

NSPA FORUM 2022



SKELLEFTEÅ, 24-25TH OF MARCH

Working group 1: Arctic resources - Bioeconomy and energy in the NSPA

Bioeconomy and energy are two topics of importance for the NSPA regions. The purpose of the bioeconomy and energy working group is twofold; to influence policy development at EU level and increasing awareness and cooperation across borders in the NSPA regions. North Norway European Office, East and North Finland EU Office and North Sweden European Office meet regularly to discuss policy updates and upcoming initiatives from the EUs side and plan the NSPA reaction and action. As the scope of the WG is wide, topics worked on are prioritised based on the initiatives and focus from the EU.

On bioeconomy, forestry has of course been an important focus. However, the group also has on the work plan for 2022 to look at how to best combine both blue and green bioeconomy, and how the WG best can support initiatives in the region, and work to connect them, and provide the EU perspective.

What has the Bioeconomy and Energy WG done so far?

For bioeconomy, the working group has been focusing on following up the latest forestry-related EU initiative developments, such as the Fit for 55 package and its impact on Northern sparsely populated areas. As a result, the position paper on the EU's Climate package was created in fall 2021. Currently, the working group is developing its second positioning on more specifically Land use and forestry regulation (LULUCF), to be finalised in March 2022. The working group has been in close contact with Åsa Ågren Wikström, the Swedish rapporteur of the Committee of the Regions in regard to the LULUCF regulation, as an aim to support the perspective of the Northern sparsely populated regions in the development of the opinion.

For energy, the focus so far has been on hydrogen. In addition to the position paper on hydrogen listed below, the WG has established an Arctic Hydrogen Platform, an informal meeting point for those involved in hydrogen initiatives in our region. Involved so far are both municipalities, county councils, universities and businesses. The aim is to have a meeting once a month to share best practices and possible cooperation, as well as being part of a common LinkedIn-group to share information and get input from each other. The group is growing bit by bit, and if anyone would like more information on this, please contact the members of the working group.

The working group would like to invite those in the NSPA regions interested in, and involved in the topics in question, to join an informal, digital information meeting in April 2022. The aim of the meeting is to share experiences and best practices from the initiatives in the regions, and for us to share and get input on open consultations, new strategies and policies from the EU.

Working group 2: Arctic minerals - Contribution to the EU Green Deal

The EU Green Deal is both a climate strategy to become the first climate neutral continent in the world, and an economic growth strategy. The idea is that the green transition will give European business and industry a competitive advantage, and create new, green jobs – while ensuring a healthy environment for all European citizens. The updated EU Industry Strategy, based on lessons learned from the pandemic, put an extra emphasis on the need to enhance Europe's open strategic autonomy and to build a resilient green and digital economy.

In this context the extraction of minerals and Critical Raw Materials (CRM) in Europe is more important than ever. CRMs are necessary to reach climate neutrality, as they are crucial when making new technologies, such as batteries and electric engines. In the words of MEP Hildegard Bentele "We have a consistent and ambitious package that tackles the urgency of stable and sustainable critical raw materials supply chains while at the same time ensuring Europe's competitiveness and jobs". The recent EU Action Plan on CRMs and the launch of the European Raw Material Alliance (ERMA) are both aimed to develop resilient value chains for industrial ecosystems, reduce dependency on primary CRMs and strengthen domestic sourcing of raw materials in the EU.

The minerals sector in the NSPA

The northernmost regions of Norway, Finland and Sweden at the top of the Fennoscandinavian Shield in the European Arctic, have leading industries and research for sustainable extraction, refinement and recycling of raw materials. Over half of Europe's most critical mineral and metals are found in the Nordic bedrock, with most of the deposits in the north. The tradition, the competence and the capability throughout the whole value chain makes the European Arctic the most advanced and most valuable ecosystem for the development of sustainable mining in Europe. NSPA wants to strengthen its position as a global frontrunner for sustainable development, a reliable and efficient supplier of raw materials, an innovative testbed, and a high-tech knowledge hub, as well as a vital facilitator for the European green and digital economy.

