



On top of Europe and in the centre of EU Arctic policy making!

Mikael Janson / 2017-11-16



Northern Sparsely Populated Areas

~ 2,6 million people (0,5% of EU28) on ~ 532 000 square km (10% of EU28 area)

Average of about 5 inhabitants/square kilometer (116 for EU in average)



Consists of 14 regions in northern Sweden and Finland within the EU and Norway within the EEA.

Mostly rural (forests and mountains), but also consisting of some larger cities between 50.000 and up to 200.000 inhabitants.

A main part of the European Arctic and also being the **Arctic regions within the EU.**



The northern view from outside...



...or maybe this is us they think...



Gold rush for Gold curse?!
- No matter if black or glimmering!

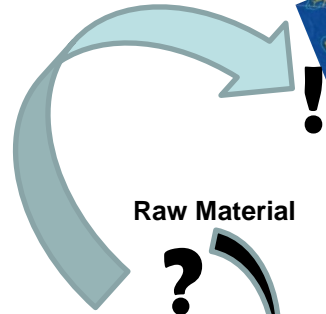
...but mostly like this, to be frank!



To be or not to be... on the map...

Turning the map around!

→ *There is more than cold dark forests and deep oceans and mining shafts where the map ends!*



Raw Material



→ *There is not least innovative people creating glocal added value also for Europe and the EU!*



...with also need of some little help from our friends (EU)!

EU: "Give us arguments!"

NSPA

Northern Sparsely Populated Areas



Strong, Specific and Promising



Northern Peripheral,
Sparsely Populated Regions
in the European Union

Erik Gløersen, Alexandre Dubois, Andrew Copus
Carsten Schürmann
NORDREGIO REPORT 2005:4

"Misery"



Development perspectives
for the NSPA:
Opportunities and Challenges

Erik Gløersen, Alexandre Dubois, Johanna Roto,
Thomas Ole Rasmussen, Jose Sterling
NORDREGIO WORKING PAPER 2009:5

to



Strong, Specific and Promising
Towards a Vision for the Northern
Sparsely Populated Areas in 2020

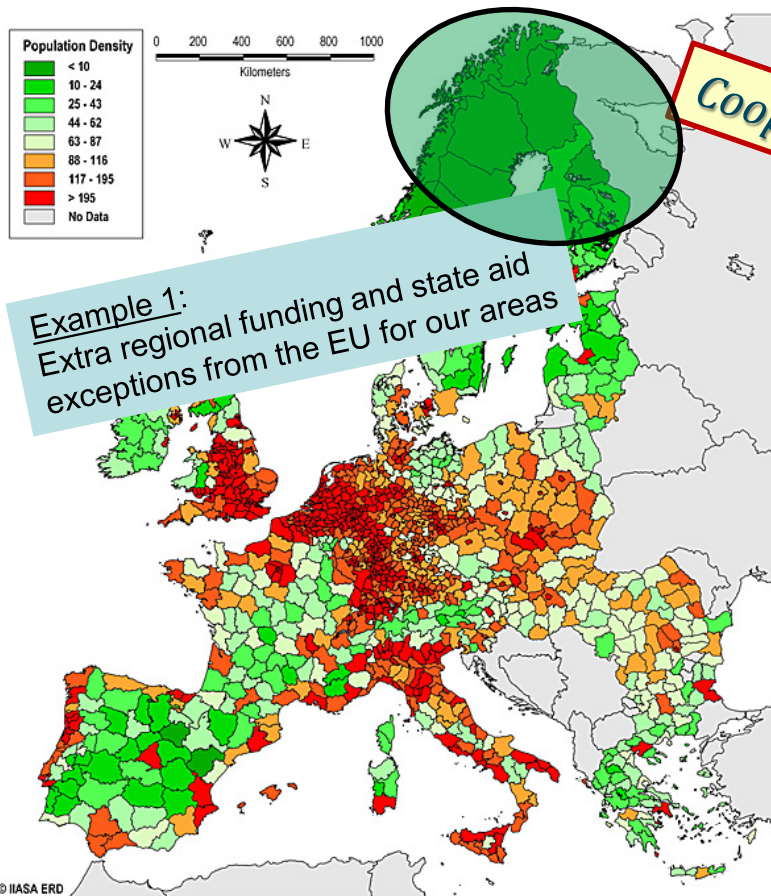
Erik Gløersen
NORDREGIO REPORT 2009:2

"Vision"

Successfully

Connecting Northern Sparsely Populated Areas.

