

## Policy guidelines by the Association of Finnish Local and Regional Authorities for Structural Fund period 2014-2020

While the cohesion policy is needed across Europe, particular attention should be paid to the northern and sparsely populated areas:

Cohesion policy should be a central means of promoting balanced regional development throughout Europe also in the future. In Finland, the EU's Structural Funds have played an important role in structural economic change, and they have been used to improve competitiveness, build competencies and increase employment. The term "regions with specific geographical features" used by the Commission must be clearly and unambiguously redefined in line with Article 174 of the Lisbon Treaty and Finland's accession treaty to also include the sparsely populated areas of the North.

- The cohesion policy must be continued in all regions; its content must be reviewed and focus sharpened;
- The special circumstances of sparsely populated areas in the North must be taken into account in the allocation of funds;
- The most serious demographic challenge, a biased age structure, should be considered as one determining factor in the allocation of Structural Funds.

Cohesion policy supports the priorities put forward in the Europe 2020 strategy:

The Europe 2020 strategy aims for smart, sustainable and inclusive growth. Cohesion policy can help deliver these goals.

- The Europe 2020 priorities must promote more evenly distributed growth across regions both in the EU and national contexts;
- The Europe 2020 strategy implementation requires not only efficient and flexible governance, but also national resources and EU-wide financial instruments that support development work based on a partnership between regional and local levels;
- Cohesion policy can be applied to the development of regional innovation systems as a way to support 'smart growth' as advocated by the Europe 2020 strategy. This requires that the development work focuses on the promotion of demand and user-driven innovation.

Cohesion policy needs a set of complementary financial instruments:

The European Regional Development Fund (ERDF) and the European Social Fund (ESF) are both important instruments of the cohesion policy; however, the ESF should be continued to be used as a separate instrument. It is the best means of promoting the Europe 2020 priority of inclusive growth to foster employment and access to labour markets and social inclusion as part of regional development strategies. The goal is to ensure employment opportunities for

all, also for those disadvantaged in the labour market. Issues related to rural development should be set in the wider context of regional development policy.

- The ESF must continue to be used as a cohesion policy instrument: it is a key means of delivering Europe 2020 goals related to inclusive growth. It is important that skills improvement should take place together with the development of business activities within European Regional Development Fund and that the two would complement one another;
- The goals of the cohesion policy and rural development under the Common Agricultural Policy (CAP) need to be closer linked than what they are today, both at policy level and in practical programme work.

Territorial co-operation in Europe, cooperation at the external borders and macro-regional strategies:

Cross-border, transnational and European-wide inter-regional cooperation will play an important role in regional development in Finland also in the future. Simplification of programming and addressing the challenges related to international project cooperation would provide opportunities for even more actors to get involved in cooperation. In its cross-border cooperation with Russia, the Commission will need to adopt a new approach.

- It is important to continue territorial co-operation in all the current programme levels;
- Macro-regional cooperation provides additional value when the Member States and local and regional levels together define a strategic framework for the macro-region to serve as a basis for development measures specific to programmes and regions;
- When reassessing the management and control of the EU's cooperation at external borders, efforts should be made to better involve Russia as an equal partner in the cooperation.

Operational Programmes:

Programmes designed to implement the objectives of Structural Funds must - to the degree that is possible - be directly linked to regional strategies. It makes sense to concentrate on only a few key development themes to ensure a better effectiveness of measures. The administration of Structural Funds programming should be simplified both at the EU and national level. It is important to build a portfolio of effective, sufficiently long-term programmes that allow the inclusion of a variety of development measures at different regional levels.

- Starting point: every region needs solutions tailored to its individual needs. Programming should be simplified for example so that Member States would no longer need to formulate a separate national strategy; instead, regions could compile Structural Fund programme content directly based on the guidelines provided in regional development programmes in accordance with the Structural Fund regulations concerned;
- The systems of administration and control must be simplified (the principle of proportionality);
- The objective of the national Structural Funds activities is to use the diminishing EU resources to build a larger set of integrated projects. To this end it is important to further develop the decision-making processes that support this objective, such as the programme agreement procedure and the open project application procedure.