

Study on the relevance and the effectiveness of ERDF and Cohesion Fund support to Regions with Specific Geographical Features – Islands, Mountainous and Sparsely Populated areas

Second Intermediate Report

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Study coordinated by ADE

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2.5 Övre Norrland

1. Identification

1.1. Identification of NUTS2 area and corresponding NUTS3 region(s)

NUTS2: Region of Övre Norrland (SE33)

NUTS3: Norrbotten (SE332), Västerbotten (SE331)

1.2. Identification of relevant programmes supported by ERDF or Cohesion funds

2000-2006:

Objective 1 programme for Norra Norrland (NUTS2)

CCI no : 1999SE161DO001

2007-2013:

Within the Regional Competitiveness and Employment Objective framework:

Name: Operational Programme 'North Sweden' (NUTS2)

Reference code: CCI no : 2007SE162PO008

2. Regional features and Domestic Policy Responses

2.1. Main characteristics of NUTS2 and 3 regions:

The operational programme for 'North Sweden' 2007-2013 as well as the objective 1 programme for Norra Norrland 2000-2006 cover the region Övre Norrland which is 165 000 km². This constitutes about 40 % of the total Swedish area, and 5 % of EU's. The region is the largest NUTS2 region in the EU. It is the size of Austria, the Netherlands and Denmark combined.

In total 509 392¹⁶ people live in the region. This means 3,3 persons per km² compared to 22 in Sweden and 118 in the EU25. Hence the region is also the most sparsely populated in the EU.

The NUTS2 regions consist of two NUTS3 regions; the county of Norrbotten and the county of Västerbotten. The Sami area, Sápmi, covers the western (inland) parts of both Norrbotten and Västerbotten. The characteristics are largely shared between both NUTS3 areas of Övre Norrland. Some differences can be found; Umeå, the largest city in Övre Norrland with about 100 000 inhabitants is located in Västerbotten and Norrbotten is located north of Västerbotten making the distances to central Sweden and Europe longer physically.

Both Norrbotten and Västerbotten contain a coastal area with an archipelago in the east

¹⁶ Operational Programme 'North Sweden' 2007-2013

and mountains in the west. In between the land is covered by vast forests and marsh. About 30 % is covered by mountains and 40 % of forests. A prominent element is the large rivers originating in the mountains and flowing towards the sea in the east.

The polar circle cuts through Norrbotten and due to the geographical position of the region the climate is cold and comparatively harsh and the changes in seasons are pronounced. The winters are cold and dark while some places experience sunlight 24 hours a day during the summer months.

Övre Norrland, the county of Norrbotten more precisely, is the only Swedish region bordering two other countries. Finland can be found in the east and Norway in the west. The Swedish-Norwegian border runs along a mountain range while the border with Finland runs along a river. Both border regions are sparsely populated. 14 municipalities are located in Norrbotten and 15 in Västerbotten. The largest cities are situated in the coastal region while the rest of the land is scattered with small villages, often with large distances in between. Hence, some of the coastal municipalities are comparatively urban while most of them are geographically large with small populations.

2.2. Position, trends and dynamics

This analysis is based on a set of indicators mostly available at NUTS3 level at least for two different years (Source: Eurostat). The NUTS3 situation and barriers/assets are compared to the NUTS2 region, national data and the EU27 average:

- ***Population and demographic trends:***

Norrbotten had a total population of 251 886 persons in 2007. It decreased from 258 094 in 2000. The population of Norrbotten makes up for about half of the total population of Övre Norrland. The NUTS2 region follows the same trend as Norrbotten; the population decreased from 514 804 to 509 467 persons. The population of Sweden did on the other hand increase from 8,8 million to 9,1 in the same period.

Övre Norrland is experiencing both depopulation and internal polarisation. Since 1995 the population trend shows an overall decrease in Övre Norrland. Changes occur within the region as well, and jobs and people are to a higher degree found in the cities. The inland, and other places not located within commuting distance to larger cities, experience a decrease in population while a few larger cities and their surroundings grow. The share of women is higher among the migrants. This results in parts of the inland with a higher share of men than women. At the same time large parts of the region experiences an ageing population, this trend is most prominent in the inland as well. (Operational Programme 'North Sweden' 2007-2013).

