

## **The Northern Sparsely Populated Areas network response to the Public consultation on EU funds in the area of cohesion**

*The Northern Sparsely Populated Areas network, NSPA, represents the interests of the four northernmost counties and regions of Sweden (Norrbotten, Västerbotten, Jämtland Härjedalen and Västernorrland), seven northernmost and eastern regions of Finland (Central Ostrobothnia, Kainuu, Lapland, North Karelia, Northern Ostrobothnia, Pohjois-Savo and Etelä-Savo) and North Norway (Finnmark, Troms and Nordland).*

The NSPA network considers that:

- Structural and Investment Funds and the extra allocation for the NSPA regions are essential tools for regional growth and jobs and are needed to meet the unique challenges and opportunities of the region.
- EU cohesion policy needs to be flexible to specific regional needs.
- There should be a continued focus on cross-border cooperation within the European structural and investment funds.
- All regions of the EU should be able to contribute to European goals through the use of the European structural and investment funds.

### **Cohesion policy funds in the NSPA contribute to jobs and growth in all regions of the EU**

All regions of the EU need to contribute to the achievement of our common goals of smart, sustainable and inclusive growth. The NSPA regions are socially and economically successful regions but have unique characteristics stemming from their geographic location in the European Arctic. The NSPA regions are sparsely populated, situated far away from big markets and have a harsh climate. Therefore, the 2017 OECD Territorial Review of the Northern Sparsely Populated Areas<sup>1</sup> recommended that European policies continue to incorporate the unique characteristics of the NSPA regions. OECD Territorial Review also found that the NSPA regions present play a strategic role in the EU and offers unique opportunities for growth and innovation.

On the other hand, the NSPA regions play a unique role in the EU and can offer unique opportunities. The NSPA regions have abundant natural resources and natural values, advanced research institutions and high-performance industries, are located in a geopolitically important region and have an Arctic climate which enables innovative industries in the areas of ICT, energy and bioeconomy.

During the 2014-2020 programme period, EU cohesion policy has undoubtedly promoted regional development in the NSPA regions. Funding from the European Regional Development Fund, combined with the extra allocation for the NSPA regions, has played an essential role by compensating for the NSPA regions' lack of critical mass and the lack of access to a strong capital market. These funds have allowed the NSPA regions to build up their innovation capacity, delivering growth. The academia in the NSPA has been able to take a strong role also in the EU research programmes and climate action, with the help of EU sectorial programmes. The regions have also been able to address some of the infrastructure needs associated with their geographic location. Far from being wasted handouts, these funds have contributed to the achievement of European goals

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<sup>1</sup> <http://www.oecd.org/publications/oecd-territorial-reviews-the-northern-sparsely-populated-areas-9789264268234-en.htm>

in the areas of employment, social inclusion, migration, innovation, climate change mitigation and competitiveness.

### **EU funds in the area of cohesion need to be flexible to specific regional needs**

Cohesion policy funds need to be able to meet specific regional needs, and the NSPA regions perfectly illustrate this. Smart specialisation in the NSPA regions has enabled the sustainable use and processing of raw materials and natural resources, while also using such traditional “obstacles” as climate, remote and vast geography and distances in innovative ways, fostering emerging clusters in sectors such as bioeconomy, ICT and tourism. Through this the NSPA is bringing added value to the EU as a whole, and helps to improve European economic development, growth, jobs and competitiveness.

Efforts to increase competitiveness and attractiveness for investments and sustainable long-term growth in the NSPA have to target, for example, the distances within the regions and to markets. Development of the region is dependent on good infrastructure where roads, air traffic, railway, maritime transport and ICT are equally important, as is shown in the Summary report of the Arctic Stakeholder Forum consultation<sup>2</sup>, published by the European Commission in 2017. Due to the diversity of European regions, the NSPA network supports larger flexibility in use of cohesion policy funds and an enhanced role of regions in defining priorities through application of the subsidiarity principle.

### **Cohesion policy funds enable cross-border cooperation**

Cross-border cooperation is one of the best deliverables of the EU cohesion policy and is providing essential exchange and opportunities for growth for the NSPA regions in Sweden, Finland and Norway. It is also a crucial tool in strengthening international ties and deepening international cooperation in the Arctic region. These achievements represent a true European added value. ERDF regional allocations are crucial for developing local projects which can be scaled up into Interreg and CBC projects or projects supported by other EU funds such as Horizon 2020, especially in economically successful but sparsely populated regions such as the NSPA. The NSPA supports a continued focus on cross-border cooperation within the cohesion policy funds after the year 2020.

### **Cohesion policy is for all of the EU**

The NSPA network acknowledges the pressure on the EU budget, but insists that the gains of the cohesion policy are larger than the costs. Through smart specialisation, economically and socially successful regions such as the NSPA regions are able to make investments that meet specific regional needs and develops regional opportunities, and are able to build cross-border collaborations. Less developed regions are able to catch up and compete on the European and global markets. What’s more, the European structural and investment funds activate regions and citizens to engage in common European goals, builds connections across borders and enables synergies between regional, national and European goals and strategies. Therefore the NSPA network considers that all regions of the EU should be afforded the possibility to contribute to the shared EU goals of smart, sustainable and inclusive growth through use of European structural and investment funds also in the future.

### **NSPA political steering group:**

East and North Finland  
Satu Vehreävesa, *chair*,  
Pohjois-Savo

North and Mid Sweden  
Erik Bergkvist, Region Västerbotten  
Anders Josefsson, County Council of Norrbotten

North Norway  
Willy Ørnebakk, Troms County

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<sup>2</sup> <https://publications.europa.eu/en/publication-detail/-/publication/6a1be3f7-f1ca-11e7-9749-01aa75ed71a1/language-en/format-PDF/source-60752173>