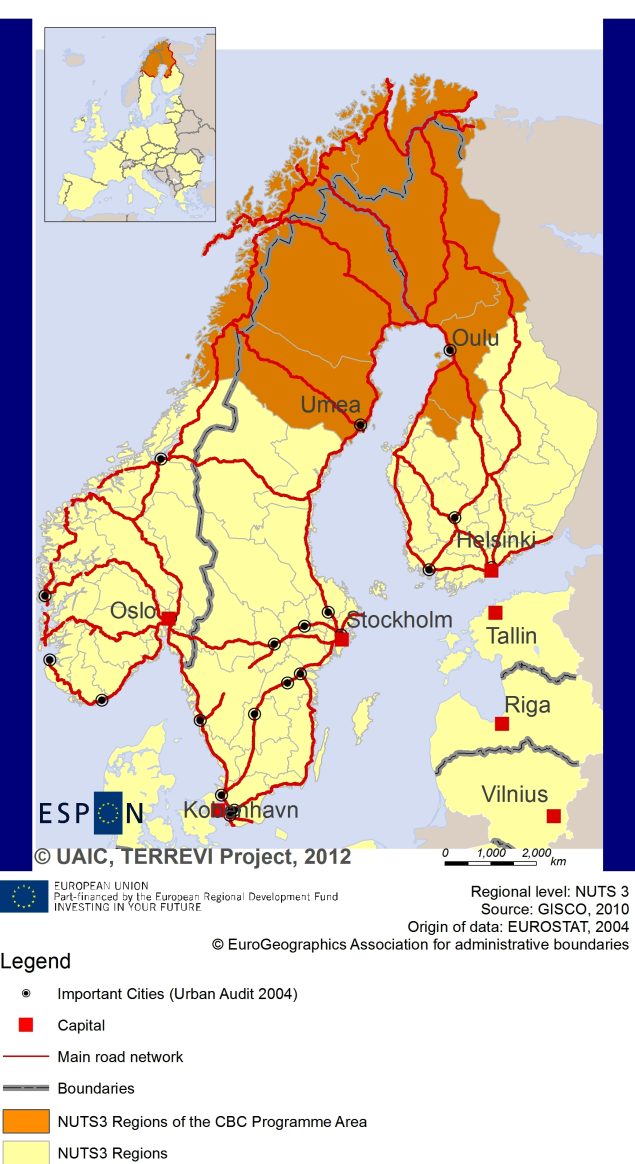
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ESPON Project TERREVI

November 2012

# Introduction

ESPON supports policy development in relation to the aim of territorial cohesion and a harmonious development of the European territory. It provides comparable information, evidence, analysis, and scenarios on territorial dynamics, which reveal territorial capitals and development potentials of regions and larger territories. Considering the programme area in its European context adds an important new perspective that can help shaping the programming and the places of implementing projects.

The ESPON TERREVI project focuses on producing evidence for Structural Funds programmes with the aim to support the development of the programmes to be carried out in the 2014-2020 period.

One milestone of this work consists in presenting selected ESPON research pieces in easy-to-understand factsheets for all territorial cooperation programme areas. The aim is to provide the reader with preliminary insight on types of territorial evidence ESPON holds at hand with regard to the possible investment priorities of future programmes. The factsheets certainly only give a first glimpse rather than fully present the work of the large number of ESPON projects that are currently underway. Likewise, each programme area includes diverse development potentials and challenges, which needs targeted information search. However, hopefully this factsheet will contain information, benchmarking the programme area in its larger, territorial context, that is of interest and help to better understand the programme area and to navigate within the richness of ESPON material available.

In addition to the programme factsheets there will be a number of specific programme case studies illustrating how ESPON material can be used to support the development of future programmes e.g. by giving a comparative European dimension to the envisaged SWOTs. These case studies will be carried out in early 2013.

