

NSPA views on the EU Arctic Policy and how to implement it

The NSPA welcomes the updated EU Arctic Policy launched 13 October 2021. The European Union is an important actor on Arctic issues together with its regional partners and stakeholders in the European Arctic of North Sweden, East and North Finland, and North Norway.

The Arctic needs to remain sustainable and peaceful

NSPA condemns the illegal invasion of Ukraine and urges the Russian Federation to stop its unprecedented aggression towards the people of Ukraine. The violation of principles of democracy, freedom, human rights, and rule of law is inexcusable and will have severe long-lasting consequences for trust and relationships with the Russian Federation. The top priority of EU to keep the Arctic a peaceful, safe, and stable region have become more difficult, as well as more important than ever before.

EU has taken an engaged role in establishing a link and dialogue with the regions in the Arctic which is genuinely appreciated by the NSPA. The legitimacy and abilities for the EU to improve the peaceful and sustainable development of the Arctic depends strongly on alliances with stakeholders in and around the Arctic, as well as the provision of support and investments for sustainable development of the European Arctic. The dialogue with the indigenous peoples in the Arctic is important to continue to capture all aspects of the Arctic livelihood and find the right balance to support sustainable development in the Arctic, with respect for the vulnerable nature of the region.

NSPA welcomes the recognition of the NSPA network of elected representatives from the regions of the European Arctic as a constructive dialogue partner for the implementation of the policy, together with the Arctic Mayors Forum, the Arctic Economic Council, and the Sámi Council. It is essential that all the people in the Arctic are heard and that all perspectives are captured. The European Arctic is in this sense the populated Arctic and not only wilderness to protect, but also a place to live, work and visit, with need of investments and growth actions as for other parts of Europe.

EU should continue to use its soft power to be a relevant partner in the Arctic and can do so well by investing in the European Arctic, improving conditions for growth in the EU regions and the neighbouring areas. EU has great potential to be a facilitator for the Arctic to be a peaceful, sustainable, and thriving place, by investing in research, collaboration, and development on a people-to-people, researcher-to-researcher, and business-to-business basis across borders in the European Arctic, whilst also giving EU the needed legitimacy concerning the larger Arctic.

The development of the European Arctic and the EU to become prosperous and sustainable is also the basis for a low-tension and peaceful Arctic region, which is also required to tackle climate challenges with new smart solutions and actions within the Arctic. NSPA therefore very much welcome the focus on regional development for a green, peaceful, and prosperous Arctic.

Tackling the Arctic paradox together

The European Arctic is unique in both a European and an Arctic context. It is crucial that the region can continue its efforts to be an attractive place for people to live in and give stability to the region and beyond. The regional economy remains vulnerable due to the lack of own critical mass, although the European Arctic has comparatively populated and advanced communities with Arctic know-how, as well as potentials to deliver solutions on many global challenges, as well as highly competitive businesses in sustainable tourism.

Nonetheless, adapted support and tailor-made policies to fit the Arctic challenges are still needed to further unlock the potential for regional diversification, economic growth, and resilient

communities. Additionally, social sustainability and inclusion in the Arctic need to be promoted through continuous public support for education, culture, health, and social innovations.

NSPA welcomes the EU commitment that EU's engagement in the Arctic must also benefit the inhabitants and future generations in the Arctic. A top priority for the EU should be to better help the regions to overcome the Arctic paradox. All things equal, extraction of natural resources with higher productivity tends to create more jobs and generate growth elsewhere than within the Arctic. Smart investments and place-based strategies is therefore needed to make sure communities benefit more from the comparative advantages that they offer.

The rural Europe faces different challenges in different regions, which is especially true for the Arctic and the sparsely populated areas. The regional variety needs to be considered for adapted support to unlock the regional potentials in the European Arctic. NSPA therefore welcomes that emphasis on the long-term vision for EU's rural areas under development, and that the structural challenges and opportunities of the European Arctic will be incorporated as a part of the EU rural policy development. The rural and regional development perspectives can also be complemented and integrated with the actions for urban development, as cities of the European Arctic are vital regional engines for growth and sustainable development in the northernmost part of Europe.

Research has a fundamental role for better adapted strategies, but also for education and attracting skilled competence for the industries and communities. NSPA welcomes the EU emphasis on research, knowledge, and science for continued sustainable development of the Arctic that is present throughout EU Integrated Policy for the Arctic. The policy captures the EU contribution to polar and climate research but slightly overlooks the wider scope on research linked closer to regional development, such as, social sciences, forestry, energy, food, creative and cultural industries, indigenous issues, raw materials, and space infrastructure.

The policy includes these areas to be supported for more comprehensive Arctic research, but they need to be even more stressed for the implementation of the policy. The research institutions in the NSPA can deliver research on Arctic from within the Arctic, and with own knowledge of Arctic conditions, and could be further interlinked with EU's Arctic ambitions. NSPA believes that researchers in the European Arctic should be involved more in the dialogue with the EU on shaping and implementing Arctic research policy and Arctic sustainable development.

Connecting the Arctic with investments in transport and digital infrastructure

NSPA welcomes the TEN-T corridor extensions to improve transport connectivity in the European Arctic and beyond. The green industrial transition with billions of euros to be invested, need to be met with fast development of sustainable transport modes to accelerate the shift from road to rail and maritime transport. Equally important in remote areas with low population density is well-functioning aviation to guarantee regional accessibility, and the NSPA is in the forefront of developing sustainable aviation.

The TEN-T corridor extensions connects the EU to the emerging Northern Sea Route, which in turn creates new conditions and opportunities for shipping, fishing, and energy extraction, while reducing the transport time of goods significantly. However, unpredictable seas, severe climate conditions, and lack of infrastructure in the northern territories continues to offer many structural obstacles for economic development.