0,5% of EU population on about 10% of EU Land Area



Example 1:
Extra regional funding and state aid exceptions from the EU for our areas

NSPA
Northern Sparsely Populated Areas

Cooperation deliver results!



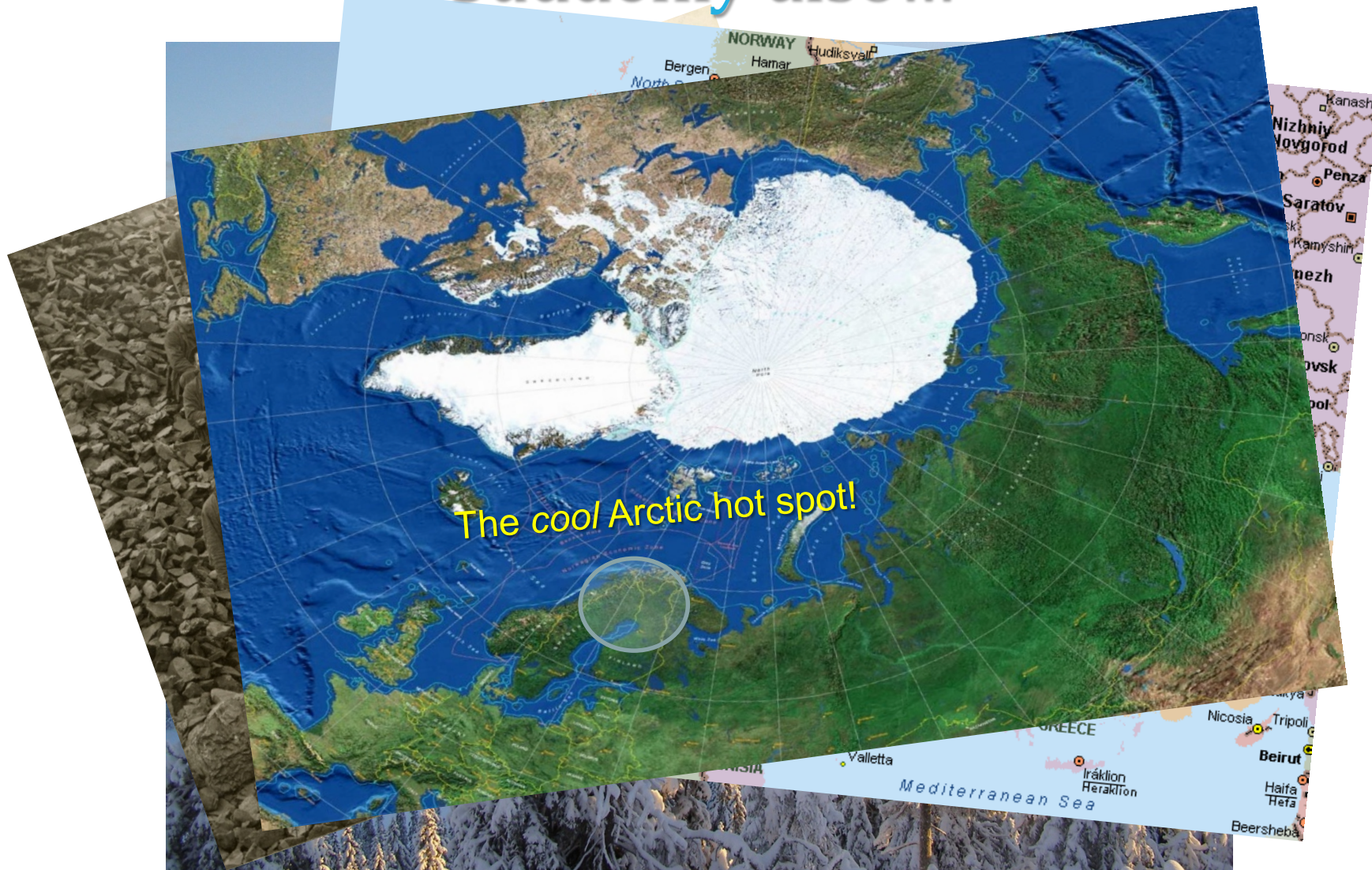
Resources for Europe

Example 2:
Bothnian Corridor railroad to the northernmost regions a part of EU infrastructure network

© IIASA ERD

Source: IIASA ERD project

Suddenly also...



...or not!



Still a white spot to drill a black hole in on the world map!



EU Arctic Communication 2012

"Developing a European Union Policy towards the Arctic Region"

- Genomgång av EU:s insatser sedan tidigare EU-arktiskt dokument från 2008.
- **Färdplan för EU:s åtaganden och framtida samarbete med parterna i Arktis.**
- Övergripande ansats snarare än en strategi på väg mot en strategi.
- Syftar till **argument för att EU ska tas in som fullvärdig observatör i Arktiska Rådet.**
- Lyfter fram ett antal **exempel** på hur EU:s politik gynnar Arktis:
 1. Kampen mot klimatförändringen där EU går i globala frontlinjen med de uppställda EU-målen .
 2. Forskning om miljön i Arktis som EU utfört visar att EU:s insatser har väsentlig betydelse för Arktis socioekonomiska och miljömässiga utveckling.
 3. **Investeringar i hållbar utveckling i norr med drygt 1,14 miljarder Euro 2007—2013 för att utveckla den ekonomiska, sociala och miljömässiga potentialen i de arktiska delarna av EU och dess grannregioner.**
 4. ~~EU:s forskningsprogram har stor betydelse genom ungefär 200 miljoner Euro i FP7 för internationell forskning i Arktis för att minska osäkerheten om framtiden och övervakning av förändringarna i Arktis.~~