This factsheet is structured in three main parts. The first part presents a selection of indicators that help comparing the situation of the programme area in question with the European average, the average for all programme areas as well as the situation in the countries involved. The second part briefly presents the territorial factors of interest for the programme area. The final part offers guidance on the further use of ESPON results and tools. This is intended as an electronic publication so map quality is generally high to allow users to zoom into specific territories.

This factsheet does not necessarily reflect the opinion of the ESPON Monitoring Committee.

# Europe 2020

Europe, with its member states and their regions, is more exposed to global shocks and international competition than at any time before. As the world becomes more interdependent this trend will continue and shape policy thinking across sectors, borders and geographical scales. At the same time, Europe is characterised by a large territorial diversity meaning that global developments can imply rather different development possibilities and challenges for different European regions and cities.

The differences are partly defined by major geographical structures such as urban systems, access and connectivity, the geographical specificity or population density. At the same time, the differences are also spelled out in the larger development trends that affect an area, and the way and degree to which it is affected.

The data, indicators and territorial evidence provided by ESPON provides insight on both the main structures and larger territorial trends. The fine art is to identify what can actually be influenced by policy-making and, in particular, by place-based policy and territorial cooperation related to your programme area.

This chapter provides a selection of ESPON data related to Europe 2020 objectives of smart, sustainable and inclusive growth, giving also hints as regards the main thematic objectives envisaged in the draft regulations for the next period of EU Cohesion Policy. The Europe 2020 Strategy aims to enhance smart, sustainable and inclusive growth. This strategy has clear territorial dimensions. However, achieving these goals is challenging in the crisis-driven times. Furthermore, the economic disparities are growing as economic trends and the crisis have various impacts on different parts of Europe.

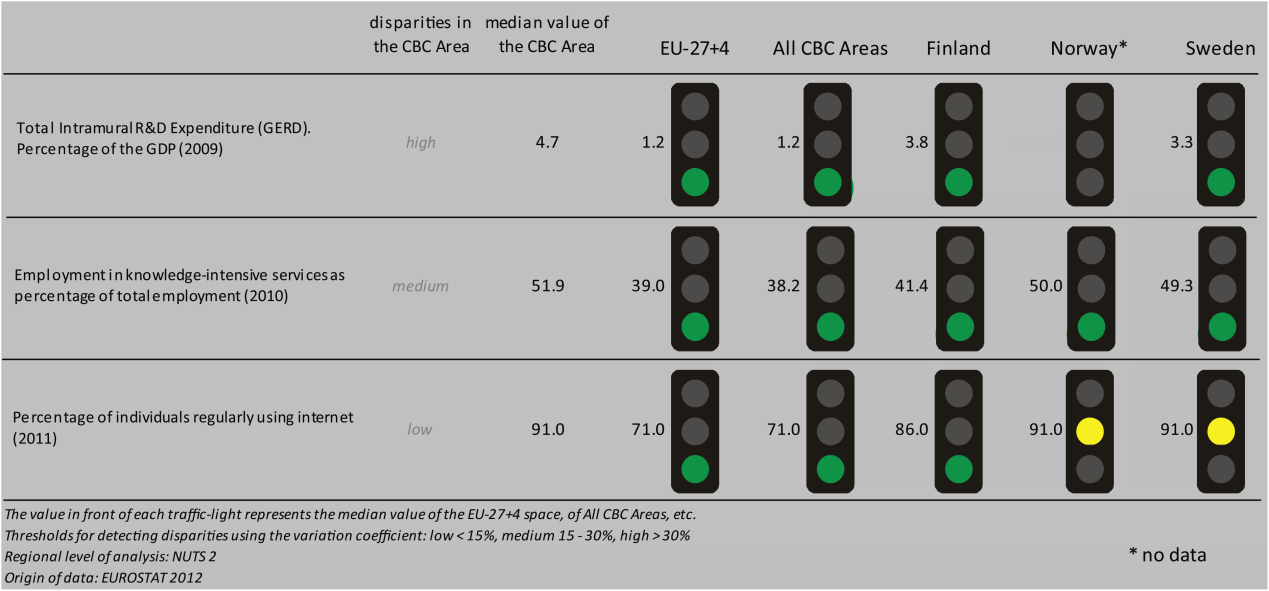
In the following the traffic light for each indicator represents how your programme territory compares to wider European and national medians where green = your programme area performs better for that indicator, yellow = similar, and red = worse.

