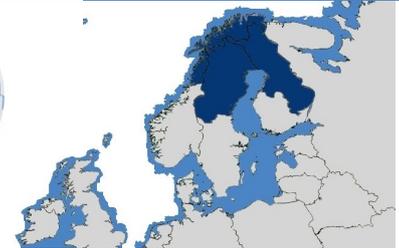


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The Arctic dimension of cohesion for all of Europe

The Northern Sparsely Populated Areas (NSPA) comprise 0,5% of the EU population on 10% of the EU land area and consist of 14 regions in North Sweden and East & North Finland within the EU, and also North Norway within the EEA; a unique northern border area of cooperation at the core of the European Arctic.

There are other sparsely populated areas in Europe, but the scale of NSPA – in remoteness and sparsity – adds another dimension to the phenomenon. EU define very sparsely populated areas as regions with less than 12,5 inhabitants per km²; NSPA have about 5 inhabitants/km².

Obstacles for the NSPA to overcome

The conditions in the NSPA pose very specific challenges.

1: Sparsely populated

Very few people on very vast area means extra costs for infrastructure and public, social and commercial services.

2: Remoteness

Long distances within the region and to the markets entail extra costs for communication and local, regional and external trade, not least due to insufficient infrastructure.

3: Arctic climate

Harsh climate and dark winters bring extra costs for heating, lighting and keeping roads and waterways open. It also entails specific conditions for the agricultural sector.

4: Raw material economy

Large resources of minerals (e.g. 90% of EU's iron ore), forests, oil, gas and hydropower, bring a vulnerable enterprise structure where revenues from external investors and industry do not benefit the local society and its diverse interests, such as for the indigenous Sami Peoples. Being rich in natural resources, is not the same as a rich society.

5: Declining and ageing societies

In combination with rationalized industries, many societies are declining, with young people, especially women, leaving for education and better jobs, while industries have difficulty finding skilled labour.

6: Geopolitical tensions to tackle

To this, come increasing tensions in the European Arctic due to closed Russian borders affecting trading routes and local economy, as well as new security policy needs for the EU to address with NSPA as a gateway to the larger Arctic.

Extra EU allocation for the NSPA needs to be upheld

Article 174 of the EU Treaty puts particular emphasis on regions with permanent handicaps. In Protocol 6 of the Accession Treaty for Sweden and Finland, the NSPA are acknowledged as areas that need specific treatment.

Hence, the NSPA is acknowledged by the EU to face severe obstacles, and get allocated extra resources in the EU cohesion policy. It is the most important support to release the potentials of the European Arctic to the gain of all EU.

This is, though, taken away in the proposal for the EU multiannual financial framework (MFF) 2028-2034, and it need to be reinstated.

Adapted fact based EU supported regional growth

The NSPA regions has been engaged in several common processes with the OECD. The latest report (2025), supported by the EU; *Navigating Global Transition in European Arctic Regions*, delivers recommendations for a green, competitive and secure area, in line with EU Arctic policy's aim to build a secure, sustainable and prosperous Arctic region.

The need of continued allocated EU support, to be fitted to the specific territorial obstacles, such as connecting the vast hinterland to the growth centres, and build local capacity in vulnerable northern border areas, are core messages by the OECD, if NSPA are to be able to host and deliver to industrial investments of big importance for Europe.

Unleashing the regional innovative NSPA potentials

NSPA have, with EU support, shown substantial progress as a leading innovative area in Europe with globally competitive growth centres and new climate smart solutions.

1: Focused investments for growth efforts in the NSPA

It is important to be able to focus on long-term regional growth and resilient communities, in line with EU policies and smart specialisation, in cooperation across borders.

2: Expanding clusters for global competitiveness

EU support, together with national and regional efforts, has brought eminent clusters and innovative world-leading test-beds that attract investments in forestry based circular bio-economy, clean-tech, data centres and more.

3: Using existing obstacles in innovative ways

Potentials are realised by using obstacles in new ways; such as unique winter car test sites, tourism (e.g. the Ice Hotel and Santa's home), green steel production and assets for EU's electrification and Clean Industrial Deal.

4: Taking lead in clean industrial strategic autonomy

NSPA are taking global lead in the green transition by making use of its natural resources, critical for climate smart industrial establishments within European value-chains, in the core of building EU strategic autonomy.

5: Being pro-active in the demographic change

The need to address the demographic challenge provide also innovations, e.g. world leading actions in e-health and other distance spanning applications and digital skills.

6: Turning the map around in a global perspective

However, due to lack of critical mass of own capital and people, is there a need for support to help on-going processes and foster attractive societies and an economy based on innovative globally interlinked people in the NSPA. The European Arctic is truly one of today's world most interesting regions.



Strong, Specific and Promising