 5. Eftersom ungefär 90% av EU:s utrikeshandel sker med fartyg har EU stor kunskap omsjöfart, varvsindustri, satellitnavigering, sök- och räddning samt varvsindustri med mera till nytta i Arktis.
- Lyfter fram några **målsättningar**:
 1. **Skydd och bevarande av Arktis** i samspel med dess invånare mot klimatförändringar och miljöpåverkan **samt stöd till urfolk** och övrig befolkning i regionen (genom bland annat Regionalfonden med flera EU-fonder).
 2. Uppmuntran till **hållbar användning av naturresurser** såsom energi och råvaror samt transporter genom olika EU-fonder och exempelvis Northern Dimension Partnership on Transport & Logistics (NDPTL).
 3. **Ökad internationell samverkan** från EU:s sida inom områden som berör Arktis genom bland annat utveckling av relevanta internationella överenskommelser och ramverk samt utökad forskning med stöd av EU.

Getting into the Center of the Periphery!

Arctic





EU communication 2016

An integrated EU Arctic policy:

- **Climate and environment**
- **Sustainable regional development**
- **International engagement**

2012: Sustainable use of the Arctic raw material assets



Arctic Forum

Yearly forum from 2018 and on with the EU, the Arctic states, the regions and relevant stakeholders including the indigenous peoples (Sami) and others to address common issues to a better and more effective support from the EU and the EU instruments towards regional development in the (European) Arctic region.