- ***Economic growth:***

The GDP of Norrbotten increased from Euro 27100 to Euro 363200 between the year 2000 and 2007. Between 1999 and 2007 the growth was 49,3%. The whole of Övre Norrland, and the whole of Sweden did also experience an increase. Norrbotten's figures are higher than the Övre Norrland-average both when it comes to GDP at current market price and total growth in %, and also than the EU 27 average.

The county did at the same time experience a decrease in unemployment from the comparatively high 11,4 % in the year 2000 to 7,8 % in 2007. At NUTS2 level the unemployment rate decreased from 9 to 6,8 %. Norrbotten has closed in on the EU 27 average which went from 9 % in 2000 to 7,2 % in 2007.

Economically the region experiences a stronger growth than the national average, and the total GDP growth in Norrbotten is higher than the Övre Norrland average. At the same time the population is decreasing at both NUTS2 and NUTS3 levels while increasing at national level.

- **Economy structure:**

In Norrbotten, the share of employment in agriculture and fishing, unlike the Swedish average, increased from 2,5 to 3,3 between the years 2000 and 2007. Likewise, the whole of Övre Norrland has seen a slight increase in these two sectors.

The service sector has also seen a slight increase in Norrbotten; 84,8 persons were employed in services in 2000 while the corresponding number in 2007 was 86,6. The same trend can be seen at NUTS2 level; 169,7 in 2000 compared to 175,4 in 2007.

- **Others:**

Following a larger national and European trend the number of bed places in Norrbotten increased from 8423 in 2000 to 10218 in 2007.

Regarding broadband access figures are not available at NUTS2 or NUTS3 levels. The national access rate is 85 %.¹⁷ In the Implementation strategy for the EU Rural Development Programme for Norrbotten it is stated that the Broadband access in general is good in the county but that some “blind spots” do exist (Genomförandestrategi för Landsbygdsprogrammet, Länsstyrelsen i Norrbottens län).

In summary, then, the demographic changes presented above are a key challenge for the region as a whole. It applies to both Norrbotten and Västerbotten. They call for new service and health care solutions. They are also in some places self-reinforcing, where the age profile increases as the population decreases and where few women live the attractiveness of the society risks further decreasing. The resulting imbalanced demographic development is also a challenge; in the largest cities they impose opportunities while in the more remote areas they act as real constraints. The long distances and isolated labour- and functional markets are other challenges considered to be a constraint. ICT and improved transport infrastructure might overcome some of the problems connected to this. Both issues above also give the region great potential for developing new solutions to problems connected to demographic changes and distances. Another challenge is to make use of the natural resources available such as the climate and the large forests and mountains.

¹⁷ See: (http://www.scb.se/Pages/TableAndChart____281490.aspx).

2.3. Domestic Policy Responses

National policy instruments targeting remote and sparsely populated areas exist in Sweden.¹⁸ Sweden is allowed to support areas covering maximum 15,3% of the population. Two areas have been made eligible, area A covering the most remote municipalities in the inland of Övre Norrland, plus some more inland municipalities further south, and area B covering the comparatively remote coastal areas of Övre Norrland (with the exception of the cities of Luleå and Umeå) plus parts of the counties of Gävleborg, Dalarna, Värmland, Örebro, Västmanland, Västra Götaland and Kalmar. Support exists in the form of:

- *Investment support* – mainly within area A, decision-making bodies within area A are the County Administrative Boards. The national Swedish Agency for Economic and Regional Growth (Tillväxtverket) makes decisions about support in area B (with the exception of the county of Västra Götaland).
- *Employment support* – area A and B, the support levels are higher in area A. The national Swedish Agency for Economic and Regional Growth (Tillväxtverket) is the decision-making body (with the exception of the county of Västra Götaland).
- *Support to business development* – area A and B, the support levels differ between type of investment and type of region. The national Swedish Agency for Economic and Regional Growth (Tillväxtverket) is the decision-making body (with the exception of the counties of Västra Götaland, Skåne, Kalmar and Gotland).
- *Seed capital* - area A and B, decision-making bodies are the County Administrative Boards/ municipal federations at regional level and in the case of Gotland the municipality.
- *Lower social security payments for businesses* – area A, administered by the Swedish Tax Agency.
- *Transport support and grants* – counties of Västerbotten, Norrbotten, Jämtland and Västernorrland (all in northern Sweden)