In creating the traffic lights the median was used as central value indicator for all statistical variables due to its advantages (easy to interpret, it splits the statistical distribution in half) but especially due to the constraints linked to the impossibility of computing means for several indicators (Climate Change, Wind Energy Potential etc.). Therefore, a special attention should be given in reading the median values when the number of NUTS 2 regions is below 7. Using percentiles implies also a high dependence of the final results on the type of statistical distribution. This fact should be considered when establishing the relative position of a CBC Programme Area to a specific country.

EU 27+4 in Traffic Lights and box-plots means the EU Member States as well as Iceland, Liechtenstein, Norway and Switzerland – the ESPON space.

### Smart growth

Smart growth refers to developing an economy based on knowledge and innovation. In the framework of the Europe 2020 Strategy it means improving the EU's performance in education, research/innovation and digital society.

According to all indicators reported above, the North CBC area performs better than the EU27+4 space and all CBC ones. Considering the objective of R&D expenditure of percentage of the GDP - one of the five headline targets in the Europe 2020 Strategy - the CBC area is still in a better position than the EU27+4 space and all CBC. Moreover, North CBC area is characterized by a high level of internal disparity and performs better than both Finland and Sweden.

Concerning the ratio of employment in knowledge-intensive service to the total employment in 2010, the CBC area has higher values than the EU27+4 space and all CBCs; slightly higher than Finland, Norway and Sweden. The distribution inside the CBC results in a medium level of internal disparity.

In terms of the percentage of individuals regularly using internet in 2011, the CBC area has higher values than both the EU27+4 space and all CBCs, and it performs slightly better than Finland and at the same level as Norway and Sweden, with a low internal disparity.

According to the classification of the KIT project, MAP 1 identifies two territorial patterns of innovation:

* ‘Applied science area’, in the Swedish and Finnish part. It is associated to a quite high generality and originality of science-based local knowledge, and a high degree of attractiveness of knowledge coming from other regions;
* ‘Creative imitation area’, in the Norwegian side. It is associated to a low knowledge and innovation intensity, entrepreneurship, creativity, a high attractiveness and a high innovation potential.

**MAP 1 – Territorial Patterns of Innovation (ESPON KIT project) for the CBC North**



### Sustainable growth

Sustainable growth refers to promoting a more resource efficient, greener and more competitive economy. Within the Europe 2020 Strategy it means e.g. building a more competitive low-carbon economy that makes efficient, sustainable use of resources, protecting the environment, reducing emissions and preventing biodiversity loss, capitalising on Europe's leadership in developing new green technologies and production methods, and introducing efficient smart electricity grids. In the framework of the Europe 2020 Strategy it means focus on competitiveness, resource efficiency, climate change and biodiversity.



The use of wind energy could be one of the cornerstones in building a competitive low-carbon economy in the EU. The North programme area has exceptionally strong potentials in using this sustainable source of energy, as the CBC median value far exceeds the level of the EU-27+4, all CBC, but even the, otherwise considerably high, potentials of the individual partner member states as well. The ozone concentration is also at a very low level in the European and national contexts. At the same time the area’s level of potential vulnerability to climate change is much below the EU-27+4 and CBC areas’ median levels, and is close to the national values (two of which, Finland and Sweden, is ‘0’).

