



Europaforum Northern Sweden's initial comments on cohesion policy beyond 2020.

Europaforum Northern Sweden (EFNS) is a network of political representatives at the local and regional levels from Norrbotten, Västerbotten, Västernorrland and Jämtland. EFNS is a meeting place and knowledge arena where EU policies are analysed and discussed with regard to their impact on Northern Sweden. EFNS monitors European issues to influence EU legislation, EU strategies and action programmes, as well as the EU budget. The purpose of EFNS is to safeguard the interests of Northern Sweden in the European arena and with regard to the national level on issues with a clear European perspective.

At Europaforum's expanded Rapporteur meeting in Brussels on 8-9 October 2015, there was a presentation of current issues concerning preparatory work on cohesion policy beyond 2020. Europaforum Northern Sweden wishes to present its views and comments regarding this.

Europaforum Northern Sweden warmly welcomes that at an early date and in dialogue with Member States, regions and other involved players, the Commission is initiating the concrete design of cohesion policy beyond 2020.

- **Cohesion policy needs to support development and investments in all Member States and regions in the EU.**

Cohesion policy is aimed at reducing the structural differences in development between EU regions, supporting the Internal Market and the global competitiveness of the EU.

It is the perception of EFNS that regional differences and challenges are increasing in Europe at the same time as we are increasingly dependent on each other for creating development. There is therefore a need for an active cohesion policy and joint work to overcome divides and create conditions for growth and competitiveness in the whole of Europe, also in the future.

Considering today's challenges in Europe with the refugee crisis, the currency crisis, low growth, EU scepticism, low voter turnout, growing xenophobia and anxiety over relations with Russia, EFNS feels that *there is every reason for the Commission to seek to increase cooperation in Europe instead of reducing it.* In this, cohesion policy has a decisive role to play.

To EFNS, cohesion policy is about cohesion in the whole of Europe; and at the regional level, this links up with the common European project. The EU needs active commitment, clear leadership and dedication from Member States and regions in being united and standing up for common goals and visions.



EFNS is positive towards the agreed common goals expressed in the Europe 2020 strategy on smart and sustainable growth for everyone, and the political guidelines of the present Commission regarding employment, growth, justice and democratic change. The development is towards shared responsibility between the EU, the Member States and the local and regional levels. *The common goals and resources inspire everyone to move in the right direction.*

Cohesion policy and its financial resources, the EU funds and programmes, today support growth processes in all the EU regions and strengthen the ability of the regions to contribute to common development with the joint strategies which the EU jointly points to for local sustainable communities with global competitiveness.

Cohesion policy is therefore also part of the EU growth strategies. A future weakening of cohesion policy by supporting only investments in the least developed countries would jeopardise the will and ambition of other regions to support development to the benefit of the EU as a whole. One evident risk is that differences and competition between Member States and regions will increase, as a result of which the EU would be torn asunder from within.

It is the view of EFNS that the EU in general needs all regions to raise the bar.

Cohesion policy creates the ability and capacity of all Member States and regions to do just this. By continuing capacity-building development work in all Member States and regions, more investments are created in Europe, and better conditions for exploiting instruments such as EFSI (The European Fund for Strategic Investments) and EU research programmes, to follow smart strategies and relevant investment priorities.

For Northern Sweden there are specific challenges and potentials that need external support in order to be realised. Cohesion policy with the focus on innovation must to some extent take other starting points than more urban areas, at the same time as there are also towns in Northern Sweden which can serve as driving forces for the greater region. Europaforum Northern Sweden therefore prescribes a European innovation policy based on smart regional innovation systems that form contiguous ecosystems between town and country, rather than setting the urban against the rural; a policy for smart regions that interlinks the different regional players, and which creates development and can thereby cross-fertilise one another for innovation within the regions and between different regions and countries.

For Northern Sweden it is also a question of achieving the critical mass for innovation that is not always present in each sector of the community, or even the region as a whole. EU cohesion policy is a cornerstone in that work. Special investments in research, education, accessibility, broadband and ICT are examples of investments that have contributed to developing the regions' interconnectivity, connectivity with the rest of the world and thereby opportunities for development and innovation.



