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European Commission
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Europaforum Northern Sweden's Views on the future of Cohesion Policy

Europaforum Northern Sweden (EFNS) is a network for politicians at the local and regional levels from Norrbotten, Västerbotten, Jämtland Härjedalen and Västernorrland. EFNS is an arena for dialogue and knowledge where EU policy is analysed and discussed in the areas where it affects northern Sweden. EFNS monitors European issues 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 levels in matters with a clear European perspective.

Our proposals in brief

- **Ensuring impact through a long-term and results-driven cohesion policy:** Cohesion policy needs to remain long-term and place-based to enable genuine regional development. Simplified rules and a stronger results focus are needed – while considering the needs of smaller actors and the importance of innovative projects.
- **European security and strong competitiveness are built regionally and locally:** Northern Sweden is strategically important for the entire EU. The additional allocation to the northern sparsely populated areas is essential to strengthen resilience and competitiveness while addressing the regions unique conditions.
- **A place-based approach through multi-level governance is needed to deliver the right actions at the right level:** Regional influence and a strong partnership principle are key for effective policymaking. Regional smart specialisation strategies and local knowledge are needed to guide investments and reforms based on real needs.

Introduction

Ahead of negotiations on the EU's next Multiannual Financial Framework (MFF) – and amid ongoing discussions on adjustments to the current programming period – the EU is facing important decisions on which policy areas and investment instruments should be prioritised and how they should be designed. This is occurring at a time of geopolitical shifts that have highlighted the need to strengthen the EU's strategic autonomy and resilience. At the same time, the EU must boost its competitiveness and continue its green and digital transition.

To meet these challenges and priorities, it is essential that the EU's resources are used wisely and efficiently. Europaforum Northern Sweden (EFNS) therefore aims to contribute constructively to the MFF negotiations by presenting its comprehensive perspective on future cohesion policy—and how it can best be structured to support the EU's renewed ambitions. For northern Sweden, cohesion policy has been vital to regional development. The EFNS added-value report on cohesion policy demonstrates how EU regional support



has helped develop the region's economic structure, strengthen local communities, and boost innovation, while also supporting EU's shared priorities. Despite these advances, challenges remain. Sparse population, long distances to larger markets, small local tax bases, and limited financial means underscore the need for a strong, long-term cohesion policy for northern Sweden and, by extension, for a stronger, safer, and more competitive EU. The importance of cohesion policy in addressing these challenges and unleashing developmental potential is also underlined in the OECD's 2025 study on Europe's northern, sparsely populated regions.

The EFNS report further shows how cohesion policy strengthens resilience in northern Sweden and the broader European Arctic. Initiatives that improve people's ability to live, work, and thrive in the region are not only important from an economic perspective, but also essential for a safer, more secure, and sustainable region in an increasingly unstable world. Accordingly, EFNS advocates for a continued strong, long-term cohesion policy shaped in collaboration with the regions – for a stronger northern Sweden and, indirectly, a stronger, safer, and more competitive EU.

Ensuring impact through a long-term and results-driven cohesion policy

Cohesion policy's strategic and long-term approach, linking local and regional efforts with the EU's overarching goals, is a key factor behind its lasting impact.

EFNS recommends that the long-term, place-based orientation continues to guide cohesion policy, as it ensures appropriate investments that deliver real impact on the ground while contributing to EU-level outcomes. The core aim of EU regional support is to structurally transform regional economies to increase growth and employment – which requires long-term perspectives. A long-term, place-based cohesion policy enhances EU competitiveness by enabling capacity-building investments tailored to local and regional conditions, thereby supporting participation in global value chains and the EU's single market. Thanks to long-term initiatives, regional funding has facilitated the development of local innovation ecosystems that attract capital and investment, enabling Northern Swedish businesses and stakeholders to participate in the transition essential for Europe's growth.

EFNS supports a more result-oriented approach to cohesion policy. This could involve greater use of simplified cost options and milestone-based financing to accelerate implementation and improve monitoring. However, such a model must consider the limited financial capacity of smaller actors and the risks they face if forced to meet overly strict requirements. EFNS also stresses the importance of enabling innovative projects even when outcomes are uncertain, as long as there is a sound plan for addressing challenges and seizing opportunities. This potential could be lost in an overly rigid results-based model.

EFNS believes that reducing administrative requirements would simplify and speed up policy implementation. While Northern Sweden is home to well-functioning communities, they are small administrative units covering vast areas and supporting numerous small actors who require encouragement and support to grow. It is therefore crucial that support systems are simple, flexible, and adaptable. Moreover, the EU's co-financing rates should not be reduced further, as this would make it harder for smaller, less resourced actors to participate, potentially undermining interest in EU support.



EFNS opposes the use of unspent regional support as a financial reserve for national or EU-wide crises. If reallocation of structural funds is necessary in exceptional cases, this should involve active regional and local participation, in line with the partnership principle, to protect long-term objectives. To enable cohesion policy to better respond to changing conditions, EFNS calls for greater flexibility within existing structural funds – including replacing rigid targets with broader policy objectives that can be adapted during the programme period based on shifting regional and local needs. This would support a challenge-driven logic, allowing responses to evolving conditions and crisis impacts that vary across and within regions.

