

NSPA position on the EU Multi-Annual Financial Framework negotiations

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, Northern Ostrobothnia, Central Ostrobothnia, Kainuu, North Karelia, Pohjois-Savo and Etelä-Savo) and North Norway (Finnmark, Troms and Nordland counties). The NSPA network has a special focus on the European Cohesion Policy. The land area of the NSPA within the EU represents about 10% of the total EU land area, with less than 0,5% of the total EU population

With regard to the current negotiations on the Multiannual Financial Framework (MFF), the NSPA would like to state the following:

A cohesion policy for the Northern Sparsely Populated Areas and the whole of EU

- If the European Union is to succeed in its Europe 2020 strategy, it is of crucial interest for all regions in the EU to be able to receive support from the EU cohesion funds. For the northern part of Europe, this also interlinked with the implementation of the macro-regional Baltic Sea Region Strategy. To fulfil the objectives of smart, sustainable and inclusive growth, the EU cohesion funds are necessary tools for investments supporting smart regional specialization for future growth and should therefore be kept on a level granting support for all regions in the EU.
- Especially the NSPA, being a very specific area of Europe, requires extra attention due to sparse population, harsh climate and remoteness from the bigger markets as well as long distances within the area. These characteristics create competitive disadvantages that need to be addressed at a European level. At the same time, these areas provide added value for the whole of Europe through natural resources such as minerals, forests and energy supplies which are necessary for European industries and economic growth.
- The NSPA regions have used EU cohesion policy as an investment tool to address the challenges and turn obstacles into possibilities such as growing clusters of smart specialization in line with the EU 2020 strategy. For the upcoming programming period of the EU cohesion policy, the Horizon 2020 and rural development, it is of vital interest for the NSPA to be able to continue with the on-going processes. Continued support from the EU cohesion funds and an extra granted allocation are needed to unleash the regional innovation potential of the NSPA.

Extra allocation for a competitive Northern Sparsely Populated Areas

- The extra allocation for the NSPA should be maintained at the current level (index verified ~39 euros/inhabitant/year). The cuts for the areas with permanent handicaps of the more developed regions should not be more severe than the proposed average cuts in the overall MFF proposal. The cuts in the more developed regions will already affect the NSPA region. Further cuts should not be made.

- The extra allocation should also reflect the needs of the regions in the NSPA with permanent handicaps, such as long distances within the region as well as to the bigger markets resulting in competitive disadvantages. Hence, the allocation also needs to enable financing of infrastructure and ICT investments.
- The NSPA would like to stress that with the extra allocation the regions in the NSPA would better adjust to the challenges arising from the permanent handicaps. The extra allocation would enable the NSPA to secure sustainable societal development and increase the living conditions. The track record of the NSPA program implementation suggests that the extra allocation would contribute to the ambition of better and more effective spending of the EU structural funds and to creating long-term sustainable living conditions also for the northernmost parts of Europe, not only being dependent on raw material industry and its dependency on global market movements.
- The NSPA also highlight that the extra allocation would increase the potential of the NSPA to give added value for the whole of Europe. The potential of raw materials, global logistical developments and good practices from the NSPA to European cooperation should be utilized in the most effective way, legitimizing the extra allocation to the NSPA.

European Territorial Cooperation (ETC) and the unique cooperation in the NSPA

- The NSPA emphasize the importance of the ETC in cross-border-cooperation (CBC) and macro-regional cooperation. It is of vital interest for regions with sparse population to be able to continue to find ways for a closer cooperation, also involving our neighbours making North Norway, Northern Sweden and East and North Finland a part of a common area working with its common obstacles, cooperating with other regions around all of Europe. The ETC financing should be kept on an appropriate level, enabling more effective CBC also by keeping the current definition of the maritime borders, for a more effective and even stronger CBC cooperation in Europe.
- The unique situation in the North also brings the Russian regions closer to the regional cooperation in the Europe. The NSPA would like to highlight the vast opportunities which rise from the metropolitan area of St. Petersburg and the rest of Russia. This special condition should be reflected in the ETC allocation.
- The NSPA welcome in the Commission document for the negotiations on the partnership agreements for Sweden and for Finland the statement concerning the Baltic Sea Region Strategy which acknowledges cooperation and investments for connectivity within the sparsely populated Barents region as one of the most important measures to create regional growth in the Northern parts of Europe. In general, the partnership agreements and the Operational Programmes should enable the regions in the NSPA to face the challenges of the permanent handicaps.

Regional aid as part of a sustainable policy for the Northern Sparsely Populated Areas

- Regional aid is not a part of the cohesion policy or the coming budget for the EU, but is very closely interconnected for areas such as the NSPA and needs to be taken into account as new regulations concerning state and regional aid are on the way in EU. NSPA are of the opinion that the present rules on regional aid strike a good balance between the need for aid to support regional development, and the impact on competition. Thus, the main features of the rules should be maintained.
- A well-targeted policy from both the EU and state level could prevent depopulation and hopefully in the long term contribute to growth in both the region and the Europe as such.

In Brussels November 28, 2012, on behalf of the NSPA Regions

Satu Vehreävesa

Chair of the NSPA political representatives

East Finland

North Karelia, Pohjois-Savo

Etelä-Savo

Kari Aalto

North Finland

Lapland, Oulu, Central Ostrobothnia, Kainuu,

Ewa-May Karlsson

North Sweden

Norrbottnen and Västerbotten, Sweden

Åsa Möller

Mid Sweden

Jämtland and Västernorrland, Sweden

Odd Eriksen

North Norway

Finnmark, Troms and Nordland, Norway