In addition the government has allocated funding to *development of local commercial service in rural areas*.¹⁹ The total budget is 17 million SEK (about Euro 1,8 million) and the national Swedish Agency for Economic and Regional Growth (Tillväxtverket) is the decision-making body. All rural parts of Sweden can apply for funding. In 2010, the government did also decide to initiate and fund a *venture capital company to support firms in the inland of northern Sweden*.²⁰

¹⁸ See : *Business development support regulated by EC regulations on national business support*. (Homepage of the Swedish Government, <http://www.regeringen.se/sb/d/2498/a/15537> 2011-04-07).

¹⁹ See: Homepage of the Swedish Agency for Economic and Regional Growth, <http://www.regeringen.se/sb/d/2498/a/15537> 2011-04-07).

²⁰ See : Homepage of the Swedish Government, <http://www.regeringen.se/sb/d/13803/a/157548> 2011-04-07)

Farmers in the northern parts of the country also receive national support. The rationale for this is the harsh climate and short growing season in the area. This was initiated before the Swedish EU entrance and is included in the accession treaty for Sweden. (*The outcome of the National Support to Farming in the north of Sweden 2007*, the Swedish Board of Agriculture) The government has also launched a new initiative called “Sweden – the new culinary nation”. The ambition is to allocate 80 million SEK (about Euro 8,6 million) yearly during the next four years. In addition it is to be supported through the EU Rural Development Programme²¹.

Firms in the targeted areas are considered to be in need of support due to the small and remote labour markets they operate in. The aim is to make best use possible of firms and actors in all parts of Sweden, rural as well as urban. Problems connected to the size and location of the remote labour markets brought forward are e.g. seen to be long distances to suppliers, customers and other actors in the same line of business, but also specialised local markets and limited access to labour²² (In the case of farmers the argument is that the climate and geography impedes competitive farming which in turn affects the landscape and environmental as well as cultural values. (*The outcome of the National Support to Farming in the north of Sweden 2007*, the Swedish Board of Agriculture) Hence to make use of the opportunities in remote rural areas disadvantages are compensated for.

The arguments for developing a specific venture capital company supporting firms in the remote rural inland of northern Sweden are partly different. Here the great possibilities for developing the region on the basis of its geographical strengths are put forward and sectors such as mining, development of bio fuel, hydropower, environmental techniques and tourism are highlighted. It is argued that firms in the northern inland are in need of specific support due to specific economic situation, but are able to develop and contribute to the economic growth of the region.

Overall, these support initiatives are considered to align with the general focus on improving the economy of the region by strengthening its businesses. The national support seems more directed towards enabling businesses to be located in the region in general, while the ERDF programme focuses more on innovation, the knowledge based economy and sectors with specific growth potential.

3. ERDF and CF (where relevant) Programme priorities and fields of intervention

Övre Norrland has gone from being an Objective 1 in 2000-2006 to having a programme within the Regional Competitiveness and Employment Objective framework in 2007-2013. Therefore the scope of the programmes differs.

The total budget (EU + national public funding) was in the previous programme Euro 716 million while the corresponding amount is Euro 485 million in the current. During 2000-2006 the programme covered measures supported by not only the ERDF but also the ESF,

²¹ See : Homepage of the Swedish Government, <http://www.regeringen.se/sb/d/12806/a/153496> 2011-04-07)

²² See : Homepage of the Swedish Government, <http://www.regeringen.se/sb/d/2498/a/15537> 2011-04-07).

EAGGF and FIGG and the total national co-financing rate was lower than the previous 50 %. The total contribution from the ERDF was Euro 260 million during 2000-2006 compared to the current amount: Euro 243 million.

