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**European Parliament
European Commission
Committee of the Regions
The Riksdag
Government of Sweden**

Europaforum North Sweden wishes to share its views on the European Commission's proposals to the European Parliament and Council for regulations on common provisions for the European Regional Development Fund (ERDF), the European Social Fund (ESF+), and the fund-specific proposals for regulations for ERDF, ESF+ and special regulations for the goal of European territorial cooperation and a mechanism for solving legal and administrative problems in cross-border contexts.

Europaforum Northern Sweden (EFNS) is a network for politicians at the local and regional levels from the counties Norrbotten, Västerbotten, Jämtland Härjedalen and Västernorrland. EFNS is a meeting place and knowledge arena where EU policies are analysed and discussed regarding how they affect northern Sweden. EFNS monitors European issues in order to influence EU legislation, the EU's strategies and action programmes and the EU's budget. The objective of EFNS is to safeguard the interests of northern Sweden both in the European arena and in relation to the national level in matters with a clear European perspective.

North Sweden welcomes the European Commission's proposals for cohesion policy

EFNS welcomes the European Commission's proposal for a strong Cohesion Policy for Europe, and a continued special allocation to the northern sparsely populated areas. The EU's Cohesion Policy has been a decisive factor in the regional development work in northern Sweden. EFNS has described the long-term effects in a [report on the value added of cohesion policy](#) which shows a strong growth of new business sectors, better ability to innovate, increase commercialisation and internationalisation, and greater institutional capacity and increased understanding of regional development.

The OECD states in its [Territorial Review](#) of the northern sparsely populated regions of Europe that northern Sweden is a strong contributor to growth in Sweden and Europe, and there are opportunities to realize additional potential, if better conditions can be created for innovation, more investment in transport and digital infrastructure, and more cooperation across borders. At the same time, northern Sweden has specific challenges which make the regions vulnerable, like long distances, a sparse and ageing population, small critical mass, and an economy based on natural resources that is sensitive to fluctuations in the economy. According to the OECD, these challenges need to be managed by strategies and support that are more regionally adapted.

The European Commission's [report on investment priorities in the European Arctic](#) states that northern Sweden has extensive need for investment in digital and transport infrastructure, support for development of small and medium sized enterprises in place-dependent sectors like energy, bio-economy, sustainable extraction and processing, and tourism. To realise the potential in the European Arctic the European Commission considers that the local and regional level needs to be more involved in planning, execution and coordination of EU-programmes.

Northern Sweden emphasises the importance of partnership and multi-level governance

EFNS welcomes the principle of partnership and multi-level governance in the programming and implementation of funds and programmes. EFNS considers that the regional and local level should be mentioned in all parts of the proposed regulations for common provisions, and in the fund-specific proposals where the regulation is relevant to partnership and multi-level governance.



Swedish regions have an especially important role, as they are responsible for regional development. EFNS emphasises how important it is that the coming process of programming is founded on increased multi-level governance, knowledge, transparency and joint action. Political representatives from the local and regional level must have real influence and involvement in the development of the partnership agreement.

- EFNS considers that the local and regional level should be clearly indicated in all parts of the regulations that concern partnership and multi-level governance for the upcoming programming

Cohesion policy must stem from local and regional conditions

EFNS proposes a European policy for growth and jobs based on the unique context and conditions of each region. Northern Sweden, being part of the European Arctic, has unique possibilities that can be realised through the concept of smart specialisation. The European Commission's proposal which emphasises smart specialisation is therefore particularly welcome.

The link between urban and rural areas is decisive for growth, according to the OECD. Therefore, growth policy must be better adjusted to the specific conditions and possibilities of sparse regions. For example, the configuration of output and result indicators within ERDF and ESF+ could be reviewed to better capture the potential of the country-side, and thereby also the unique conditions in northern Sweden. As regards continued investment in sustainable urban development, it is important to emphasise the importance of cities also in the sparse northern regions. Cities of different types and size are important hubs for development in all parts of northern Sweden.

- EFNS considers that the territorial dimension should be strengthened in all parts of the Cohesion Policy, in order to better adapt support and strategies to the needs of each region.

Synergies between funds create greater possibilities in northern Sweden

EFNS welcomes the proposal to create possibilities for synergies between different policy areas, especially between Cohesion Policy and Horizon Europe, the Connecting Europe Facility, and the Common Agricultural Policy.

EFNS also welcomes the attempt to create common regulations for several funds, but questions that the European Agricultural Fund for Rural Development (EAFRD) is not included in the common regulations. Coordination between ERDF, ESF+, EAFRD and the Maritime and Fisheries Fund is of great importance for the strategic development work in northern Sweden, where the connection between urban and rural areas is key.

ERDF and ESF+ are two sides of the same coin, which together build capacity for regional development and necessary growth in people and workers to match the knowledge and competence requirements that follow from new ways of working, access to modern technology and connections, and development of old and new sectors. This is particularly relevant for the northern sparsely populated areas with large distances and in some parts a negative demographic trend.

The EAFRD is a particularly important component for regional development in the sparsely populated northern Sweden. The proposed regulations refer to locally led development, but it is not clear how ERDF, ESF+, EAFRD and the Maritime and Fisheries Fund will cooperate for locally led development.