Arctic Stakeholder Forum being the process

| WHEN | ACTION |
|-------------------|---|
| Oct - Nov 2016 | - agreement on the process and structure - elaboration and agreement on consultation questions/ topics/areas - identification of stakeholders to target |
| Dec 16 - Feb 2017 | - consultation (online survey, workshops, conferences, etc.) |
| Feb - Mar 2017 | - results analysis |
| Apr 2017 | - drafting of report (based on results analysis) |
| May 2017 | - consolidation of all input - development of common report |
| Jun 2017 | - Arctic Stakeholder Forum event in Finland (back to back high-level event) >> presentation of consultation results and discussion with public audience |
| Jul - Nov | - consolidation of draft report, including the input of the June event |
| Dec 2017 | - submission of final report to the European Commission |



In order to give visibility to the ASF, the Commission has proposed to make best possible use of Arctic events that are already planned, in particular:

- Arctic Futures Symposium 2016 (30 November 2016, Brussels): a parallel session on the ASF will take place
- Arctic Frontiers conference 2017 (23-27 January 2017, Tromsø)
- Kirkenes Conference 2017 (8-9 February 2017, Kirkenes)
- High-level event on EU Arctic policy (June 2017, Oulu)
- Arctic Circle 2017 (13-15 October 2017, Reykjavik, Iceland)

The Commission has invited the participants to let the Forum know about other relevant conferences.

+ National processes in each country

NSPA gathers the EU close Arctic regions, to assure EU's regional interests

1. NSPA network gather the NSPA regions as the given starting point for the EU Arctic interests.
2. For this using the established OECD process;
 - a. The working method for the OECD study for the cooperation within the NSPA with the EU offices as the coordinators.
 - b. The recommendations and investment priorities put forward in the study for the NSPA regions, is also a true basis for the EU Arctic region.
3. NSPA steering committee being the political coordinating body for the NSPA network.
4. The Brussels offices from the NSPA coordinate their regions and with one voice feed to the EU.
5. Regional coordinators in their turn gather each regions input towards the NSPA and national level.

OECD taking NSPA to the next level

- Things has happened since old studies, a need of update and for the NSPA to take the “next step”/defend EU support.
- Not redo the old studies; More of policy support and concrete proposals to build on.
- Wish for a more common approach and multi-level engagement; *local, regional, NSPA, but also national and EU context.*
- The OECD offers a methodology, “Territorial Review”, as external research body delivering facts and recommendations for regional growth engaging countries/EU.



OECD regional study visits, northern Sweden February 2016 (Finland & Norway 2015)



Approval of NSPA study, OECD HQ Paris November 2016



Launch of the OECD report on NSPA, European Committee of the Regions March 2017

Autumn 2014 =>



• Coordinated by the EU offices:



NORTH SWEDEN

Some OECD basics on NSPA

- 2.6 million people over an area of 532 000 square kilometres; *less than 5 persons/sq.km. (as if the population of Rome inhabited the entire Spain).*
- *Unique study* covering 14 northern low density regions across 3 countries, two within EU, one in the EEA
- Differences, but share common territorial characteristics: remoteness, low density, long distances, resource-based economy and harsh climate
- Increasing economic and geo-political importance to EU and respective countries

Observations

- **The regional growth is very much due to fewer working more**
Relatively good performer in productivity, less performer in jobs growth
- **The regional growth and the Nordic welfare state deliver so far a good life**
But vulnerable societies due to demography and small economic base dependent on trade/export
- **The population growth is concentrated to the bigger settlements**
Hinterland is ageing and beside University centres and immigration a shrinking labour force
- **Overall dependent on public sector for the economy and delivery of jobs**
Demography and geography put increased cost pressure on public sector and service delivery
- **Not yet enough jobs and growth created in service sector, IT industry and tourism**
Not compensating for the productivity decrease of labour force in the base industry

