

View on possibilities of using EU Regional Development Funds for investments in ICT and infrastructure relating to the on-going national negotiations with the European Union

The added value of Regional funds supporting investments in connectivity in the NSPA

The Northern Sparsely Populated Areas Network, NSPA, generally welcomes the EU regulations for the European Regional Development Fund, ERDF, for the up-coming programming period 2014—2020. The European Commission's views on the use of ERDF are generally balanced and take well into account the needs for support and the important areas for regional development in the NSPA. However, the European Commission has proposed a ban on using ERDF to support investments in ICT and infrastructure for all regions in Sweden and Finland. Consequently, the European Commission's proposal neglects the need for investments which would create better connectivity and would help overcome the challenges created by long distances within the NSPA and towards the world around.

Not least is connectivity of utmost importance for the existing businesses located in the NSPA, in particular the small and medium sized enterprises, but it is also a key question for the startup and success of new businesses in the region. Connectivity plays a key role in competition on local, regional and global markets and effective connectivity creates economic growth. Connectivity is also a key factor in enabling young professionals to stay in the region, accessing the world around, and providing services to elderly people and others in the very remote sparsely populated parts of the region. Even if the NSPA today has a relatively good infrastructure and broadband connections – especially given the cost per capita for investments – and although this has been partly made possible with the support of the ERDF during the on-going and earlier programming periods, there is still a need for further investments to connect the region as a whole. The investments implemented until now have played a critical role in ranking most of NSPA today as innovation leaders in the EU regional score board, yet within the NSPA there are still big differences and investments to decrease the existing connectivity gaps are necessary.

This is also one of the main reasons why the NSPA has been granted within the EU budget an extra allocation: to facilitate investments connecting the region and its citizens as well as its enterprises and businesses, resulting in regional development and growth for all, which would otherwise not be possible.

Sound progress in the European Parliament and the Council negotiations for the new regulations

The NSPA network is therefore very happy with the negotiations between the Council of Ministers and the European Parliament, within and in collaboration with each other, which are now opening possibilities for investments in ICT and infrastructure in areas crucial for growth in the NSPA. The fact that our regions' investment needs in these sectors have been pointed out in a separate paragraph in the regulations, relating to the extra allocation to the Northern Sparsely Populated Regions, are very much appreciated by the regions. A logical implementation of the regulations now clearly states that, in accordance with other general priorities laid out for the ERDF, investments in the priority areas of ICT and infrastructure should be carried out with support from the extra allocation in the NSPA region.

It is of particular importance to highlight the following part of the text as proposed and to be legally adopted setting the framework for the up-coming ERDF, as amended and decided in the European Parliament's Regional Committee, after the completed negotiations with the Ministerial Council:

"in more developed regions: (i) at least 80% of the total ERDF resources at national level shall be allocated to two or more of the thematic objectives set out in points 1, 2, 3 and 4 of Article 9 of Regulation (EU) No [...] /2012 [CPR]"

"The specific additional allocation for the Northern sparsely populated regions shall not be subject to Article 4 and shall be allocated to the thematic objectives set out in points 1, 2, 3, 4 and 7 of article 9 of Regulation (EU) No [...] /2013 [CPR]."

The second respectively seventh objective in the citations above, relates to investments in ICT respectively infrastructure, as set out in the general regulations for the up-coming structural funds.

The coming regulations to be fully implemented in the regional programming

It is now of great importance that the negotiations between respectively Sweden and Finland on one side and the European Commission on the other, concerning the partnership agreement and the coming programming for the ERDF, respects the changed regulations compared to the EU Commission's proposal and by doing so opens the possibility for investments in ICT and infrastructure in our regions.

The Swedish and Finnish governments have shown good will in facilitating the negotiations in the Council and, even if the European Commission stands firm in its general view on the need of thematic concentration, according to the fundamental principles that the ERDF support regional development and growth in all EU regions, the need of connectivity investments in the sparsely populated areas, should be fully understood. The importance for such investments in our northern regions, has been widely reported by the European Commission in its own reports and the basis for the extra allocation towards our areas has been acknowledged by the European Commission in the proposal, the European Parliament in its political positions and has been furthermore systematically considered in the negotiation efforts by Sweden and Finland with the Council and is built on the special need to overcome connectivity obstacles that exist in remote very sparsely populated regions, with a harsh Nordic climate.

We hope for and urge for constructive and productive negotiations and are dedicated for the NSPA continue to act as a results-driven partner for the EU in delivering concentrated efforts and results for the ERDF investments in our regions, creating regional development and added value for the whole European Union.

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