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| Title | NDPHS position paper aimed to raise the profile of health and social well-being in the next EU financial period's EU funding programmes operating in the ND area |
| Submitted by | Committee of Senior Representatives |
| Summary / Note | <p>During the PAC 7 in October 2010, the Partners endorsed a proposal made by the Secretariat to develop a position paper aimed to raise the profile of health and social well-being in the next EU financial period's EU funding programmes operating in the ND area. They have agreed that this should be achieved, <i>inter alia</i>, by ensuring that health and social well-being would be visibly exposed in the list of funding programmes' priorities.</p> <p>This present document has been developed by the Secretariat and subsequently endorsed by the CSR 19 in October 2011 for submission to the PAC 8.</p> |
| Requested action | For adoption |

Post-2013 European Territorial Cooperation: RAISING THE PROFILE OF HEALTH AND SOCIAL WELL-BEING

Views of the Northern Dimension Partnership in Public Health and Social Well-being

This document contains views of the Northern Dimension Partnership in Public Health and Social Well-being (NDPHS) regarding the post-2013 European territorial cooperation¹. It has been adopted during [the ministerial-level Partnership Annual Conference in St. Petersburg, Russia, on 25 November 2011.] It calls for: (i) visibly exposing health and social well-being among the priorities in the European cooperation programmes that will be implemented in the Northern Dimension area during the coming multiannual financial framework 2014-2020, and (ii) ensuring cohesion between the European territorial cooperation programmes and the EU Strategy for the Baltic Sea region (EUSBSR).

The views expressed herein are without prejudice to the views that the NDPHS Partners have presented individually or may wish to present in the future.

I. Brief information about the NDPHS

Public health is an important factor in economic and demographic stability and sustainable development in the Northern Dimension area. Consequently, social welfare and health care have been included as a priority sector in the renewed Northern Dimension policy jointly adopted by the EU, Iceland, Norway and the Russian Federation.

The NDPHS, which operates within the framework of the Northern Dimension policy, provides a platform for advancing work in this sector through a range of activities, including policy development, stimulating and initiating project-based activities, networking, etc. The Partnership involves eleven governments, the European Commission and eight international organizations.

In 2009, at the European Commission's invitation, the NDPHS took the role of Lead Partner for the coordination of the health sub-area of Priority Area 12 of the EUSBSR Action Plan. Since then, the Partnership has taken many successful actions to discharge its leadership role and engaged several other regional actors in the implementation of the EUSBSR.

Further information about the NDPHS can be found on its website at: www.ndphs.org.

II. Background

In 2010 the NDPHS reviewed the main European territorial cooperation programmes in the Northern Dimension area to see if health and social well-being have been named in the programmes' priorities and assess the proportion of funding granted for health and social well-being related projects. The conclusion was that only a few funding programmes currently operating in the Baltic Sea Region have explicitly included health and social well-being among their priorities and that this had a direct impact on the final amount of funding granted for projects

¹ The European territorial cooperation (ETC) is the third objective of the EU Cohesion policy (the other two objectives being Convergence and Regional competitiveness and employment). The ETC objective is financed by the European Regional Development Fund and supports cross-border, transnational and interregional co-operation programmes. The budget of €8.7 billion for this objective accounts for 2.5% of the total 2007-13 allocation for the Cohesion policy, including the allocation for Member States to participate in EU external border co-operation programmes supported by other instruments (IPA and ENPI).

in this field: health and social well-being related projects received considerably less funding than other sectors more visibly included among programmes' priorities.²

Investment in social inclusion and health is not only about containing future health care and social welfare costs. It is also an investment in economic growth. Based on this understanding, it is important to encourage changes in this regard and to raise the profile of health and social well-being in the preparation of EU budget for 2014-2020. During the planning of the Cohesion Policy funds allocated to European territorial cooperation programmes operating in the Northern Dimension area, social well-being and health should be seen as priorities contributing to achieving the Europe 2020 objectives of smart, sustainable and inclusive growth.³

On 29 June 2011, the European Commission proposed "A Budget for Europe" 2020.⁴ Detailed legislative proposals for the expenditure programmes and instruments in the individual policy areas are expected before the end of 2011. The European Commission proposes to allocate 11.7 billion EUR for European territorial cooperation for the 2014-2020 period, an increase from the 8.7 billion EUR allocated in the 2007-2013 period.

Whereas negotiations on the future financial framework are still ongoing, it is clear that the funding allocated for European territorial cooperation is unlikely to increase considerably. In this context, it is of utmost importance to spend money effectively and in a focused way. To ensure this, focusing on the right priorities and learning lessons from the current programming period is essential.