EFNS is very positive to the European Commission's proposal that ERDF and ESF+ can be combined to support programmes (joint programmes). Regional development and labour markets are closely connected in practice, where labour markets often are regional or local, not least in sparsely populated areas. The proposal for joint programmes enable regional programmes based on the regional challenges with access to a more complete tool-kit for regionally adjusted actions. EFNS calls on the Swedish Government to enable programmes in Sweden that are funded by both funds.

- EFNS is positive to the possibility of joint programmes, and calls on the Swedish Government to enable such programmes in Sweden.

ESF+ and earmarking requires a regional programme

The European Commission proposes that nearly 25% of the special allocation for the outermost regions, and the northern sparsely populated areas should go through ESF+. EFNS welcomes the opportunity to work more actively with both funds to meet the specific challenges in northern Sweden. It is important that the earmarked funds for our areas really becomes an extra addition, through a common programme and action plan for our regions on a NUTS2 level, to include both the regular and earmarked Regional Fund funds, and the especially assigned ESF+. The national programming through the partnership agreement with the EU must clearly set out the regional perspective and the ownership of the development funds.

- EFNS welcomes the opportunity to use the special allocation for northern sparsely populated areas for both ERDF and ESF+ combined programmes in Northern Sweden.

Flexibility is necessary for investments in regionally relevant priorities

EFNS welcomes the European Commission's proposal on thematic concentration of Cohesion Policy resources in countries with high GNI per capita (goals 1 and 2). The particular challenges present in the sparsely populated northern areas are of a completely different character to the rest of Europe, which requires even more flexibility. Under the current proposals for thematic concentration for countries with a GNI-level like Sweden's, it is not possible to use the special allocation for the northern sparsely populated areas for investments in the kind of infrastructure necessary for regional development. EFNS considers that, similar to how the special allocation for northern sparsely populated areas is exempt from thematic concentration in Article 7(2) in the proposal for regulations for ESF+, the special allocation for northern sparsely populated areas should be exempt from thematic concentration in ERDF.

EFNS also considers that there must be space for all regions to target programmes to the goals and priorities that are considered most important to their regional conditions and needs, and a thematic concentration that amounts to 85% does not provide that space. EFNS instead proposes 80% as a reasonable level to achieve both flexibility and visible impact.

The needs within transport infrastructure in the northern sparsely populated areas are similar to the outermost regions, in that airports continue to be important for territorial cohesion and to enable the EU to benefit from the special geographic conditions that the regions offer. One example is the winter test activity for the global car industry in northern Sweden, which would not be possible without improvements in regional airport capacity. This has in turn created opportunities for increased tourism. EFNS therefore considers that the northern sparsely populated areas should be included in the exception in Article 6 of the proposed ERDF and Cohesion Fund regulations, which allows investment in airport infrastructure.



EFNS is positive to large companies also being eligible for support if they cooperate with small and medium sized enterprises on research and innovation, as that has been a strong contributor to innovation, job creation and growth in northern Sweden.

- EFNS considers that the special allocation for northern sparsely populated areas should be exempt from thematic concentration.
- EFNS considers that investments in airport infrastructure should be allowed also in the northern sparsely populated areas.

Interreg must be adapted to the special conditions in sparsely populated areas

EFNS considers that Interreg should be prioritised within Cohesion Policy. Cross-border cooperation where regions come together to handle common problems or develop common opportunities are one of the areas of EU cooperation that delivers the greatest European added value. EFNS therefore considers that the budget for European territorial cooperation should be maintained at the same level as in the current budget period.

EFNS welcomes the European Commission's focus on border problems. However, EFNS questions the proposal that the current forms for cross-border cooperation should be restricted to regions that share a land border, which in practice will mean that programmes like Interreg Botnia-Atlantica will cease in their current form.

EFNS questions that the proposed allocation method for European territorial cooperation wholly disregards the special conditions of sparsely populated areas, where distances and low population create an even greater need for cross-border cooperation. This is not captured by the proposals which focus on the number of inhabitants living within 25 km of borders.

EFNS welcomes the opening for European groupings for territorial cooperation to be beneficiaries of small project funds, and that community-led development can also be established across borders.

EFNS welcomes the clear reference to macro-regional and maritime strategies. The strategies can have an important role provided that local and regional level can participate to a greater degree with the national level in the design. EFNS wants to emphasise that transnational cooperation programmes should be able to relate to more than one macro-regional area, like the EU's integrated policy for the Arctic and the Baltic Sea strategy.

EFNS notes that the proposal for a mechanism to solve legal and administrative problems in cross-border contexts comes from an informal working party where the Nordic Council of Ministers has been active. EFNS calls for dialogue with local and regional authorities in border areas to find the most functional solutions. To respect the principle of multilevel governance, an addition to the proposal is necessary, which will require consultation with local and regional authorities in border areas in accordance with Article 6 on partnership and multi-level governance in the common provisions whenever the mechanism is used.

- EFNS questions that the proposed allocation model for European territorial cooperation wholly disregards the special conditions in sparsely populated areas.



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