Some main messages

- **Recognise the importance of improving infrastructure and connectivity** for the development of the NSPA regions and the support for the NSPA
- **National policies need to overall be better adapted to each regions specificities** in a partnership between national governments and NSPA regions
- **Ensure that the unique characteristics of the NSPA are effectively incorporated** into national and European level policy settings for regional and rural development
- **Identify absolute advantages** in especially tradable sectors using the concept of “smart specialisation” as a very suitable policy approach for low-density economies
- **More of targeted activities to step up in the business value-chain** establishing more higher value niche products from the natural recourses
- **Facilitating new local businesses and increasing entrepreneurship** in areas such as ICT related services, tourism, niche manufacturing, and food production
- **Better linkage between the cities and the surrounding hinterland** for integrated strategies to strengthen the cities and the role of academia for the whole region
- **Accounting for the higher unit costs of delivering public services** due to remoteness, low population densities, and the harsh climate
- **Need of proactive leadership to strengthen joint action by NSPA regions**, with EU and national government partners

Enhanced strategic NSPA collaboration

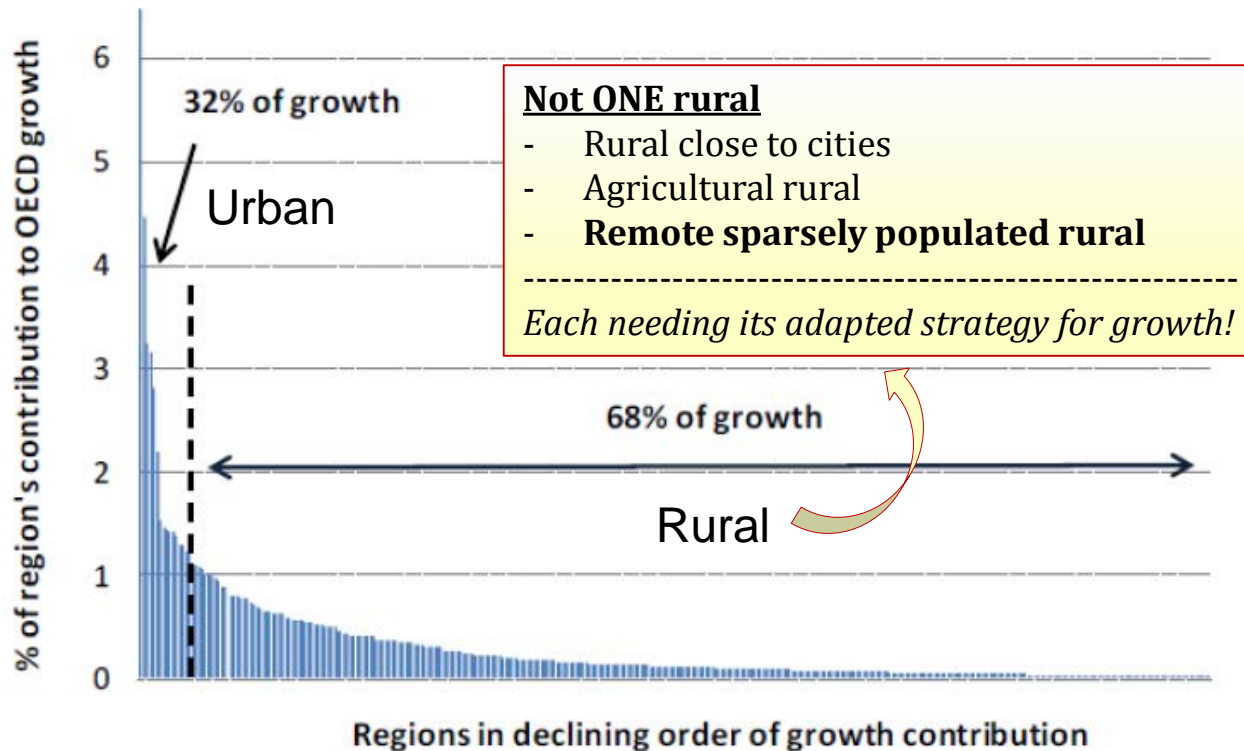
Enhance existing cooperation across the NSPA, focused on key enabling factors for growth and productivity (skills, innovation and infrastructure), *in areas such as:*

