

## **First reaction of the Northern Sparsely Populated Areas network to the European Commission proposal for a Multiannual Financial Framework 2021-2027**

*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 South Savo) and North Norway (Finnmark, Troms and Nordland).*

The NSPA network;

- Welcomes the continuation of cohesion policy support to all regions of the EU and the special allocation to sparsely populated areas (SPAs);
- Highlights that the SPA allocation level for the NSPA must be on the same level per capita as in 2007—2013 in order to be a credible contribution to sustainable development in the EU's northernmost regions affected by permanent specific challenges;
- Stresses that the SPA allocation should only target very sparsely populated NUTS2 regions (<8 inhabitants/km<sup>2</sup>);
- Emphasises the role of sparse population as a key allocation criterion for the ESIF distribution key for more developed regions to ensure tackling the challenges of sparse population in general at EU level;
- Notes that the regional dimension will be key in implementing the economic, social and territorial cohesion policies and Horizon Europe;
- Welcomes the focus on simplification, flexibility and achieving synergies between different policy areas;
- Welcomes the continued focus on connecting all parts of Europe through the Connecting Europe Facility.

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

The NSPA network is pleased that the European Commission has supported the idea that all regions should be part of the European project through the European Regional Development Fund (ERDF) and that the Commission proposes to continue the specific support to the Northern Sparsely Populated areas.

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. However, the NSPA regions also share permanent geographic and demographic characteristics with a cold climate, long distances to the European markets and very much still raw material-dependent economies. As pinpointed by the 2017 territorial review made by OECD on the NSPA regions<sup>1</sup>, these characteristics and together with a sparse population calls for additional means to stimulate development.

To allow Europe to benefit from the opportunities of the NSPA regions to the greatest extent possible and to counteract the permanent handicaps of the regions, ESIF funding must reach a level commensurate to the challenges of the NSPA. It is also a central part of the integrated EU policy for the Arctic launched by the EU

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

commission 2016 and adopted by the Council and the European Parliament, followed by the Arctic Stakeholder Forum process engaging all the NSPA regions.

To this end the NSPA would like to highlight the need to sustain the NSPA allocation at a credible level. The value of the allocation has, in real terms, significantly decreased since MFF 2007-2013. This downward trend must be reversed (not allowing the allocation to drop below 45 EUR/inhabitant/year). In line with the accession treaty of Finland and Sweden to the EU and support schemes established, the NSPA would also like to emphasise that the SPA allocation and general state aid regulations exceptions should only target regions with a very low population density (<8 inhabitants/km<sup>2</sup>).

The NSPA network also wants to point out that the issues of sparse population are also generally valid for many parts of Europe, even if not of the same magnitude as in the NSPA regions, which means it is also important to keep sparse population as a criteria in the general ERDF distribution key.

### **The regional dimension and synergies will be key in implementing ERDF, ESF+ and Horizon Europe**

In communities with sparse populations, the interdependence of economic development, social attractiveness, skills and jobs is even more intense than in the rest of Europe. Smart specialisation in such communities requires the use of both initiatives aimed at improving skills and employability as well as investments and innovation in the private sector. This is why it is important that the regional dimension is stressed and that regional authorities are involved to achieve the best result possible both with ERDF and the European Social Fund+.

In line with this, the link between ESF+, ERDF and the European Semester process can only be credible, if the national recommendations are enriched with a genuinely regional perspective, especially for remote regions with other economical dynamics than the more urban and central areas, not captured by national averages and policies.

In the NSPA, research institutions have been able to participate in FP7 and Horizon 2020 by building up collaboration capacity through ERDF-funded projects and are globally recognised hubs of research. The excellence built up by these research institutions would be most effectively used for the benefit of the EU if both Horizon Europe and ERDF promote the local implementation of results from Horizon Europe activities. The NSPA network would also like to highlight the importance of Interreg and ENI CBC programmes in building capacity for collaboration as well as building critical mass across borders in the sparsely populated north.

The focus on flexibility and synergies in the proposal by the European Commission is much welcomed by the NSPA network. Harmonized rules and lighter management and control systems for programmes with good track records will be very important for the NSPA regions who have small resources but high capacity to deliver results.

### **Connecting Europe Facility as a mean to unlock the potential of the European Arctic**

The OECD territorial review of the NSPA regions published in 2017 highlighted the crucial importance of transport and digital infrastructure to the economic and social development of the NSPA regions. With this in mind the NSPA network welcomes the proposal of a strong Connecting Europe Facility (CEF). The NSPA, representing a gateway to the Arctic, presents unique possibilities for developing new transport corridors, both north-south and east-west. The NSPA looks forward to a continued dialogue with the EU institutions on further developing the arctic dimension of the TEN-T Core Network.

#### **NSPA Steering Committee:**

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Tytti Tuppurainen, Oulu Region  
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