Northern Sweden is small as regards population, but large geographically, which is reflected in the administrative capacity. Cohesion policy gives opportunities to strengthen capacity and critical mass for a more strategic regional development work.

For the regions in Northern Sweden, located on the periphery as regards geography, but counted among the most developed regions in Europe, the broad cohesion policy and the financial resources have changed attitudes in the region towards the EU, to today's view of the EU as something for all of us and not just the relocation of decision-making power further away from our geography and our conditions. Through cohesion policy and financial resources, the EU has strengthened its legitimacy at the local and regional levels. In addition, the regions in Northern Sweden to a greater extent than previously see how we can and want to contribute to strengthening the common economy in Europe, to which we have a significant contribution to make.

The OECD study, which Europaforum Northern Sweden together with other regions in the NSPA network has commissioned, is an expression of the region's ambition through external eyes and a solid base to develop the foundations of the region's future strategy, and through regional cooperation to contribute to achieving the critical mass for the collective change process. The study is a direct result of the horizon scanning and connection to EU strategies that cohesion policy has meant and the need for further steps towards improved focus for clearer effects in the support towards which those funds contribute.

- **The need for support and flexibility is greater in certain geographical regions**

Cohesion policy requires territorial adaptation in order for the regions to be able to contribute to the EU's overarching priorities. There is therefore a need for a cohesion policy that also within the framework of common objectives for the entire EU, is based on the conditions and needs of each territory to reach the goals in harmony with the regional and national investment priorities that have been set to create growth.

In certain geographical areas, the need for support and flexibility is greater than in others. To steer regions towards particular assistance and support forms based on allocation keys such as GNP is problematic and an inefficacious instrument. Regions at a similar economic level, measured in GNP, do not necessarily have the same conditions or needs to achieve the set goals.

To be rich in raw materials and natural resources, like large areas of Northern Sweden, is not the same as being a rich and in the long term viable community. In the case of Northern Sweden there are also the specific challenges associated with an Arctic context such as politics, geography and climate as well as its being home to the only recognised indigenous population in Europe. It brings added challenges while providing a resource for the whole of Europe, as a bridge to the Arctic region. To some extent it makes special demands for support from the EU, among other things through



cohesion policy to balance it with sustainable social development and to be able to translate challenges into opportunities.

Even though Northern Sweden is counted among the most developed regions in Europe, there are decisive challenges to growth that cannot be seen in GNP statistics, or which cannot be found in other regions. The region is extremely sparsely populated, with major interregional and external distances, which means higher costs, capacity shortcomings and market failure, etc. In that context, the European structural and investment funds have been necessary development instruments which have created conditions for growth in Northern Sweden.

EU funds and programmes have contributed to breaking structures and opening up new ideas, and strengthened Northern Sweden's strategic development work also with regard to method, planning and follow-up. Growth-creating investments have been implemented in among other things business development, innovation, broadband and transport infrastructure, integration and employment efforts; efforts that otherwise would not have taken place in our region and where we now are, or have the possibility to become, world leaders.

Inadequate territorial adaptation of cohesion policy risks European regions prioritising efforts that are not in demand, at the same time as the regions are excluded from efforts in other decisive areas. Thanks to the sparseness criterion (Sparsely Populated Areas), Northern Sweden was able to receive the necessary extra resources and a valuable degree of freedom as regards both thematic focus and earmarking of funds in the programming period 2014-2020. We welcome the possibility to retain this beyond 2020.

- ***Forms of support need to be adapted to regional conditions.***

The Commission's political prioritisation to increase the use of financial loan instruments in combination with the European structure and investment funds is a relatively new addition to the implementation of cohesion policy. It is central to EFNS that the support is made effective in such a way that it has a major impact on the economy in a certain region. It is therefore important that the design and mix of different types of support should be formed from the geography within which the funds are to make a difference.

