

Position on the legislative package of Cohesion Policy 2014—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, Oulu, Central Ostrobothnia, Kainuu, North Karelia, Pohjois-Savo and Etelä-Savo) and North Norway (Finnmark, Troms and Nordland) with a special focus on the 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. In January 2010 the NSPA-regions met the commission to present their suggestions on the future cohesion policy in Brussels. Subsequently the NSPA met with DG-REGIO in December 2011 to present their comments on the proposals for the multi annual financial framework and fund regulations, and how the EU can develop the great potential of the northernmost part of Europe.

NSPA is a specific area of Europe. Sparse population, harsh climate and remoteness to the bigger markets as well as large distances within the area create competitive disadvantages that have to be addressed at the European level. At the same time is it an area giving added value for Europe through its natural resources such as minerals, forests and energy supplies, needed for European industries and economic growth. The NSPA regions have also used EU cohesion policy as investment tool for addressing the challenges and to turn obstacles to possibilities and growing clusters of smart specialization in line with EU 2020. For the coming program period of EU cohesion policy, together with the coming Horizon 2020 and rural development, it is of vital interest for the NSPA to be able to continue with the ongoing processes, to unleash the regional innovative potential of the NSPA.

On the multi annual financial framework, the NSPA communicated their viewpoints to the commission with the common position paper *Contributions to the upcoming budget for Europe 2020*.

This document outlines the common viewpoint of the NSPA regions on some of the aspects of the proposed legislative package that contains the MFF and the regulations of the funds.

On the proposed legislative package on the Cohesion policy, the NSPA would like to deliver the following comments:

Europe 2020 objectives

- The NSPA would like to express its appreciation for an overall good and well-balanced proposal from the Commission. The NSPA consider it especially positive, that the budget is focused on the ambition to fulfill Europe 2020 and that a cohesion policy for all regions in the EU is given a strong role to achieve the objectives of Europe 2020. **(CPR Art. 2:1, COM(2011)0615)**
- In order to achieve the objectives of Europe 2020, the NSPA is positive to more focus on results. We would however, also like to put forward the need of good guidelines based on the targets and objectives in the Common Strategic Framework. Focus should be the long term regional development rather than quantitative short sighted fulfillment of objectives at the project level. In this matter, it is important with sufficient resources for evaluation and follow-up research on both project level and program level. **(CPR Art. 19, 47-50, COM(2011)0615; CSF Part II, SWD(2012)0061)**

Extra allocation to the NSPA

- The NSPA welcomes that the need for special treatment stated in article 6 of the accession treaty for Sweden, Finland and Austria is acknowledged in the proposal, giving an extra allocation of 926 million Euros for Outermost and Sparsely Populated Areas constituting 0,29 % of the overall budget for the Resources for Investments for growth and jobs objective. However, the total allocation for NSPA is in fact a decrease compared to the period 2007-2013 and is hence incompatible with the ambitions of Europe 2020 and of the single market. The NSPA stress the need for future financial funds to be allocated to the sparsely populated areas at least in the same range as in the current EU budget period. Therefore, the allocation should be increased to at least 0,5 % compared to proposed 0,29%. **(CPR Art. 84:1(e), COM(2011)0615)**
- The regulations should be more flexible for the different regional needs, especially with regard to regions with specific features. This should be especially true for the extra allocation which must be possible to target at the specific NSPA obstacles, and cannot be earmarked in the same way as the allocation to other more developed regions. This in line with the general regulation, stating that regional needs must be taken into account **(CPR Art. 16, COM(2011)0615)**. This is most evident regarding the NSPA bottlenecks and the connectivity within the region and to the surrounding world which have a large impact on the areas possibility of growth in line with Europe 2020. This should be regulated according to the following amendment:
 - ▶ The specific additional allocation for Sparsely Populated Areas shall be used to address the additional costs and obstacles linked to handicaps due to remoteness and few inhabitants in geographically large areas with harsh climate. **(ERDF Art. 11:new n:o 5, COM(2011)0614)**

Thematic concentration

- The NSPA is pleased that the selected thematic objectives correspond to a high degree to NSPA areas of development. However, for the NSPA, the question of accessibility and connectivity is crucial. Infrastructural investments in transport and ICT are vital for addressing the EU's prioritized thematic investments such as SME competitiveness, and for creating innovation in the far North of Europe. This aspect should be more clearly pointed out in the regulations according to the following amendments to the regulations:
 - ▶ ...and strengthening the innovative capacity of sparsely populated remote areas through better connectivity. **(ERDF Art. 5:1(b), COM(2011)0614)**
 - ▶ ...and investments for better connectivity to international markets for remote areas. **(ERDF Art. 5:3(b), COM(2011)0614)**
 - ▶ ...and low carbon transportation alternatives for sparsely populated remote areas. **(ERDF Art. 5:4(e), COM(2011)0614)**
- The NSPA welcomes in general the Commission's proposed TEN-T network and especially the railroad connections, as a part of the MFF Connecting Europe Facility, but we are concerned that it does not cover the entire NSPA-area. It will be of immense importance for connecting the NSPA to the international markets. The CEF and TEN-T do not cover the bottlenecks, missing links and connections for innovation and entrepreneurial growth within the NSPA. Regarding ICT, the CEF must also give possibilities for high speed broadband investments needed. This must be possible to invest in also from the structural funds. Improvements of the transport infrastructure in the NSPA is of vital interest for assuring the possibilities of the regional businesses and making workforce commuting possible, a key factor for regional economic growth in the area. It is therefore important with full flexibility towards all the thematic objectives also for developed regions regarding the funding that is not earmarked. **(ERDF Art 4:a(i), COM(2011)0614).**