BOX-PLOT 2 on combined adaptive capacity to climate change mirrors the strong position of the programme area described by the sustainable growth indicators above. All border regions are in a very strong position when compared to other European regions, as all of them fall within the upper 25% of all EU-27+5 and CBC regions (the Finnish regions of Pohjois-Pohjanmaa and Keski-Pohjanmaa standing at the top of the range). The level of combined adaptive capacity of the border-regions is generally close to the national medians, with the exception of Pohjois-Pohjanmaa and Keski-Pohjanmaa regions that stand out also in the national context. Disparities within the border region are high with regard to the three selected sustainable growth indicators.

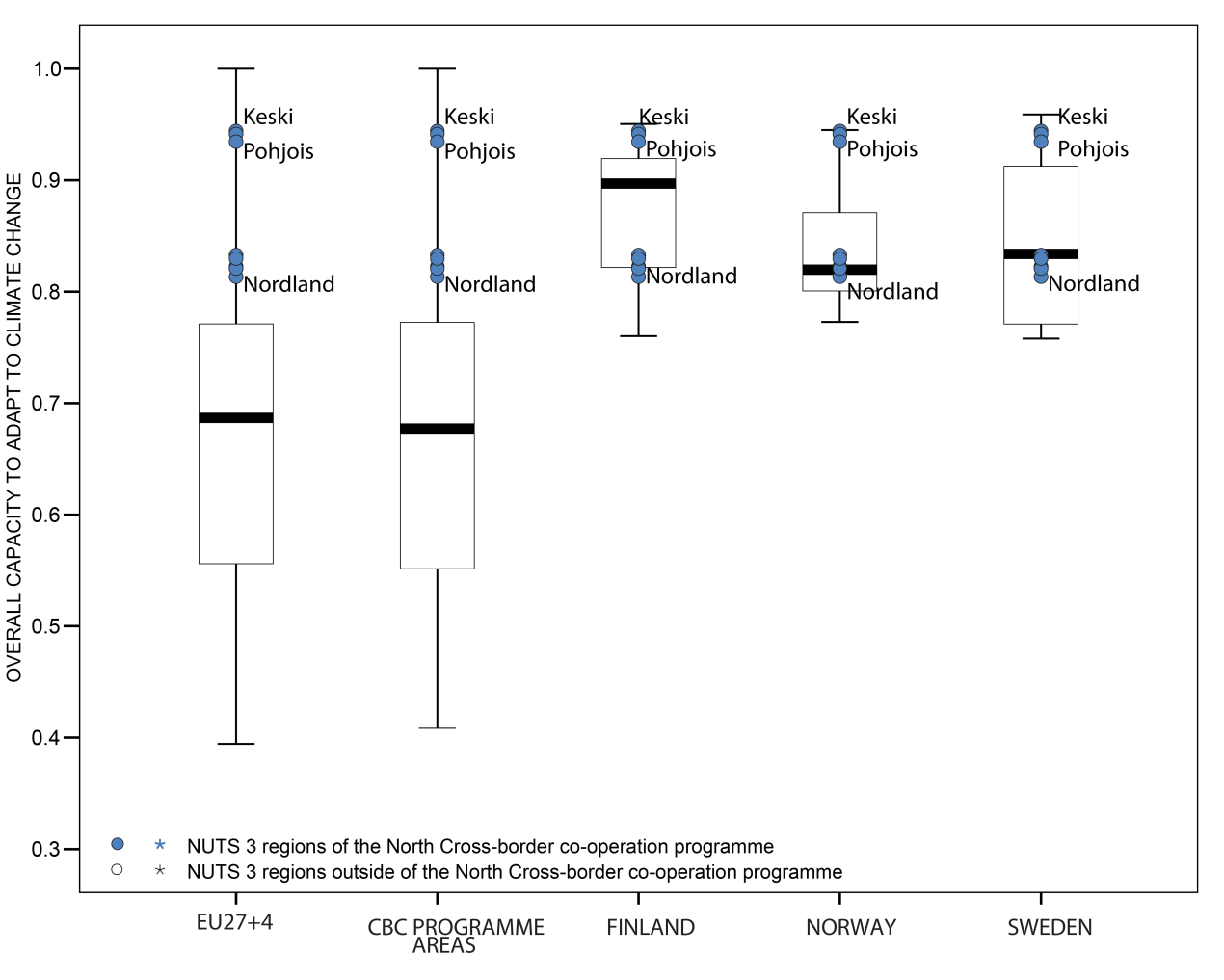
MAP 2 shows that Directive 11 has no impact on fossil fuel consumption in the border-area.