- **Increasing the coordinated and broader strategic use of e-technologies** to drive service delivery innovation in areas as e-health but also for global business opportunities
- Adopting a more integrated approach to **infrastructure planning, investment, and maintenance**, north-south and not least also east-west
- Facilitate **greater interaction among Local Labour Markets** in areas such as higher education, research and innovation and common competence and SME-support platforms
- Improving the **functioning of labour markets over the borders** for increased workforce activation by for example harmonising skills requirements, certifications and education
- A more **coordinated approach between NSPA regions to smart specialisation** and support for SMEs and start-ups by addressing barriers (such as access to finance)
- Better **linking Sami communities with regional and rural development** policies to help create new employment and business opportunities for local communities
- **Common tourism and marketing packaging** on the global arena in an Arctic context
- Formalise the cooperation with national governments by **linking it with Nordic Council**
- *Build on an innovation system over all borders (geographical, sectorial, clusters) to create critical mass for cross-fertilizing incremental innovation, making challenges to potentials*

OECD Regional Outlook 2016:

The fat less urban tail is equally important, if not more, to aggregate growth

Contributions to growth by OECD TL2 Region, 1995–2007



Source: OECD Regional Database (Territorial Level 2 regions).

Smart Cities *AND* Smart Regions

- Often focus on Smart Cities and continued urbanisation and specific urban strategies towards large cities.

However;

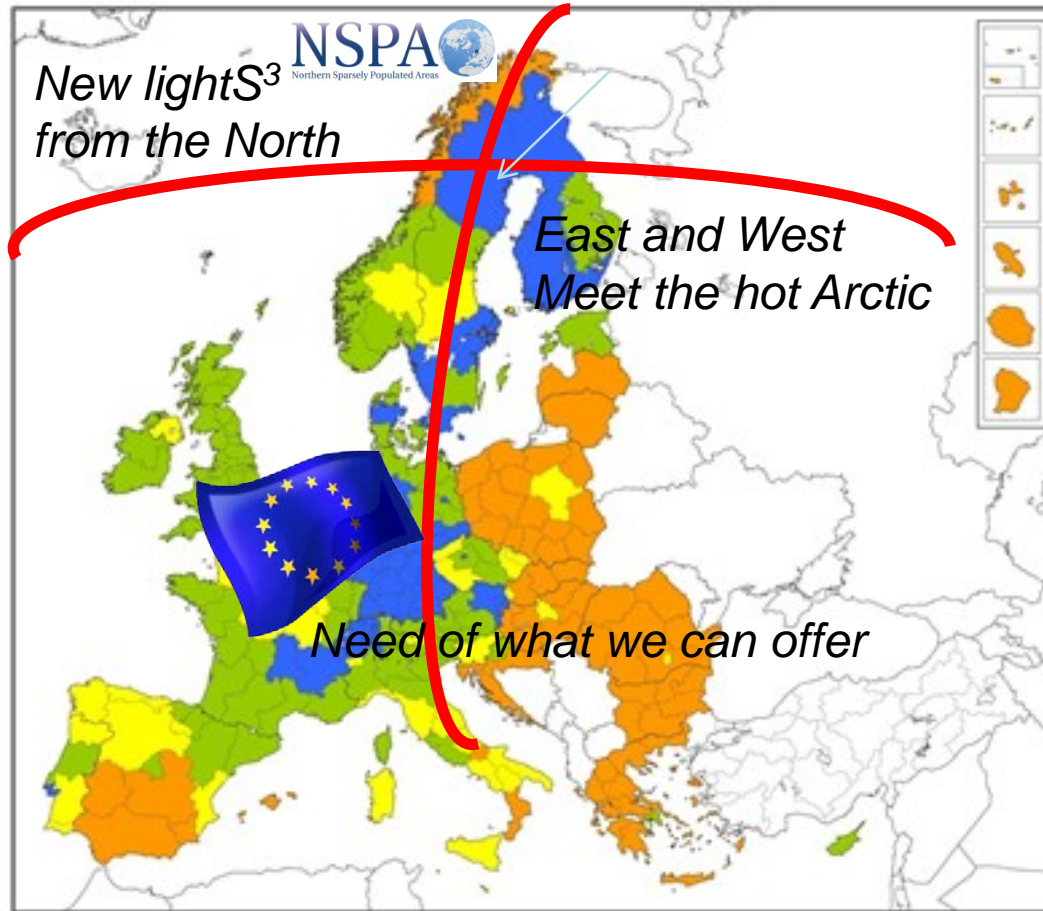
- The unique innovation potential for Europe is the blend of some few large cities, a wide range of medium/small cities and the interaction, the “eco-system”, between the cities and surrounding rural areas and remote sparsely populated areas.
- **A smaller city in a vast region may even be more important as regional driver than a big city among other big cities in an urban area.**