Objective 1 programme 2000-06

Total EU funding, (ERDF funding)	
1. Development of infrastructure:	Euro 100 million, (Euro 100 million)
2. Development of industry:	Euro 115 million, (Euro 115 million)
3. Skills development and employment:	Euro 87 million (Euro 0 million)
4. Rural development:	Euro 52 million (Euro 0 million)
5. Nature, culture and living environment:	Euro 36 million (Euro 36 million)
6. The Sami programme:	Euro 8 million (Euro 2 million)
7. Technical assistance:	Euro 10 million (Euro 7 million)

Source: European Commission, 2000

Regional Competitiveness programme, 2007-2013:

Total EU funding	
1. Innovation and knowledge based economy:	Euro 177 million
2. Accessibility:	Euro 55 million
3. Technical assistance:	Euro 10 million

Source: European Commission, 2007

In 2000-2006, the development of infrastructure was allocated Euro 100M of ERDF while Accessibility was allocated Euro 55M. More funding was directed towards business and skills development; in the previous programme Euro 115M was allocated to the Development of Industry while Euro 177M is allocated to Innovation and knowledge based economy in the 2007-2013 programme. Besides the change in budget allocation, activities to innovation are more emphasized in current programme.

In the 2000-2006 OP 48 % of the total budget for Övre Norrland was committed to Norrbotten, and in general the budget was spent in a similar manner in Västerbotten and Norrbotten.

In Övre Norrland 78,1 % of the investments was committed to Productive environment. This is well above the EU Objective 1 average of 25% as well as the average in EU sparsely populated areas of 37,2 %. In Norrbotten as much as 77,9 % was committed to Productive environment. Of this almost 50 % of the budget (47,3%) was committed to Assisting SMEs and the craft sector. When compared to EU the share is high in Sweden in general, in Norrbotten it is however higher than in Övre Norrland as a whole (44,6 %) and Sweden (41,1 %) (see SWECO table, 2000-06 below). In addition, there is particularly significant investment in RTDI, which is relatively higher than both the Swedish average as well as

other Objective 1 sparsely populated areas.

Norrbotten's figures correspond quite well to Övre Norrland's. The largest difference between the two can be found in RTDI where the commitment was higher in Västerbotten than in Norrbotten and the share of Övre Norrland was 19,1 % while in Norrbotten 14,8 %.

In Övre Norrland a comparatively small share of the budget was committed to Basic Infrastructure. The share in Norrbotten was 19,5 and in Övre Norrland 19,6 while in all Objective 1 regions of EU 71,7 % and in all EU sparsely populated regions 60,0 %.

The budget was spent on the two measures Transport infrastructure and Telecommunication infrastructure and information society. The budget was allocated evenly between them and only minor differences can be seen between Norrbotten and Västerbotten. In comparison with Sweden as a whole a larger share was committed to Telecommunication infrastructure and information society.

Territorial level (Nuts) Name Region eligibility SGF	EU	EU	SE	SE33	SE332
		Sparsely populated	Sweden	Övre Norrland	Norrbottnens län
	Obj. 1	Obj. 1		Obj. 1	Obj. 1
Fields of intervention		S			SP
11 Agriculture	0.1%	0.9%		0.0%	
12 Forestry	0.0%		0.0%	0.0%	
13 Promoting the adaptation and the development of rural areas	0.4%	0.7%	2.5%	4.7%	4.2%
14 Fisheries	0.1%		0.0%	0.1%	
15 Assisting large business organisations	5.8%	3.4%	0.1%	0.0%	
16 Assisting SMEs and the craft sector	9.6%	19.2%	41.1%	44.6%	47.3%
17 Tourism	2.9%	3.7%	17.6%	9.5%	11.7%
18 Research, technological development and innovation (RTDI)	6.2%	9.3%	15.2%	19.1%	14.8%
21 Labour market policy	0.1%			0.0%	
22 Social inclusion	0.1%	0.0%		0.0%	
23 Developing education and vocational training	1.5%	1.6%		0.0%	
24 Workforce flexibility, entrepreneurial activity, innovation, ICT	0.0%			0.0%	
25 Positive labour market actions for women				0.0%	
31 Transport infrastructure	34.0%	39.1%	6.5%	9.9%	9.8%
32 Telecommunication infrastructure and information society	3.2%	4.9%	12.5%	9.6%	9.7%
33 Energy infrastructure	1.0%	0.3%	0.1%	0.0%	
34 Environmental infrastructure	19.3%	8.2%	0.2%	0.0%	
35 Planning and rehabilitation	10.1%	5.8%	1.3%	0.0%	
36 Social and public health infrastructure	4.2%	1.7%	0.4%	0.0%	
41 Technical Assistance and innovative actions	1.4%	1.2%	2.6%	2.3%	2.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Total 1 Productive environment</i>	<i>25.1%</i>	<i>37.2%</i>	<i>76.5%</i>	<i>78.1%</i>	<i>77.9%</i>
<i>Total 2 Human resources</i>	<i>1.8%</i>	<i>1.6%</i>		<i>0.0%</i>	
<i>Total 3 Basic infrastructure</i>	<i>71.7%</i>	<i>60.0%</i>	<i>21.0%</i>	<i>19.6%</i>	<i>19.5%</i>
<i>Total 4 Technical Assistance</i>	<i>1.4%</i>	<i>1.2%</i>	<i>2.6%</i>	<i>2.3%</i>	<i>2.6%</i>