**MAP 2 - Territorial impact on fossil fuel consumption of Directive on the promotion of clean and energy-efficient road transport vehicles (ESPON ARTS project) for the CBC North**



**BOX-PLOT 1 – Combined adaptive capacity to climate change (ESPON CLIMATE project) for the CBC North**

*“Adaptive capacity (adaptability)” to climate change indicates the ability or potential of a system to respond successfully to climate change and variability, and includes adjustments in behaviour, resources and technologies.*



### *How to read the box-plots?*

*The box-plot is a statistical and mathematical tool used to visualize numerical data sets and to compare its statistical distribution.*

*Because it is used in exploratory analysis of databases, this representation is sensitive to the quality of the central value selected to explain the symmetry, shape and distribution variability. In the case of a box-plot, the most used central value is the median, because it has the quality of sectioning the data string into two halves, so that 50% of the cases will be above the central value and the other half will be below it. Since the purpose of the representation is to highlight outliers’ behavior, it uses a box that encompasses half of the cases, i.e. values that are in the range defined by the percentile of 25% and 75%. If a region has a value in this box then it can be considered that it has, according to the variable in question, a situation close to the average behavior of all regions analyzed.*

*When a region consistently deviates from the average profile of the analyzed territorial context, this behavior will be noted in the chart only when certain thresholds of statistical tolerances are exceeded, this being pointed in the diagram with segments perpendicular to the middle box, segments called the "whiskers".*

### Inclusive growth

Inclusive growth refers to fostering a high-employment economy delivering social and territorial cohesion. Within the Europe 2020 Strategy it means raising Europe’s employment rate, helping people of all ages anticipate and manage change through investment in skills & training, modernising labour markets and welfare systems, and ensuring the benefits of growth reach all parts of the EU. In short the key factors are employment and avoiding risk of poverty and social exclusion.