NSPA also engaged in
EIP Smart Cities!

~~> 250.000~~

Where the perspectives meet



*Many different Arctic :
The European Arctic is the close, populated, connected and innovative Arctic!*

The words mean something!



"For the EU, Arctic is not a frontier, it is a gateway!"

Federica Mogherini

The High representative for EU foreign affairs and security policy
*at the EU High Level event on An Integrated European Union Policy for The Arctic;
"A sustainable Arctic - innovative approaches", Oulu, Finland 15 June 2017*

The Swedish regional Arctic priorities

Transport infrastructure – Connecting the Arctic region

Priority area – Transport infrastructure connectivity

Digital infrastructure – The digital Arctic e-society

Priority area – Digital ICT coverage

Sustainable societies and well-being – Building an attractive outward looking Arctic region

Priority area – Attractive societies

Education and skills – The competent and inclusive Arctic

Priority area – Labour competence and skills

Research and Innovation – The innovative Arctic Testbed for Europe

Priority area – Regional research and innovation system

Bioeconomy and Circular economy – The green environmentally driven Arctic

Priority area – Green solutions

Global raw material assets – Arctic smart specialisation to deliver also local long-term values

Priority area – Smart regional specialisation

EU funding programmes in the northernmost Europe

Good results and benefits for the regions

Obstacles to overcome for future funding programmes

Proposals for improvements

The Draft Report – “Having it all...!?”

Research and innovation

- Climate change, cold climate technology, sustainable and green solutions
- International cooperation

Business development

- Local/Indigenous knowledge, smart specialisation, circular economy, value chains, SME support
- Fisheries, marine, herding, energy, mining, minerals, metal, machinery, bio industry, ICT, e-service, tourism

Digital infrastructure

- Expand broadband coverage including North-East passage cable and cloud computing
- Access to services in sparsely populated remote areas as in others

Transport

- Bothnian extension on each side Bothnian Gulf including east-west corridors connecting to it
- Implement joint Barents plan and extend rail, airports, shipping/logistics, road network NSPA and inter-operability

Environment and Energy

- More research, Arctic Council work on environment, Paris agreement
- Sustainable energy and saving measures plus renewable energy investment

Tourism and Culture

- Sustainable tourism infrastructure and Arctic Nordic brand, better preserved environment/indigenous communities
- Preserve cultural heritage and support small local cultural projects, promoting “Arctic culture” more widely

Health care, social services, skills, education and urban development

- Develop e-health technologies and social well-being and exchange, increase cross-border mobility, distance technology
- “Smart” development of Arctic university cities