The EU must strive to economise with our joint resources and enable more value for money. Certain geographies and thematic focus have the potential to support investments in other ways than through funds, while other geographies have it to a lesser extent. Successful implementation demands regional considerations, since the conditions are so different with regard to, for example, a much-demanded thematic focus, current regional resources, institutional capacity and market forces. To EFNS it is important that the Commission should see that the challenges Northern Sweden faces, such as sparseness and a lack of market forces and venture capital, justify a higher proportion of support in the form of European structure and investment funds.



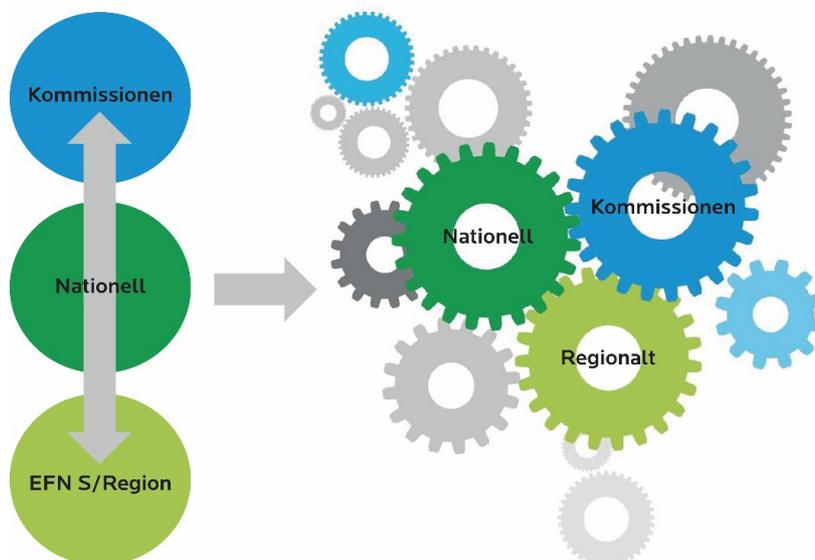
It is also important to discuss in more detail which types of investment can be supported by financial loan instruments, and which need to be supported through funds. It is quite evident that condition-creating actions need a greater proportion of funds, and where the conditions for repayment are better (market forces, capacity, etc.), the assistance can to a greater degree be steered towards financial loan instruments. It is also doubtful whether efforts such as those for integration and inclusion can be financed through loans.

- **Strengthen regional influence**

The comments in the above points highlight the need for the Commission to strengthen dialogue with the regional levels in planning cohesion policy and its funds and programmes beyond 2020.

EU initiatives are strongly dependent on the regional level for successful implementation. It is the regional and local levels that turn words into action and which give popular legitimacy to the entire EU project. It is also the regions that need to face the consequences of failure at national and EU level in handling crises and challenges. The regional representatives are responsible for location-based know-how, and in dialogue and concerted action, the right instruments and interventions – the policy mix – is formulated to give the best effect.

One recommendation for the next period is therefore that multi-level governance according to a traditional view (top-down/bottom-up) should be developed into a “cog wheel” through the entire policy process – from analysis, strategy and planning to implementation and follow-up. The Commission, the Member State, and the regions act interactively and location-supportively for adapting instruments (thematic prioritising) to the territorial needs and challenges (characteristics such as sparseness).





Adopted at Europaforum Northern Sweden XXII, Piteå, 26 February

2016 Erik Bergkvist (S) Chair Europaforum Northern Sweden

Ewa-May Karlsson (C) Region Västerbotten

Harriet Classon (S) Region Västerbotten

Robert Uitto (S) Region Jämtland Härjedalen

Gunnar Hjelm (M) Region Jämtland Härjedalen

Thomas Andersson (C) Region Jämtland Härjedalen

Ellinor Söderlund (S) Norrbotten Association of Local Authorities

Anders Josefsson (M) Norrbotten Association of Local Authorities

Maria Stenberg (S) Norrbotten County Council

Hans Stenberg (S) Västernorrland County Council

Peder Björk (S) Västernorrland Association of Local Authorities

Anders Gäfvert (M) Västernorrland Association of Local Authorities

