

The NSPA views on the EU cohesion policy legislative package

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).

NSPA welcomes in general the EU commission proposal

The network of Northern Sparsely Populated Areas, NSPA, welcomes the EU commission proposal on the EU long-term budget, MFF, adopted by the EU commission May 2 and the following legislation proposals for the EU's regional policy; the cohesion policy package. It delivers a balanced approach between many different demands, including the need for EU to invest for sustainable growth in all regions while taking in to account demands to keep a moderate budget.

There are, however, of course many unknowns that will need to be determined and elements of the regulations to be elaborated. This is especially true for the northernmost regions of Europe with their specific challenges and potentials, being remote areas with few peoples on vast areas and a harsh climate in an Arctic geopolitical increasingly important region, with essential resources for Europe on one hand and economically and socially vulnerable societies on the other.

The OECD territorial review of the Northern Sparsely Populated Areas from 2016 and the EU Arctic stakeholder report from 2018, deliver many valid analyses, messages and also highlights the need for adapted strategies and investment support from the EU. The accession treaties of Sweden and Finland to the EU acknowledged the special conditions of the extremely sparsely populated areas and a specific allocation in the framework of EU cohesion policy to the regions in the NSPA. The NSPA regions can show a strong track record of development using EU funds for smart sustainable growth.

The NSPA network puts forward the following points

1. NSPA welcomes the continued specific allocation, which however needs to increase
The NSPA is increasingly using EU funds while working strategically together to achieve common critical mass for change. The proposal of a continued specific allocation for the NSPA regions, in line with the EU Treaties, is therefore welcomed as a main tool for regional development efforts. The NSPA however regrets the de facto decrease of the allocation. A level of support of €45 per capita would better correspond to the allocation in 2007-2013 indexed to inflation.
2. Sparsity to be a common distribution-criteria for EU support to all regions
It is also important to safeguard that low population density is included in the general distribution criteria of the cohesion policy. In the Commission's proposal, this is the case only for more developed regions, ignoring the needs of less developed and transition regions with the same low population density. Population density criteria should be set including all regions fulfilling the EU definition of sparse population.
3. EU rural development to be a continued part of EU cohesion policy for regional development
It is regrettable that the European Agricultural Fund for Rural Development (EAFRD) is proposed to not be a part of the Common Provisions Regulations. The EAFRD should not be for only rural areas with traditional agricultural businesses but also a continued development tool for remote less densely populated areas with a harsh climate to truly link local rural, regional and urban development for more effective sustainable growth efforts.

4. The urban agenda is also to be directed towards less urban areas that have cities
There is a need to clarify that all regions have cities and the fact that especially in vast sparsely populated regions, a small city can be a more crucial driver for regional growth than elsewhere. This would ensure the possibilities for cities in all regions to be granted access to the European urban resources, platforms and cooperation opportunities.
5. ERDF and ESF+ demand a common provision to build capacity and competence in NSPA
The connection between the European Regional Fund (ERDF) and the European Social Fund (ESF+) needs to be strengthened. The growth and jobs actions on the regional and local levels can be much more effective if ERDF and ESF+ is coordinated through regional smart specialisation strategies. This is especially true for the extra allocation to the NSPA, as the allocation in the proposal consists of support channelled through both funds. The regulations should specify that the extra allocation is an extra support for the regions to tackle the lack and mismatch of skills and competence and a challenging demography, by for example better integration of immigrants.
6. The NSPA allocation needs to be flexible to address the true challenges such as connectivity
The cohesion allocation for the sparsely populated areas should truly address the needs of those areas. As is shown by OECD and the Arctic stakeholder report, connectivity is one of the crucial investments needs for these regions. The in ERDF thematic concentration on innovation and climate actions, otherwise relevant, should therefore not be applied for the specific allocation, as connectivity is a crucial tool also for innovation and climate in NSPA. Beside infrastructure and broadband, access to airports is furthermore essential for the connectivity for small scattered communities and businesses. NSPA should, as is proposed for the Outermost regions, be able to more flexibly use ERDF for investments also in this field.
7. Cross-border cooperation between Sweden, Finland and Norway in the NSPA to be increased
Cross-border cooperation is especially important for remote border-regions with small populations that by history are tied to each other. Cross-border cooperation is a NSPA success story. While NSPA welcome the proposals to facilitate the use of cohesion funds for such cooperation, the proposed new larger geographies for the territorial cooperation goal is risking the very local actions over land and sea borders that should be kept as is today and overall increased together with the continued cross-border tools involving Norway. It is also important to be able to continue the cooperation over all borders, including Russia.
8. Focus on regional smart specialisation strategies and strategic cooperation also for NSPA
The OECD study on the NSPA put forward that smart specialisation strategies are especially relevant for remote sparsely populated areas and the focus on this for the future cohesion policy is welcomed, including proposed tools for strategic cooperation between regions on common smart specialisation priorities. It is of importance that such tools are also usable for strategic cooperation to build capacity in the NSPA, being less densely populated areas with many common challenges, enabling the NSPA regions to better participate in pan-European cooperation endeavours.
9. The European Semester needs to really take in the different regional NSPA specificities
The proposed link between the regional policy and the European Semester can increase the focus on the regions. To play this role, there needs to be regionally viable recommendations where the programmes on regional and local level can deliver support. There is also a need to establish sound result indicators that captures the unique long-term needs of remote sparsely populated areas.