However, the NSPA must overcome various bottlenecks to enhance sustainable regional development linked to mining. The Arctic is vulnerable to climate change and environmental impacts. Sustainable extraction of raw materials is also a precondition for attractive livelihoods and needs to be in line with the highest environmental, social and governance standards. The mining industry is therefore surrounded by extensive legislation and regulations that must be complied with before, during and after production. All activities that risk affecting nature are thoroughly tested in accordance with the highest environmental codes. However, various systems need improvement: such as permit processes and examinations that must become more efficient and predictable to unlock full potential and attract more investments. Many of the challenges related to regulatory frameworks needs to be handled on the national level, but a lot can be learned and exchanged between decisionmakers and stakeholders on the regional level within the NSPA.

One example of enhanced cross-border cooperation is the feasibility study initiated by the North Calotte Council. A roadmap which identifies nine areas of common issues and opportunities, as well as proposals of joint strategic activities, possibly realised through a joint NSPA minerals strategy.

The important role of the EU going forward

The EU is and will be playing a key role in the sustainable development of the minerals sector in the NSPA as it encourages strategic planning, cooperation, and capacity building through a wide range of different investment tools, such as structural funds and territorial cooperation based on Smart Specialisation Strategies (S3). Place-based development strategies has been essential for regions to tailor investments to fit the specific needs for each territory. The increased EU support for regions to facilitate strategic investments in knowledge, technology and innovation together will be essential for sustainable development, continuous reliable supply, and European competitiveness. The high ambitions of the EU require a multi-sectorial and a multi-level governance approach to involve all relevant stakeholders to joint policy development and action.

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Working group 3: NSPA Arctic Advantages

The unique conditions of the NSPA creates challenges for living and running businesses in the region: a harsh climate, long distances, a small number of isolated settlements and long distances to markets. The actors in the region have been forced to develop strong innovation systems in order to compete on the global market and to utilize the unique resources and abilities encapsulated in the north. By challenging and overcoming the obstacles in the region, the industries have developed techniques and technologies that are world leading and exported globally. The NSPA Arctic Advantages Working Group have been collecting "best examples" of areas that captures the strengths in NSPA and describes the Arctic angle. The 2017 OECD territorial review of NSPA highlighted the need for identifying the absolute advantages in the region in order to realise growth opportunities. Below is a short description of what we have found based on dialogue with different actors in the three regions of NSPA:

Energy intensive industries: Access to clean hydro and wind power, and favourable conditions for data centres. With its tech knowledge, cold climate, and sustainable energy, the region offers favourable conditions that help to speed up the green and digital transition. The same favourable conditions attract sustainable global datacentres and other internet infrastructure in need of cooling.

Industrial processing, automatization and AI: The NSPA have a world leading network of companies and academic institutions that collaborate for industrial automatization in mining, forestry, manufacturing industry and process industry that today export their knowledge globally.

Test activities: The Arctic conditions in the NSPA are vastly exploited for test activities by European industry and an important capacity for value chains in many industries. The cold climate, big land areas, infrastructure and technical competence provide important environments for European testbeds in areas such as transport and smart cities.

Space technology and infrastructure: The NSPA profit from the strong knowledge hubs surrounding the space universities and institutes and is particularly suitable both for launching satellites and collection of data from satellites in polar orbit.

Distance spanning technologies: E-health, hospitals, technology, infrastructure. The sparsely population and vast geography in combination with limited geographical resources forces the public and private actors of NSPA to be innovative to provide healthcare services to the public. They collaborate in clusters to develop new solutions for E-health in the academic world and are also tested and applied by health care providers in the region.

Research in minerals: The extensive reserves of minerals and raw materials in NSPA has led to a specialization of the research resources that together with the companies constitute a world-leading cluster for sustainable mining, metallurgy, and refinement.

Biobased innovation: Forestry and refinement of bio-based resources is an integrated part of the NSPA economies due to that has developed over time from export of raw materials to highly refined materials such as biofuels, paper, building materials, textiles and outer goods that support the European green transition.