The aim of this position paper is to contribute to the ongoing discussions about the EU Multiannual Financial Framework 2014-2020. To that end, it focuses on two issues where there is room for improvement, as compared to the current programming period:

- **Visible exposure of social well-being and health in the cooperation programmes' priorities;**
- **Cohesion between cooperation programmes and the EUSBSR.**

III. Visible exposure of health and social well-being in the cooperation programmes' priorities

1. Timely investment in social well-being and health cuts future costs and contributes to the economic growth

Health is an indivisible human right. In this respect Europe is performing well – on average people in our region live long and healthy lives compared to previous generations and other parts of the world. Whether the status quo will be maintained is another question, since new threats and developments are emerging.

Equally importantly, **health is also an economic issue, which must be regarded from two interconnected perspectives: (i) health as investment and (ii) ill health as expenditure.**

Seen from the "ill health as expenditure" perspective, ill health imposes tremendous costs. In 2008, the European Union countries devoted 8.3% of their GDP on average to health spending, compared to 7.3% in 1998.⁵ The increasing trend will continue if Europe aims at ensuring the same level of care in the context of new and costly health-related challenges, such as those named below.

² Cf. minutes of the NDPHS Seminar on project development and funding, p. 6, available at: http://www.ndphs.org//documents/2426/PAC_7_side-event_minutes.doc

³ Europe 2020, cf. http://ec.europa.eu/europe2020/index_en.htm.

⁴ Available at: http://ec.europa.eu/budget/biblio/documents/fin_fw1420/fin_fw1420_en.cfm.

⁵ Health at a glance: Europe 2010, available at: http://ec.europa.eu/health/reports/european/health_glance_2010_en.htm.

However, **by recognizing that health is an investment, and by making that investment now, it is still possible to avoid major increase in ill health expenditure in the longer term.** An investment is about putting money in something with the expectation of a gain. As with any investment, investment in health is still an area of uncertainty and the expected gains are not fully assessed. Nevertheless, when it comes to the previously named health-related threats, it is important to recognize that: (i) the solutions are known and most of them are simple and low-cost and (ii) Europe is running out of time. In addition health care strongly and directly benefits from research and technological development in health and life sciences and triggers technological innovations thus fostering “business driven technology.” The following are only a few concrete examples of constantly growing problems where urgent action is needed:

(i) Ageing society

By 2030, age-related public expenditure in the European Union is expected to increase by 2.7% of GDP as compared to 2008,⁶ due to a higher share of retired people and a higher number of people with chronic non-communicable diseases. It is widely known that non-communicable diseases are largely preventable. At the same time, only around 3% of the current health expenditure in the European Union is spent on prevention.⁷ By investing in health promotion, the gain would be two-fold: (i) healthy people are more likely to work longer and (ii) reduced spending on treatment of non-communicable diseases. Furthermore, ensuring occupational health and safety is especially important in the context of ageing workforce.

(ii) Poverty and social exclusion leading to health inequalities

Vulnerable and socially excluded groups have considerably lower health levels than other population groups due to factors such as poor housing, poor nutrition (i.e. factors normally referred to as social determinants of health), as well as barriers to access to health and social services, etc. In the Baltic Sea Region there are places where social and economic problems lead to high levels of mortality due to non-communicable diseases, violence, alcohol- and drug- abuse and the spread of infectious diseases such as HIV/AIDS, tuberculosis, etc. Actions addressing inequalities in health status and in the level of health protection should be taken in order to avoid negative consequences for social and economic development. In particular, strengthening of primary health care systems is crucial for closing gaps in healthcare access and quality.

(iii) High burden of non-communicable diseases

Non-communicable diseases account for at least 86% of all deaths in the European region.⁸ Tobacco use, harmful use of alcohol, physical inactivity and unhealthy diet are the main risk factors of non-communicable diseases. Therefore, the fact that Europe is the heaviest drinking region in the world, that every third European is smoking and that half of the total EU population is overweight or obese should be taken seriously. For example, obesity, if not contained, will lead to half of the population having diabetes, the treatment of which costs annually from EUR 500 per patient, in non-complicated cases, up to EUR 10,000, in complicated cases. Again, investment in health promotion is the most effective solution to prevent these problems.

⁶ EC data, cf.

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/519&format=HTML&aged=0&language=en>.

⁷ *Ibid*: Footnote 4, p 2.

⁸ Action Plan for implementation of the European Strategy for the Prevention and Control of Non-communicable Diseases 2012-2016, available at:

http://www.euro.who.int/_data/assets/pdf_file/0003/147729/RC61_edoc12.pdf.