Source: Sweco, 2008.

Since the region has seen a change in programmes from Objective 1 to the Regional Competitiveness and Employment Objective framework, resulting in new priorities, the fields of interventions have also changed. The main focus being on innovation and the knowledge based economy as well as entrepreneurship and business start-ups. The other

main focus being on accessibility for which there is much less ERDF funding available. The relatively strong focus on innovation continues, therefore, from the focus on RTDI in the previous period.

Fields of intervention (FOI) OP 2007-2013 for Övre Norrland:

1. Innovation and knowledge based economy:	73,1 %
1.1 Entrepreneurship and business start up:	35,1 %
1.2 Innovative milieus:	19,0 %
1.3 International cooperation:	7,0 %
1.4 Regional attractiveness:	11,1 %
2. Accessibility:	22,7 %
a. Cooperation between modes of transport:	7,8 %
b. Regional enlargement:	10 %
c. ICT:	4,9%
3. Technical assistance:	4,1 %

Source: European Commission, 2007

4. ERDF and Cohesion Fund strategies and relevance

In both programmes, 2000-2006 as well as 2007-2013, extensive analyses of the strengths and weaknesses of the region based on its geography is present, which form the basis for the financial interventions. Thus discussions on geographical specificities such as long distances, sparse settlement, climate, natural resources, unique environment and strategic geographical situation from east-west and north-south perspective are to be found in both documents.

The measures in the respective programmes can, in different ways, be seen as part of the solutions to the challenges imposed by the above mentioned factors, and ways of making use of possibilities brought by these are in both programmes, in two main areas: business development and also infrastructure.

In the 2000-2006 OP the programme area is divided in two, not according to NUTS3 level but according to geography and demography resulting in one part called the Inland and one called the Coast. The most remote rural areas are to be found in the western and northern parts of the region. The budget was roughly divided between the two areas and in the Inland area the share of ERDF funding in each project was 65 % compared to 50% in the Coast. This division is not present in the current programme. The different challenges between the inland and the coast are given attention in the analysis though. Indeed, no distinction is made in the allocation of budget or regarding fields of intervention between Norrbotten and Västerbotten. As stated above the programme is however designed with focus on the specific geographical features of the whole of Övre Norrland (sparsity). Both Västerbotten and Norrbotten are seen as sparsely populated regions facing many similar challenges and experiencing similar geographies. Moreover, the region is eligible for additional ERDF funding as a sparsely populated area of Euro 102 731 349. This funding is allocated evenly between the two counties.

The programme 2007-2013 is adapted to the situation of the sparsely populated Norrbotten and the interventions are to a large extent directed towards overcoming challenges connected to remoteness and sparsity. One could though question if allocating a larger part of the budget to infrastructure could have positive effects on overcoming distances though. Moreover, ERDF funding is rather limited and there is certainly not enough available to make large investments in infrastructure developments, such as roads and rail. The ERDF programme does however not distinguish between Norrbotten and Västerbotten and in the analysis of Övre Norrland the county of Västerbotten are seen to struggle with the same challenges as Norrbotten. As stated above the internal differences within Övre Norrland highlighted in the analysis are the differences between the inland and the coastal, more urban and accessible areas. This was also the rationale behind differentiated support levels within Övre Norrland in the previous programme.