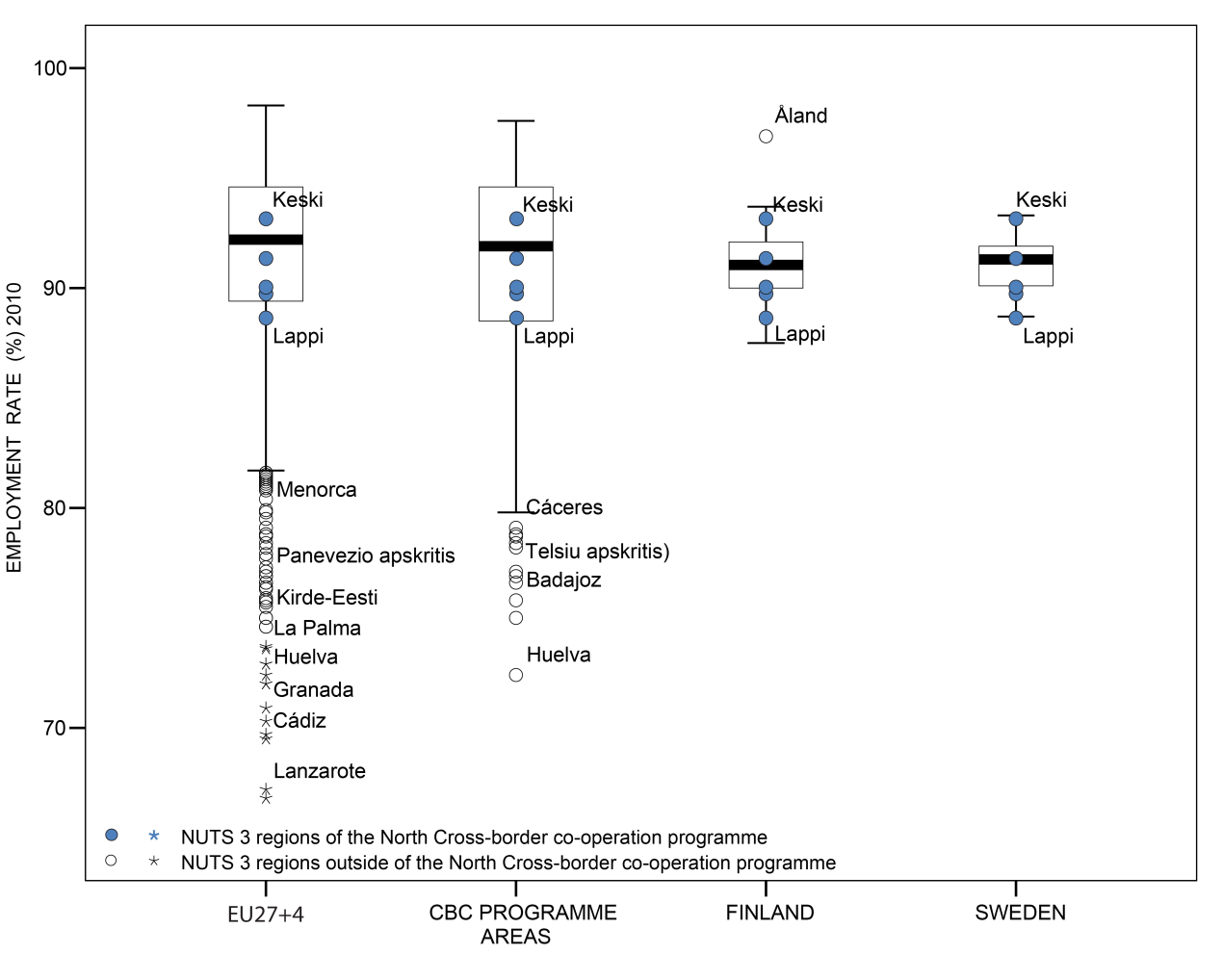
The employment situation in the border-area is also favourable, and the CBC region generally performs better than the EU-27+4, all CBC areas and Finland. Norway has a lower long-term unemployment rate and people at risk of poverty rate than the border area, while Sweden has the same long-term unemployment rate and generally counts relatively more people at risk of poverty than the programme-area. The border-region has a higher share of persons aged 25-64 and 20-24 with upper secondary or tertiary education attainment than the relevant European and national medians. The employment rate in the NUTS3 border-regions is generally close to the EU-27+4 and all CBC medians. In the Finnish context, the region of Keski-Pohjanmaa has a particularly high employment rate, while the region of Lappi has relatively fewer employed people (the region stand at the lower end of the national spectrum).

The ESPON DEMIFER project predicts labour force decrease until 2050 in the border region. While the ‘Growing social Europe’ scenario sees minor reductions only, the ‘Limited Social Europe’ and ‘Challenged Market Europe’ scenarios estimate a more considerable decrease in the labour force. Finally, the ‘Expanding Market Europe’ scenario foresees a limited increase in the labour force for the whole border-area.

**MAP 3 – Change in Labour Force 2005-2050 (ESPON DEMIFER project) for the CBC North**



**BOX-PLOT 2 – Employment rate 2010 within the CBC North**

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*(see “How to read the box-plots?” on page 8)*

# Territorial factors of interest for the programme area

Territorial cooperation programmes can make a difference for the future development of cross-border and transnational territories in Europe. Some of the factors can be analysed by European wide data sets and using some studies having specific maps, figures and tables concerning the areas of the cooperation region.

