross-border Co-operation, with the support of the European Commission, June 2003

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http://www.hope.be/05eventsandpublications/publications_chronologicallist.html

as well as part of the EUREGIO project

http://ec.europa.eu/health/ph_projects/2003/action1/action1_2003_23_en.htm