The monitoring of the present programme shows that the most of the funding is allocated to actors in the coastal region so far. Public actors such as municipalities and universities are the most frequent project owners. Within the region there are two universities, both located by the coast, and in addition most of the municipalities owning projects are also coastal. There is a risk of the small municipalities being unable to raise the finances needed for the 50% project co-funding, and judging by the low number of project applications from these this might be the case. In the OP for 2000-2006 the co-financing rate was 35 % in the inland and 50 % in the coastal municipalities. Interestingly, both ERDF programmes focus on specific growth areas, e.g. Car testing; Biotech; and Tourism. These priorities are based on the analysis of the regions strengths and are to make use of the specific geographical situation of the region.

5. Quantitative results of the ERDF/CF programme

The absorption capacity of Övre Norrland is good, 108 % of the budget for the 2000-2006 OP was allocated to projects and out of these 10 % were refunded.²³ Hence large parts of the budget were spent. In addition, according to the “core indicators”, targets are reached to a great extent; the Tables below present a summary of the extent to which certain measure were achieved (or not) in the 2000-06 programme.

The main observations are that there were mixed results in Assisting SMEs and the craft sector and promoting the Adaptation and the Development of Rural Areas (especially because some data is missing). On the other hand, most targets were achieved in RTDI and Telecommunication and Information society which was a positive outcome from the programme.

²³ See: *OP 2000-2006*: (Mål 1 Norra Norrland, Sverige, Slutrapport 2000-2006)

Relevant programme's indicators

Assisting SMEs and the craft sector (115 million Euros)

Measure	Type of indicator	Indicator	Unit	Target year	Target value	Achieved value	Year achieved
Aid to SMEs	Result	new enterprises (SMEs) created by men	Number	2006	550	198	2006
	Result	new enterprises (SMEs) created by women	Number	2006	550	94	2006
	Result	New permanent jobs for men	Number	2006	1500	1777	2006
	Result	New permanent jobs for women	Number	2006	1500	1026	2006
General efforts to commercial and industrial companies	Result	Temporary jobs for men	Number	2006	1500	81	2006
	Result	Temporary jobs for women	Number	2006	1500	117	2006
	Result	temporary jobs created for men	Number	2006	1100	1842	2006
	Result	temporary jobs created for women	Number	2006	1100	791	2006
	Result	new enterprises (SMEs) created by women	Number	2006	550	694	2006
	Result	new enterprises (SMEs) created by men	Number	2006	550	1163	2006
	Result	New permanent jobs for men	Number	2006	1000	2420	2006
	Result	New permanent jobs for women	Number	2006	1000	1788	2006
	Result	Number of individual participants, men	Number	2006	300	268	2006
Integration, diversity and equality	Output	Number of individual participants, women	Number	2006	300	1340	2006
	Result	new businesses created by men	Number	2006	13	n.a.	n.a.
	Result	new businesses created by women	Number	2006	14	n.a.	n.a.
	Impact	participants employed after the completion of the project, men	Number	2006	150	129	2006
	Impact	participants employed after the completion of the project, women	Number	2006	150	181	2006
	Result	change of ownership, men	Number	2006	8	15	2006
Setting up new entrepreneurs	Result	change of ownership, women	Number	2006	7	10	2006
	Result	new firms, men	Number	2006	2	34	2006
	Result	new firms, women	Number	2006	3	11	2006
	Result	Maintained jobs, men	Number	2006	30	75	2006
Investment support	Result	Maintained jobs, women	Number	2006	30	210	2006
	Result	new jobs, men	Number	2006	30	39	2006
	Result	new jobs, women	Number	2006	30	119	2006
	Result	structure reorganisation	Number of companies	2006	10	45	2006
Local development	Output	Local development's projects/networks	Number	2006	130	119	2006

Source: ADE, 2008.

Promoting the adaptation and the development of rural areas (12 million Euros)