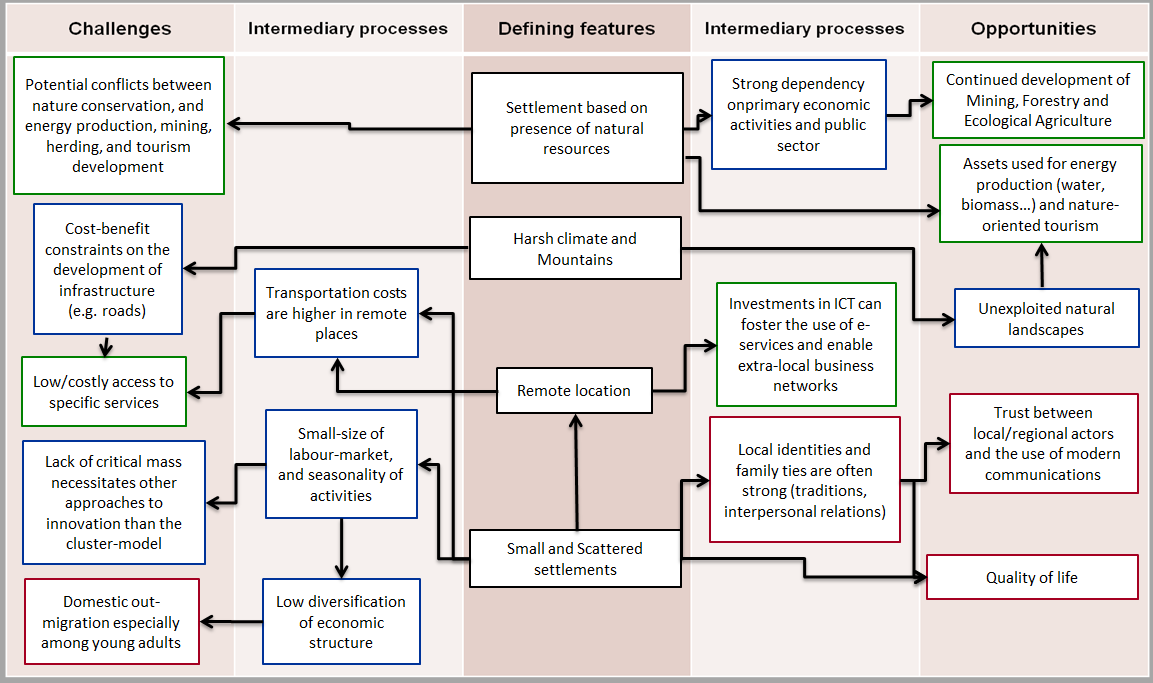
In a European perspective the programme area is characterised as rural and partly intermediate (in-between rural and urban), with some regions being close to a city and some being remote. The urban centres in the programme area are e.g. Bodø, Kiruna, Luleå, Umeå and Oulu. Otherwise, the programme is largely characterised by small settlements and low population density.

Being in the periphery of Europe, the multimodal accessibility of the programme area is below European average. So is also the number of border crossings per 100 km border. This is directly linked to the settlement structure and the low urban potential which also implies that there are only limited possibilities for building cross-border functional areas.

In a European perspective the main geographical characteristic of the programme is the one of a sparsely populated area. Furthermore, some parts of the programme area are characterised as coastal and some as mountainous. ESPON GEOSPECS has developed nexus models for sparsely populated areas (see figure), as well as for coastal and mountainous regions. These models link defining features via intermediary process to development challenges and opportunities. The below figure is an example for sparsely populated areas. These models can be of interest also for further developing the discussion about the challenges and opportunities in the programme area.

Furthermore, ESPON TEDI has devoted a special case study to some parts of the programme area, which provides additional insights on the territorial challenges and potentials in the area.