The EU has several policy instruments and initiatives to support member countries and regions in developing sustainable green and digital solutions that will help Europe and the Arctic reach the Green Deal goals while strengthening its industrial competitiveness and self-sufficiency. Under the umbrella of industry alliances and Horizon Europe partnerships the EU is collaborating to set a common investment strategy that will mobilize private and member state resources in joint investments. The EU show dedication to the green transition by introducing EU wide legislation in a high phase, that also brings a risk for NSPA as a front runner and can limit the industries innovations.

During the NSPA Forum our Working Group will perform a more extensive presentation of these advantages with a particular emphasis on cooperation and projects between NSPA actors. We would likewise invite all participants to contribute with information about important developments in these different areas; to provide thoughts around the Arctic Advantages and how we can proceed going forward; and how the NSPA can increase collaboration across borders to address shared challenges.

Working group 4: Attracting competence - The importance of attractive NSPA regions

The industrial growth in NSPA is happening, and it is happening fast. But there is a serious challenge of attracting competence as the required workforce numbers continue to grow. We need to think holistically about how to make the region appealing, to make people want to move to the region. What are the factors that make a region or community attractive? Could the NSPA create a common northern European vision about how we put forward the attractive and good life in an Arctic life environment?

The Arctic faces an ageing population, young people moving south, and local communities are getting quieter, and emptier. How can the regions provide attractive communities to better attract the necessary competence? Can we avoid a fly-in-fly-out workforce that leaves little, or nothing left to the local community? Focusing on attractiveness will be key to solve the challenge of lack of competence in the NSPA, during a time where the communities are changing fast due to the ongoing twin transition, leading to enormous industrial investments in the regions. As we need to think crossborder and beyond the NSPA borders, how do we use the potential of Arctic attractiveness to attract foreign labour? Are there any obstacles and how can the EU contribute as a facilitator?

Follow up the OECD report

Despite our challenges, remoteness and harsh climate conditions, the 2017 OECD report finds that the well-being in the NSPA is high. It suggests that challenges associated with population ageing and decline in the region can be handled by increasing employment levels, raising productivity through strengthened innovation performance, addressing labour market mismatches, and better connecting firms and communities to cities and external markets. These recommendations underline the need for attention from regional, national and EU level - and collaboration between the actors "to increase future prosperity and wellbeing". In other words - increase the attractiveness. One of the policy recommendations in the report is to establish a work programme amongst the NSPA regions that is integrated with national government decision making and addressing shared opportunities and challenges. Did the NSPA follow up on this recommendation? If not, may it be relevant now?

Connecting the needs in the NSPA with the updated EU Arctic Policy

The EU's Arctic engagement, as written in the EU's joint communication paper on the Arctic, will be closely related to the ambitions and proposals in the European Green Deal. The EU plans to invest in the future of people living in the Arctic, stimulate better education, sustainable growth and jobs, and support an inclusive development of the Arctic regions to the benefit of its habitants and future generations, focusing on the needs of indigenous peoples, women and young. The strategy also mentions that the EU will contribute to cooperation between Arctic cities. These are objectives that the NSPA welcomes. Can the NSPA provide some ideas on how the EU can promote these goals in cooperation with NSPA?

It also underlines that the EU's full engagement in Arctic matters is a geopolitical necessity. This has become even more important because of the ongoing war in Ukraine. Raising the attractiveness of the region and ensuring growing and thriving communities in the European Arctic and its closest neighbours should be put high on the agenda in the future.

Looking forward

The purpose of the Working Groups in the NSPA is twofold; to increase the awareness and knowledge of the NSPA in Brussels, and to influence policy development at EU level and increase cooperation across borders in the NSPA regions. We invite all NSPA Forum participants to reflect upon the questions and topics that have been raised in this document. As the Attractiveness topic is highly relevant and important, we hope to see our stakeholders sharing experiences and best practices from initiatives in the regions and discuss the possibility to cooperate on this issue.