Measure	Type of indicator	Indicator	Unit	Target year	Target value	Achieved value	Year achieved
Skills and competence development on the countryside	Output	Involved firms in networks, women	Number	2006	19	11	2006
	Output	Involved firms in networks, men	Number	2006	56	78	2006
	Result	New jobs for women	Number	2006	10	55	2006
	Result	new companies, men	Number	2006	5	30	2006
	Result	new companies, women	Number	2006	5	32	2006
	Result	New jobs for men	Number	2006	10	54	2006
	Result	Maintaining of traditional building	Number	2006	700	180	2006
	Result	Restoration of mowed meadows and grazed pastures	Number of hectares	2006	300	184	2006
Nature and cultural environment	Output	preserve/improve local/regional environment	Number of projects	2006	40	n.a	2006
	Output	Operators in networks	Number	2006	150	n.a	2006
	Output	Cross county collaboration projects	Number of projects	2006	10	n.a	2006
	Result	Temporary jobs for men	Number	2006	25	n.a	2006
	Result	receivers of information	Number	2006	2000	n.a	2006
	Result	Temporary jobs for women	Number	2006	25	n.a	2006
Habitat and cultural lives	Output	Cross county collaboration projects	Number	2006	10	21	2006
	Output	Operators in networks	Number	2006	100	312	2006
	Result	New jobs for women	Number	2006	50	162	2006
	Result	temporary jobs created for men	Number	2006	10	36	2006
	Result	temporary jobs created for women	Number	2006	10	49	2006
	Result	new enterprises (SMEs) created by men	Number	2006	50	32	2006
	Result	New jobs for men	Number	2006	50	118	2006
	Result	new enterprises (SMEs) created by women	Number	2006	50	21	2006
	Output	International collaboration projects	Number	2006	5	29	2006
Sami countryside and culture development	Result	new enterprises (SMEs) created by men	Number	2006	13	7	2006
	Output	Network	Number	2006	10	6	2006
	Output	SMEs supported	Number	2006	n.a.	766	2006
	Result	Maintained jobs for women	Number	2006	5	14	2006
	Result	New jobs for men	Number	2006	20	11	2006
	Result	New jobs for women	Number	2006	20	18	2006
	Result	Maintained jobs for men	Number	2006	5	12	2006
	Result	new enterprises (SMEs) created by women	Number	2006	12	18	2006

Source: ADE, 2008.

Research, technological development and innovation (RTDI) (49 million Euros)

Measure	Type of indicator	Indicator	Unit	Year target	Target value	Achieved value	Year achieved
Research and Development	Output	Network (gender mixed)	Number	2006	250	630	2006
	Output	R&D - Project	Number	2006	15	191	2006
	Output	International collaboration projects	Number	2006	5	54	2006
	Output	Cross county collaboration projects	Number	2006	10	63	2006
	Output	R & D projects	Number	2006	10	0	2006
	Result	temporary jobs created for men	Number	2006	40	7	2006
	Result	Research area	Number of developed research areas	2006	10	16	2006
	Result	Amount of new enterprises created	Number	2006	100	42	2006
	Result	New jobs for men	Number	2006	113	265	2006
	Result	Maintained jobs for women	Number	2006	12	50	2006
	Result	Maintained jobs for men	Number	2006	13	42	2006
	Result	temporary jobs created for women	Number	2006	40	4	2006
	Result	New jobs for women	Number	2006	112	163	2006

Source: ADE, 2008.

Telecommunication infrastructure and information society (25 million Euros)

Measure	Type of indicator	Indicator	Unit	Year target	Target value	Achieved value	Year achieved
Information Technology Infrastructure	Output	International collaboration projects	Number	2006	5	20	2006
	Output	Cross county collaboration projects	Number	2006	10	38	2006
	Output	Total of new applications	Number	2006	15	80	2006
	Output	Additional broadband	Number	2006	n.a.	8454.7	2006
	Result	New jobs for men	Number	2006	25	215	2006
	Result	New jobs for women	Number	2006	25	92	2006
	Result	Maintained jobs for men	Number	2006	25	127	2006
	Result	Maintained jobs for women	Number	2006	25	70	2006
	Result	temporary jobs created for men	Number	2006	25	72	2006
	Result	temporary jobs created for women	Number	2006	25	20	2006

Source: ADE, 2008.

6. ERDF Governance and complementarities with other sources of funding

For all Regional Competitiveness and Employment (RCE) programmes the Swedish Agency for Economic and Regional Growth is the Managing Authority (MA) and also responsible for payments. The agency has a regional office in each of the programme regions. The MA makes decisions on project applications after consulting the regional structural funds partnerships.

In Övre Norrland the regional office of the agency is located in Norrbotten while representatives from both counties as well as the Sámi parliament are present in the partnership.