European security and robust competitiveness are built regionally and locally

Northern Sweden is more than a remote region on the EU's periphery – it is a strategic front in the European Arctic, a region where geopolitical shifts and growing global power interests challenge the traditional view of the Arctic as a low-tension area.

EFNS stresses that security encompasses more than military capabilities – it includes resilient communities. Without functioning infrastructure, businesses, and public services, neither military mobility, supply chains, nor long-term stability can be maintained in this vital part of Europe. A sustained and long-term policy is necessary to enable people to live and work in this Arctic region with its sparse population, long distances, demanding climate, and limited financial resources. Cohesion policy must therefore continue to offer tailored support based on the region's economic, social, and territorial conditions, to support both competitiveness and security.

EFNS highlights the importance of the additional EU regional funding allocated to Sweden's four northernmost regions since Sweden's accession to the EU. This "sparsity allocation" has been granted under Article 174 of the Lisbon Treaty and Protocol 6 of Sweden's Accession Treaty, both recognising the region's unique structural challenges. For Northern Sweden, this support is crucial for investments in infrastructure, businesses, and communities, enabling the region to continue contributing to the development of the EU as a whole.

EFNS notes that discussions on the EU's strategic priorities often focus heavily on specific technologies and sectors, with the territorial dimension frequently being overlooked. EFNS therefore wishes to remind that cohesion policy integrates various policy areas – including competitiveness, research, skills, transport, and climate – while focusing on the needs of EU territories. In this regard, through regional smart specialisation strategies, Northern Sweden's unique strengths – such as natural resources, advanced infrastructure, and specialised skills – can be leveraged to develop new niches and business sectors in line with EU priorities for competitiveness and the green and digital transitions. This place-based approach makes cohesion policy the EU's most effective tool for ensuring that EU goals are realised at the local and regional level.

EFNS believes that improving coordination between EU policies and funds is vital to enhance budget efficiency and flexibility. EFNS therefore supports stronger synergies between the European Regional Development Fund, the European Social Fund, and the European Agricultural Fund for Rural Development, to create a more cohesive development policy. This could deliver critical mass for investments linking local capacity-



building with measures supporting EU strategic priorities. It would also reduce administrative burdens for beneficiaries and authorities, who currently face the difficult task of navigating different rules and structures. As part of our commitment to simplification and increased efficiency, EFNS advocates wider use of Integrated Territorial Investments (ITI) and Community-Led Local Development (CLLD) to foster development across all EU territories, including the sparsely populated northernmost Europe. Greater use of these tools could create better synergies between funding sources and unlock potential for smart specialisation at regional and subregional levels, thus allowing regions to develop their economic fabric while contributing to common EU priorities.

A place-based approach rooted in multilevel governance to deliver the right actions at the right level

All efforts to meet the EU's strategic goals are implemented in local and regional contexts. A place-based approach must therefore remain a cornerstone of a reformed cohesion policy. EFNS wants to see continued use of this approach and regional partnerships in the future policy. Centralising cohesion policy through national envelopes risks missing the real needs of different EU regions. It could even be counterproductive if local bottlenecks and barriers are ignored – particularly as intra-regional differences can be greater than interregional or cross-country differences.

Experiences from Northern Sweden show that regional programmes under the European Regional Development Fund (ERDF) have worked well, while the national ERDF programme has struggled with absorption capacity. Regional influence in programme design ensures a place-based approach, making sure that investment priorities are rooted in local and regional conditions. This leads to more effective and targeted actions and gives northern Sweden the tools and incentives to continue developing – to the benefit of Sweden and the whole EU.

The interaction between the European Commission and Member States which is expected to increasingly be based on mechanisms such as the European Semester – must also include a regional dimension to ensure that governance reflects real conditions. This requires active dialogue with regional authorities and cannot rely solely on aggregated statistics. Traditional metrics like GDP per capita do not capture key regional factors such as remoteness, distance, and lack of critical mass. Addressing these factors requires local and regional expertise, in partnership with national and EU levels, to develop suitable support systems and investment tools. EFNS therefore calls for strengthened multi-level governance and a stronger partnership principle to ensure cooperation between national and regional levels in achieving EU goals.

EFNS proposes that regional smart specialisation strategies be used as a governance tool to link regional investment priorities with structural reforms. These reforms can be implemented at national, regional, or local levels, depending on the type of measure and relevant competencies, coordinated across all levels to ensure a coherent approach.

Finally, EFNS wants to remind that cohesion policy enables smaller organisations, municipalities, and actors with limited capacity to engage in broader cooperation and contribute to EU goals. In this way, municipalities and regions have been connected together with the European project, increasing the EU's legitimacy at local and regional levels. Partnerships and multi-level governance are therefore essential to ensure that



cohesion policy meets real needs and fosters stronger engagement with shared European objectives and with the EU itself.

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