(iv) **Antimicrobial resistance**

The discovery of antibiotics was a revolution in modern medicine, which significantly reduced the mortality from bacterial diseases. Unfortunately, a number of factors have led to the emergence of resistant bacteria. The situation is very serious and lack of effective microbial agents in the future is a plausible scenario. As a result, the treatment of many medical conditions is becoming more expensive, less effective or even impossible. A number of actions are required, including: (i) investment in research of new effective antimicrobial agents and (ii) raising awareness among patients, health professionals and the agriculture sector about the importance of prudent use of antimicrobials.

Moreover, **investment in health and social well-being is not only about containing future health and social care costs. It is an investment in economic growth.** Sufficient labour supply, high labour productivity and a highly qualified workforce are the key elements of economic growth. Health and social well-being are of direct relevance to all of these. Individuals enjoying good health and favourable social background are better fit to: (i) acquire the necessary skills; (ii) enter the labour market and (iii) work longer or at least not retire prematurely due to their declining or poor health condition or other social factors.

When it comes to labour productivity, healthy individuals are more efficient and adaptable to change and persons with favourable social background are more likely to pursue lifelong learning. On the other hand, poor health is linked not only to absenteeism due to sick leaves, but also involves stress, discomfort, pain and suffering, which inevitably lead to a lower productivity at work. Finally, issues such as productivity loss due to the smoking breaks of the smoking employees and discrimination of obese persons on the labour market are rarely addressed, but also have an economic impact.

Timely investment in health and social well-being is an important precondition for: (i) economic growth through ensuring sufficient labour supply and contributing to high labour productivity, and (ii) containing future health and social care related costs.

2. Transnational cooperation in social well-being and health: common response to common challenges through joint efforts

Investment in social well-being and health is important and, admittedly, since the organization and delivery of health and social care is a national competence, transnational cooperation in this sector makes a comparatively lesser impact by and large. In addition, the budgets and social systems of the European countries vary tremendously. However, without doubt, there are areas and challenges where investment in transnational cooperation in social well-being and health is advantageous and essential.

The main social well-being and health related challenges that the European countries are currently facing are the same: an ageing society, poverty, social exclusion and health inequalities, the increasing burden of non-communicable diseases and new health threats. Consequently, **it is only logical to coordinate the responses to common challenges, to (i) pool the resources and expertise, and (ii) exchange ideas and knowledge on effective and less effective solutions – all this to bridge gaps and speed up innovation processes, to avoid duplication of efforts and limited resources, and, finally, to allow for well-informed policy and decision making.**

Furthermore, in the EU neighbouring countries, HIV is spreading faster than anywhere else in the world, its co-infection with tuberculosis is rapidly increasing and the proportion of drug-resistant forms is much higher than within the EU. As communicable diseases do not respect national borders, this is a regional problem and, therefore, needs to be addressed through close collaboration between the EU and neighbouring countries.

Surveys indicate that individuals place health among the top priorities in their life. This, despite the fact that their daily behaviour frequently suggests the opposite. This contradiction is reflected at the decision and policy making level, too. The key role of health in economic development is increasingly recognized in strategic documents, not only at the national, but also the supra-national level, such as the Europe 2020 Strategy for smart, sustainable and inclusive growth. However, **this recognition has so far not been sufficiently reflected when defining the strategic priorities, including the priorities for funding.** For example, the Europe 2020 Strategy aims at employing 75% of the active population by 2020 through better education levels, research and development, better involvement of women, older workers and migrants. Without doubt, lifelong learning and flexible work arrangements are important in this regard, but, as an important precondition, the person must be healthy to participate in the labour market and not to leave it prematurely.

When it comes to the European territorial cooperation, the role of health was for the first time recognized in the Community strategic guidelines for cohesion 2007-2013, with its specific chapter “Help maintain a healthy labour force”. However, **only a few funding programmes currently operating in the Baltic Sea Region have explicitly included health and social well-being among their priorities.** NDPHS discussions with representatives of the territorial cooperation programmes in the Northern Dimension area revealed that – although project proposals focusing on health and social well-being can be submitted even if health and social well-being are not included among the respective programme’s priorities – this has not often been done. Project developers are hesitant to invest their time, energy and money if health and social well-being are not clearly spelled out as priorities since they have doubts if their applications will be competitive. As a result, health and social well-being related projects received considerably less funding than other sectors that are more visibly included among programmes’ priorities.⁹

There are several factors behind the low profile of health and social well-being in the 2007-2013 cooperation programmes. Firstly, it is only during this financial programming period that health has been visibly included among the priorities of the regional policy. Secondly, the programmes have usually been designed by non-health and social well-being actors, who may be not fully aware of the health and social well-being implications. The area of health promotion is a typical example where sectors such as finance, education, agriculture, food industry and mass media have an equally important role. Consequently, “health in all policies” is a goal to be achieved in the European regional policy.