The Draft Report – EU funding

- **Lack of information of funding possibilities:** difficult to obtain information on how to participate in EU programmes – brochures and newsletters would increase awareness
- **Many dispersed information sources** in project application: large administrative effort needed to compile information on rules for preparing applications – create single entry portals
- **Extensive administrative requirements:** procedures overly bureaucratic - eligibility rules and reporting requirements vary between programmes – simplify and harmonise rules
- **Extensive financing requirements:** difficult to find co-financing for new initiatives and to cope with delay in Commission payments
- **Concentrate programmes on most pressing problems** and main development opportunities
- **Increase cooperation and dialogue between authorities** across region to better use tools available
- **Improve coordination between programmes** and with national and international initiatives and funding sources to avoid duplication and increase effectiveness
- **Put more emphasis on multidisciplinary and cross-sectoral approaches** to find holistic ways to respond to challenges – e.g. tourism projects
- **Use joint research programmes** to reduce international tensions with third countries
- **Involve regional and local stakeholders** including indigenous peoples in planning of programmes to ensure their rights and interests are protected

Future of cohesion policy

- *The game is on!*

Threats:

- Pressure on the EU budget overall: It will go down!
- Cohesion policy questioned: Does it deliver?
- Loan instruments such as the “Juncker fund” to replace funds for richer regions!?
- No country defends the Interreg and regional cooperation in the negotiations!
- **Extra NSPA allocations no priority and others pressuring for their specificities/needs!**

To address:

- More flexibility to address emerging issues (such as migration)
- Simplification to avoid drowning in bureaucracy
- Better possible synergies between instruments and even “one-programme approach”
- Even more result orientation to deliver proof of asked for effects
- Better interlinked to the macro-economical semester in the EU
- More of financial instruments such as the EFSI to leverage the funds
- Cross-border cooperation may be more built in to the ERDF
- **Arctic dimension and OECD report on NSPA to get acknowledged for actions by EU**

The pressured timeline:

2017

Autumn: Discussion out of Cohesion report and White Paper/Reflection Papers

2018

*Arctic draft report, comments 17/11 +
second round 1/12, final launch January*

Spring: Consultation on future Cohesion Policy [← *Arctic report*]

May: The Long term budget, MFF, for the EU 2021-20(25/27/30)

June-July: Proposal for the cohesion policy regulations

Autumn: Discussions and negotiations in the European Parliament between the political groups and in the European Council between the countries.

2019 → BREXIT!!!!?

Negotiations and decisions on the MFF and cohesion package in the EU to from 2021 implement the regulations and roll out the new programming period.

However Brexit March, EP elections June and new Commission October

2020

Accepting, finalizing or re-doing or

Cohesion Policy for Economic *Cohesion or Growth?!*

Solidarity after economic crisis *vs* Innovation for all regions

Structural reforms and industrial transition *vs* Innovation capacity building

Specific re-distribution tool *vs* All-European investment tool

Centralised sectorial agendas *vs* Regional place-based development tool

More needs *vs* Budget cuts

We´re doing quite well, *but...*

EU-kommissionens 7:e r... x 7th Report on economic... x Mikael

ec.europa.eu/regional_policy/sources/docoffic/official/reports/cohesion7/7cr.pdf

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7th Report on economic, social and territorial cohesion 63 / 249

Map 1.9 Regional innovation performance, 2017

REGIOgis

Windows taskbar: Search, File Explorer, Edge, Chrome, Word, Excel, PowerPoint, OneNote, Outlook, System tray: Network, Volume, 22:43, 2017-11-08

Why for EU to invest in our regions?

Cooperation in Three Dimensions ("C3D")

Exchange between sectors

Society/
Public sector

Academy

Business

Innovation!

...time to unleash
the Smart Region
potential →!

A test bed and unique
innovation eco-system
for Europe...

Added value for all of EU!

Exchange among
competence clusters

Creative
sector

Raw
Materials

Natural
Resources

oxygenation from
the outside ↑

EU-funds, programmes & platforms

Cross-
border

Macro-
regional
(NPA)

Globally

Exchange over
geographical borders

"Long distances, but close between people create unique innovation potentials!"



TACK!

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