

Contributions to the upcoming Budget for Europe 2020

The NSPA network for Northern Sparsely Populated Areas represents close collaboration between the four northernmost counties of Sweden (Norrbotten, Västerbotten, Jämtland, Västernorrland), the seven northernmost and eastern regions of Finland (Lapland, Northern Ostrobothnia, Central Ostrobothnia, Kainuu, North Karelia, Pohjois-Savo and Etelä-Savo) and North Norway (Finnmark, Troms and Nordland) with a special focus on the future European Cohesion Policy.

The NSPA and the EU institutions have since the creation of the NSPA-network continuously deepened their cooperation and improved the dialogue between the regional level in the northernmost areas and the EU. This cooperation has during the last years taken important steps forward when network representatives was invited by the commission to present their suggestions on the future cohesion policy in Brussels in January 2010 and their suggestions on the 5th Cohesion report in February 2011.

The NSPA-regions wish to continue working in a constructive dialogue with the EU-institutions. Therefore, the NSPA-regions hereby present their contribution to the upcoming Budget for Europe 2020 by submitting some important statements regarding the Budget for Europe 2020 proposal.

The Budget for Europe 2020 is important for increasing the NSPA added value for Europe. However, this NSPA contribution to the budget proposal is mainly focused on the Cohesion Policy, due to its importance for strengthening NSPA global competitiveness, demographic development, and stimulating an effective use of energy and energy assets. If the adequate support is provided, the NSPA natural resources, knowledge and technology can play a decisive role in the creation of a knowledge driven economy and a low-carbon society in Europe.

On the communication “A Budget for Europe 2020” the NSPA would like to stress the following aspects:

- The NSPA consider it is positive that the budget is focused on the ambition to fulfill Europe 2020 and that a cohesion policy for all regions in EU is given a strong role to achieve the goals in Europe 2020.
- The NSPA consider it problematic that the importance and reasons for the additional funding for the outermost and sparsely populated areas has not been clearly explained in the budget proposal. Special consideration for the remote and sparsely populated areas is vital for ensuring an effective single market that benefits all parts of the EU, as well as for the possibility of these areas to achieve the goals of Europe 2020. Therefore it is of great importance that the specific geographic situation of the NSPA is outlined in the budget text. The need for particular status and development actions in the NSPA has a legal base in Protocol 6 of the Accession Treaty for Sweden, Finland and Austria, and article 174 of the Lisbon Treaty.

- The decrease in extra allocation for outermost and sparsely populated to 926 million Euros in the 2014-2020 EU budget is incompatible with the ambitions of the Europe 2020 and of the single market. The NSPA stress the need of future financial funds to be allocated to the sparsely populated areas at least in the same range as in the current EU budget period.
- The NSPA believes that the presented infrastructural projects (in ICT, energy and transport) contradict the ambition of a single market that benefits all parts of the EU. Currently, the Connecting Europe facility does not improve the connections to the northernmost parts of Europe. Improvements of the transport infrastructure in the NSPA is of vital interest for assuring the possibilities of the EU to benefit from the natural resources of the area, as well as making workforce commuting possible, a key factor for regional economic growth in the area. None of the suggested projects are aimed at improving the connection between the northernmost parts of EU with the European continent, or increasing the infrastructural facilities in a west-east direction within the NSPA and Russia
- The NSPA welcomes the proposal of creating greater coherence between the Cohesion policy funds by creating a common strategic framework for the EFRD, ESF, EAFRD and EFF. However, it is important that the European Commission should not define the allocation relation between ERDF and ESF. This should be left for the member states.
- The NSPA also welcomes a continuation of the territorial cooperation programs with an ambitious neighborhood policy for which the NSPA can continue to contribute on the transnational regional level as an integrated part of the Barents Region. With regard to this it is important that the EU provides sufficient funding for cooperation between EU regions and their Russian counterparts and that the selection of themes is wide - not only transport and energy. Also small-scale civil society projects between NGO's are valuable and should be supported.
- The NSPA believes it is difficult to comment the proposed priorities regarding the structural funds (energy efficiency, renewable energies, SME competitiveness and innovation) since the definition of the three priorities may include all or nothing. Also, there should not be strict stipulations on percentages allocation earmarks for programme priorities as this limits the efficiency of the regional implementations of the structural funds in the regions. Further, the NSPA, think it is necessary to early present and discuss with the regions how activities placed in separate programmes, such as the "Competitiveness and SMEs Programme", will support activities targeting the same groups (in this case SME:s) in the regional structural fund programmes.
- Regarding the Partnership contracts, the NSPA stress the importance of the involvement of the regional level and local level. The commitment to, and subsequently the success of the partnership contracts, is dependent on the dialogue and cooperation between the EU, the national and the regional- and local levels.
- The NSPA agrees that the introduction of new conditionality provisions can help to ensure an effective delivery of the Europe 2020 objectives. It is of great importance that the conditionality provisions are created in such a way that they take into consideration the different regional contexts. The effects of EU Cohesion spending cannot be assumed to have the same

impact in all regions of the EU and the indicators and milestones must reflect this. Therefore, the specification of indicators and milestones must be designed in close cooperation with the regional level.

- The NSPA welcomes a framework that enhances the possibility of private co-funding of development projects. However, it is of vital importance that the regulations on funding take into consideration the differences in the availability of private funding in the EU regions. If not, the possibility of funding development projects could be severely hampered in areas where private funding is less available.
- In times of economic downturn, funding from the structural funds cannot be contingent on private funding. Public funding must be able to fund development initiatives in times when private funding is scarce.

On behalf of the NSPA:

Erik Bergkvist	European Forum of Northern Sweden
Åsa Möller	European Forum of Northern Sweden
Pia Svensgaard	County Council of Troms
Tytti Tuppurainen	Council of Oulu Region
Satu Vehreävesa	Regional Council of Pohjois-Savo

For further information, please contact:

Thomas Westerberg, +46 90 16 57 49 or thomas.westerberg@regionvasterbotten.se

Kari Aalto, +358 40 773 8888, +32 497 570 806 or kari.aalto@northfinland.fi