ESPON GEOSPECS PROJECT –FINAL REPORT, PAGE 102:  
Nexus model for sparsely populated areas



**MAP 4 – Urban-rural typology of NUTS3 regions including remoteness (DG Regio) for the CBC North**



*(Accessible=close to a city)*

**MAP 5 – Multimodal accessibilty (ESPON Accessibility Update) for the CBC North**

*“Potential Accessibility Multimodal” scores accessibility of NUTS 3 regions by road, rail and air relative to the European average in an Accessibility Index.*



# Recommended ESPON reading

ESPON provides an essential underpinning for translating into practice the calls for integrated and place-based approaches to economic development, when analysing a programme area or deciding about future programme priorities. ESPON has published a wide range of exciting reports providing valuable territorial evidence for future territorial cooperation initiatives.

The table below shows examples of relevant projects for the Cooperation Region. However, you have to study other ESPON reports as well in order to capitalise fully on the European information available for the cross-border programming.

|  |  |  |
| --- | --- | --- |
| **ESPON study** | **Topic** | **Content** |
| EDORA | Rural areas | It provides evidence on the development opportunities of diverse types of European rural areas and reveals competitiveness options (see maps in Appendix 1). |
| CLIMATE | Climate change | It analyses how and to which degree climate change will impact on the competitiveness and cohesion of European regions and Europe as a whole (see from map 1 to 23). |
| TIPTAP | Territorial impact assessment | It provides a tool for the ex-ante assessment of territorial impacts of policies to deliver evidence on the territorial impact of policies (see from map 2.3.1 to 2.3.9). |
| CAEE | Agglomerati-on economies | It aims at a better understanding of the economic costs and benefits of large urban agglomerations (see figure 1). |
| TRANSMEC | European cooperation | It develops a method providing guidance on how ESPON results can add value to support territorial cooperation programmes (see map 27 and from map 36 to 39). |
| SEMIGRA | Rural migration | It analyses selective migration in rural regions in order to develop strategies for territorial development (see map 1, 4 and 5 and Annex 2B for the case study of Västernorrland). |
| KIT | Innovation | It describes patterns and potentials of regions in terms of knowledge and innovation economy and explores development opportunities (see from map 3.1.1 to 4.4.1). |
| SGPTD | Growth poles | It provides evidence about performance and roles of European secondary cities (see from figure 2 to 2.12). |
| TERCO | Territorial cooperation | It delivers evidence concerning accessibility, demography and competitiveness (see from map 1 to 12). Scientific Report describes the area of Scotland, Norway and Sweden. |
| RISE | Integrated strategies | The project investigates the state of play of the Regional Integrated Strategies (see map 1). Annex 2 describes the Swedish region of Västerbotten as a case study. |
| TeDi | Territorial diversity | It provides a better understanding of development processes in territories defined as insular, mountainous, sparsely populated or peripheral (see from map 1 to 43). |

Furthermore, some of overall ESPON products of particular interest for territorial cooperation are:

* **ESPON Synthesis report** “new evidence on smart, sustainable and inclusive territories” provides an easy to read overview on ESPON results available.
* **ESPON Territorial Observations** is a publication series, which on a few pages presents policy relevant findings deriving from latest ESPON research.
* **ESPON 2013 Database** provides regional information provided by [ESPON projects](http://www.espon.eu/main/Menu_Projects/) and [EUROSTAT](http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home).
* **ESPON Hyperaltas** allows comparing and analysing a region’s relative position at European, national and local scale for a wide range of criteria.
* **ESPON MapFinder** provides access to the most relevant ESPON maps resulting from ESPON projects and reports.
* **ESPON Typologies** provides nine regional typologies for additional analysis of regional data to be considered in the European context.

All ESPON reports and tools are freely available at  
**www.espon.eu**



The ESPON 2013 Programme is part-financed by the European Regional Development Fund, the EU Member States and the Partner States Iceland, Liechtenstein, Norway and Switzerland. It shall support policy development in relation to the aim of territorial cohesion and a harmonious development of the European territory.