Program synergies

- The NSPA welcomes the ambitions for synergies in using different funds in the same program, but would like to stress the importance for the Commission to towards the national level assure regional influence, all the way from making the partnership contracts and programming to the implementation of the programs with common administrative regional bodies to create such synergies on the local and regional level. This is especially important with regard to the ERDF and ESF as common strategic tools for regional development and the possibilities of local lead development and integrated approaches. We welcome the CSF staff working paper in this respect, even though more clarification is still needed to fully be able to make use of these possibilities at the regional level. **(CPR Art. 5:1, COM(2011)0615; CSF Part I (4., 6.), SWD(2012)0061)**
- The NSPA also welcomes an overall greater strategic coherence between the CSF funds. It is also positive with a more regional development approach also for the ESF together with

ERDF and other CSF funds. However, the allocation between the ESF and the ERDF in member states should be more flexible in order to take account differences in development needs based on the situation in each region, making the level to minimum 40% of ESF instead of 52% for more developed regions. **(CPR Art. 84:3, COM(2011)0615)**

Territorial cooperation

- The NSPA are pleased about the increased funding for territorial cooperation together 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. The NSPA will address the possibilities for shaping all programs covering the NSPA. The NSPA would furthermore also welcome the possibility to use more of the ordinary structural funds outside each program area and across borders, to better interconnect common challenges with common work towards common goals on sub-macro-regional level rather than only within each program area. This implies both the ERDF (proposed to be able to use maximum 10% outside each program area) and the ESF (not allowed at all in the proposal). **(CPR Art. 60:2, COM(2011)0615)**
- The macro-regional dimension is in general not that visible in the proposal, however to our satisfaction, more put forward in the CSF staff working document. Clarification is needed of the role of EU-programs in relation to macro-regional strategies, in particular the territorial cooperation programs. As all countries and the regions around the Baltic Sea need to put the EUSBSR into the partnership contracts, the NSPA would like to look at the possibility to be an area with more interlinked programs within the Baltic Sea macro-region. The NSPA stress that the transnational programs must respond sufficiently to the development needs of the whole of the program region, especially emphasizing the northern and eastern part of the Baltic Sea. The NSPA also support the CSF highlighting the need of creating European transport corridors, green infrastructure and ICT in the macro-region. **(CPR Art. 14:a(v), COM(2011)0615; CSF Part II (Annex II), SWD(2012)0061)**
- In this context the NSPA also want to put forward the cooperation with northwestern Russia is an important issue for the NSPA. We also support strengthening the Northern Dimension of the EU as a growing regional cooperation in the northern part of EU and its neighboring regions such as the Barents Euro Arctic region and the Leningrad region and St Petersburg. 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. **(ERDF-TC Art. 3:4, COM(2011)0611)**
- Norway takes active part in the European territorial cooperation. The legislative proposal for support from ERDF to European territorial cooperation objective, excludes Norway from being lead partner in such cooperation in the future. The NSPA proposes an amendment so that also EEA countries can be lead partners, to ensure Norwegian commitment to the regional cooperation also in the period 2014 - 2020. **(ERDF-TC Art. 12:4, COM(2011)0611)**

Urban dimension

- The NSPA acknowledges the importance of the urban dimension, as cities are motors for growth. This is also true for smaller cities in the northern peripheral areas being motors for geographically large regions. The 5% for urban development should therefore not only be available for the biggest cities, it must also be able to be used for urban development in NSPA cities, otherwise, large parts of the EU will be excluded from the possibility to use the urban development instrument for regional development. **(ERDF Art. 7:2, COM(2011)0614)**

Regional state aid

- Regional state aid, finally, is not a primary part of cohesion policy, but does interconnect with cohesion policy and is currently up for consultation in the EU. The NSPA believe that it is of importance to have the possibility to grant regional aid in remote and very sparsely populated areas due to geographical handicaps. The NSPA emphasize that investment aid must still be possible to give to large enterprises, which in sparsely populated areas are important engines for growth. Operating aid is also a tool for creating the right environment for growth in these areas, and will by so together with a cohesion policy for all of Europe contribute to prevent depopulation. **(RAG consultation, DG Competition, unit H1)**

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