NSPA welcomes the EU commitment to address digital imbalances in the sparsely populated northern regions. The expansion of regional digital networks connects communities and facilitates the development of digital services such as distance studies, e-health, electronic commerce, tourism, and knowledge-intensive businesses, as well as digitalising industries and boosting productivity.

The access to reliable broadband also bridges innovation systems independent of distance, linking businesses with academia and the public sector enabling smart specialisation and regional development. The need for continuous public support to invest in ICT and promote digital cohesion is critical for businesses to stay competitive and to improve the conditions for people living in the European Arctic.

NSPA welcomes the ambitions from the EU to assure 5G roll-out in the European Arctic region, connecting via 5G corridors throughout the whole region, connecting also the most remote societies that needs physical broadband and adapted support to guarantee accessibility. Global fibre cables can also deliver possibilities to connect the most remote parts of the Arctic and deliver well-needed high-speed communication to and from the region to the rest of the world. An action plan is needed to reach the intentions in the EU Arctic policy of a digital Arctic.

Keep up the ambitious investment plans for the Arctic

The EU needs a continuous ambitious investment policy for the Arctic to boost innovation, create growth and jobs, increase accessibility and connectivity, while transforming industries and promoting sustainability through more multilateral cooperation and multi-level governance. The *European Structural- and Investment Funds* and state-aid regulations are key instruments for EU to facilitate these actions together with the stakeholders in the European Arctic.

The new EU instruments for digital and green transition launched through the Next Generation EU must be better adapted to the territorial conditions of the Arctic regions to have a meaningful impact. Additional financial possibilities such as *Invest EU*, possibly facilitated through the *Arctic Investment Platform*, needs to be explored further to cater the major investment needs for sustainable development, industrial transformation, and economic growth.

The EU support for cooperation over the borders in the Arctic is significantly important for vast regions with lack of own critical mass and need to collaborate on common challenges and potentials. The different Interreg programmes in the region need to be even more integrated in the regional, national and EU development action plans with synergies to other tools for smart sustainable growth actions, including the integration of the European Arctic to the European overall actions for green growth. NSPA therefore very much welcomes the aim for more integrated support and platforms for sustainable development of the Arctic.

All contacts with the eastern neighbour of the NSPA have stopped due to the illegal invasion of Ukraine by the Russian Federation. Stakeholders and organisations in the European Arctic troubled by the damaged relations need specific attention and support to handle the consequences. Interregional platforms, such as the Barents Euro Arctic Cooperation, the Northern Dimension and the Kolarctic programme, can be used as facilitators for upholding the dialogue and continued support to affected regions and deliver preparedness for future possible interactions and efforts to rebuild a prosperous low-tension Arctic area.

Supporting blue and green growth in the Arctic

NSPA welcomes the EU support for the blue economy and green growth in the Arctic. The Arctic Ocean deliver huge potentials for a sustainable bioeconomy that bring food, energy, transportation routes, as well as digital fibre cables to be rolled out, and other vital natural resources. The Arctic have harsh waters with a vulnerable eco-system that need to be managed in a sustainable way. Local knowledge of arctic characteristics and how to develop the region in a responsible matter needs to be the basis for collaboration and support from national levels of governments and the EU. Which is also the case for the Baltic Sea and its northernmost parts, being a link between the Arctic and the rest of Europe.

The green bioeconomy is also a core domain of the European Arctic, as the area to large parts consists of forests. The refinement of these natural resources is a vital part of the local and

regional economy in the northernmost Europe, as active and sustainable forestry delivers products to the world, from pulp and climate smart buildings materials to renewable energy and sustainable fuels, as well as substitutes for plastics which decrease the demand for oil and gas. In this way the EU Arctic regions are already climate neutral, delivering a carbon sink to the outlets of CO₂ in other parts of Europe, by providing actively managed forests. The role of bioeconomy and green growth should have been more visible in the EU Arctic policy, being an essential resource in the European Arctic. NSPA look forward to continuing a constructive dialogue on sustainable forest management that delivers to the EU green deal as a part of realizing the ambitions in the EU Arctic Policy

The increasing demand for raw materials due to the green shift in technology, will increase the pressure on sustainable extraction and refinement, all for which the regions in the European Arctic are at the global frontline with skills and competence for resilience throughout the whole value chain. The sustainable use of Arctic natural resources is a prerequisite for attractive livelihoods in the Arctic. The utilization of natural resources, in line with the highest environmental, social and governance standards, is not only for the benefit of the inhabitants of the Arctic, but also to Europe as a whole.

Implementing a common action plan together with the people of the Arctic

The NSPA network look forward to a continued dialogue with the EU institutions on how to realise the long list of high set goals in the new EU Arctic policy. A joint thorough engagement from the EU and the NSPA is needed to implement the policy, and NSPA would like to highlight the previous process that followed on the EU integrated Arctic policy from 2016, via a so called Arctic Stakeholder Forum which ended in a report that still forms a good basis for the investment priorities in line with the new policy for a green and prosperous European Arctic as the EU gateway to the larger Arctic. A similar process in between the EU Arctic Forums could assure the close dialogue and actions needed to realise the ambitions in the Arctic. Especially in times when the collaboration in the northernmost Europe is more relevant and important than ever before.

NSPA is ready to join forces with the EU to take a global lead in the green transition, building on the statements presented in the communication. In the light of this, the NSPA welcomes the new EU Arctic policy and look forward to a continued and deepened dialogue with the EU on how to implement the policy together and build a peaceful, prosperous, connected, and attractive Arctic.