In 2000-2006 when the region implemented an Objective 1 programme the County

Administrative Board of Norrbotten was the MA. A partnership with local and regional representatives from Norrbotten as well as Västerbotten had a role similar to the present. The Sámi parliament did however make the decisions on projects concerning the Sámi priority area.

Representatives from all municipalities and both counties, as well as from the Sámi parliament are part of the structural funds partnership. The main task of the partnership is to prioritise between project applications and ensure that the programme follows its strategy. Thus all parts of the programme area are represented, no specific territory with the exception of the Sámi area, is singled out.

In terms of complementarities with other funds, the Objective 1 programme for 2000-2006 was funded by a number of funds: ERDP, ESF, EAGGF and FIFG and the coordination between funds took place within the programme itself.

In the current programming period Övre Norrland still receives funding from ERDF, ESF, EAFRD and FIFG. The RCE programme does however only cover ERDF; potential synergies and complementarities are discussed and the OP states that coordination will be ensured through regular meetings between the MAs of the different programmes. They all have regional offices and the coordination takes place at regional level.

7. Conclusion

The programme is relevant to sparsely populated regions. It is based on an analysis of the geographical, demographical and economic situation of the region. The distances are so large within both Norrbotten and Västerbotten that the western parts of the counties e.g. are out of commuting area to the larger cities located by the coast. This is the case for remote municipalities in both Norrbotten and Västerbotten, despite of the fact that Västerbotten hosts a larger city. Both geographical and demographical differences are larger between west and east than between north and south (Norrbotten and Västerbotten)

It is important to bear in mind that ERDF is a minor but nevertheless an important funding stream in the north of Sweden. Having said that, there are several interesting cases of good practice using ERDF, including:

Car testing:

In the last 20 years a car testing industry has developed in the two municipalities Arjeplog and Arvidsjaur. They are both located in the remote and sparsely populated inland of Norrbotten and are geographically large with vast forests and large lakes. More and more international car manufactures spend the Winter months there to test the ability of their cars to deal with cold climates and icy roads. The number of locals employed within car testing related activities has increased steadily although they mainly have lower skilled jobs. At present, however, there are initiatives to increase the number of high skilled jobs for locals and there is for example a project application sent in from a regional University focusing on this issue (not approved of yet). Indeed, a number of projects connected to development of the car testing industry are funded by the ERDF. There is also a local initiative to develop the tourism in the area, run by the two municipalities, with the ambition of enabling for the high number of hotels to stay open

in the summer when the car testers are not staying in the area. At present they have to close down half the year due to lack of customers.

Space related activities:

Kiruna, located in Övre Norrland is regarded as suitable for developing commercial space travels due to its long history of space related activities, and not least due to the large geographical area available. The OP supports a project where a network of actors involved in the development of commercial space travels in the north of Sweden is initiated. It is hard though to distinguish the role of the ERDF funding in the development of 'handicaps' into 'opportunities'. The ideas and initiatives to develop both space related activities and car testing came before the current programme but the funding has potentially helped realize the projects. Of the two examples car testing is the most developed one. It has developed during many years and with many different kinds of support. It is an interesting example of a new industry based on the geographic specificities of northern Sweden.

Distance spanning health care:

In order to support innovation within approaches to home health care a project called FIA (Framtidens Innovativa Arbetssätt – The Innovative ways of working in the future) is supported by the ERDF in Övre Norrland. The project is based on the challenges connected to the long distances and aims at promoting innovation and new technical solutions and to establish Norrbotten as a leading centre on the area of e-health care, focusing exclusively on distance spanning solutions for healthcare in the home. According to the homepage of the Swedish Agency for Economic and Regional Growth the regional programme office is pleased with this project: "FIA has been a good project based on the conditions in the far north, even though it hasn't resulted in a large number of jobs. In a broad cooperation framework, field practitioners, researchers at the university and technical companies have together produced new knowledge and working methods for healthcare in thinly populated areas. "The project has also attracted national attention, and the results will make healthcare more accessible, bringing peace of mind to many people".²⁴

²⁴ See : Homepage of the Swedish Agency for Economic and Regional Growth
http://www.tillvaxtverket.se/download/18.74f57d0f1283a4f88ff800033240/Tempo+Struktur_eng_webb_low_1.pdf
2011-04-06)