Transnational cooperation is important for an effective response to health and social well-being challenges. Transnational cooperation programmes are a useful tool in this regard, but **it is crucial that health and social well-being be visibly exposed among the funding priorities of operational programmes under different objectives of EU Cohesion Policy.**

IV. Cohesion between territorial cooperation programmes and the EUSBSR

The EUSBSR was adopted in 2009 and now, well into the implementation stage, it demonstrates the first tangible results. It has also proven to contribute positively to enhanced cooperation in the Region. It is a framework, which sets the priorities and consolidates already ongoing cooperation processes. One of the main principles of the EUSBSR is that no new funding be provided for its implementation. Instead, existing funding opportunities need to be better utilised for the purpose of the Strategy. The Strategy is, therefore, relying exclusively on the existing sources of funding to finance its prioritised actions and flagship projects. Consequently, there is a clear need for a more strategic approach for the use of Structural Funds in the region to support the EUSBSR.

In practice the “no new funding” principle has generally proven to be very challenging. The existing cooperation programmes were designed without the EUSBSR in mind and, therefore, the project applicants are facing situations when some EUSBSR flagship projects are not eligible for support

⁹ Cf. minutes of the NDPHS Seminar on project development and funding, p. 6, available at: http://www.ndphs.org//documents/2426/PAC_7_side-event_minutes.doc

under the current cooperation programmes. One example is the “Alcohol and drug prevention among youth” flagship project developed by the NDPHS: there is no possibility for its (fully-fledged regional) project proposal to be funded by a single cooperation programme operating in the Baltic Sea Region. Consequently, to be able to run activities in at least a few select parts of our region, the project concept had to be transformed into several smaller project proposals. One conclusion is, therefore, that **successful implementation of the EUSBSR will not be possible without having its priorities properly linked to the respective European Territorial Cooperation programmes.**¹⁰

Furthermore, with a high number of territorial cooperation programmes operating in the Baltic Sea Region, there is a risk of a fragmented approach and duplication of efforts. Thus, **strategic cooperation and coordination in the design and implementation of the programmes is essential. By linking the priorities to the EUSBSR a fragmented approach in the European territorial cooperation would be avoided, with funded activities linked to a common goal rather than random activities with limited strategic vision.** In the implementation phase, increased cooperation and efficient partnerships between the Managing Authorities of the programmes and the EUSBSR Priority Area Coordinators are necessary to ensure complementarity between the activities as well as more effective utilization of the outcomes of these actions. Regional stakeholders, such as the NDPHS, could provide assistance in developing such strategic cooperation.

V. Recommendations for the next programming period

As important contributors to economic growth, health and social well-being play a significant role in the implementation of the EU 2020 Strategy and this recognition should be properly reflected in the next Multi-annual Financial Framework. Furthermore, coordination between the European territorial cooperation programmes and the EUSBSR should be improved. To that end, the NDPHS recommends the following:

1. **Recognize a key role of health and social well-being in ensuring economic growth and implementing the EU 2020 Strategy.**
2. **Visibly expose health and social well-being among the priorities of the EU territorial cooperation programmes that will operate in the Northern Dimension area during the coming multiannual financial framework 2014-2020.**
3. **Strengthen consideration of health and social well-being issues in other sectoral policies, consistent with the “health in all policies” approach.**
4. **Align the EU territorial cooperation programmes with the EUSBSR priorities and targets, to avoid fragmentation of efforts.**
5. **Ensure involvement of key stakeholders in the programming of the forthcoming EU territorial cooperation programmes, and, especially –**
6. **Engage EUSBSR Priority Area Coordinators (those with proper regional cooperation frameworks established) in the development of the respective forthcoming EU territorial cooperation programmes’ priorities to ensure better alignment of funding and coordinated vision in responding to key challenges facing our region. This alignment will be further improved by including health and social well-being issues in the monitoring and reporting mechanisms. It will also help better address cross-cutting and horizontal topics that are not necessarily linked to specific policies or sectors.**

¹⁰ Whereas, the EU Convergence and Regional Competitiveness and Employment Objectives are also of relevance, these are not the focus of this position paper. Same can be said about an idea of allocating financial means for the Strategy in the EU budget.