The Barents Programme

2014-2018



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1. Introduction

The Barents Programme is the framework for inter-regional Barents cooperation, where the priority areas of work for each period are identified. Inter-regional Barents cooperation was initiated in 1993, at the same time as the Barents Euro Arctic Council (BEAC) was established by signing the Kirkenes Declaration on January 11, 1993. A second Kirkenes Declaration was issued in June 2013, by the heads of participating countries of BEAC. Barents regional cooperation consists of 13 member regions and 3 observers, but this structure may change over time and include cooperation partners as well. The formal structure and administrative regulations of regional Barents cooperation are defined in the Terms of Reference of the Barents Regional Council (BRC) and Regional Committee (RC)¹ adopted on November 14, 2012.

In the Barents Region we have a strong indigenous peoples' presence, including; the Saami in Norway, Finland, Sweden and Russia (Murmansk Oblast), the Nenets in Nenets Autonomous Okrug, and the Vepsians in the Republic of Karelia. The indigenous peoples have historical roots, established long before the present nation states existed, with language, cultural and trading ties, and status as indigenous peoples in all cooperating countries. The active participation of indigenous peoples in BRC and RC is natural and necessary, and has been a part of Barents cooperation since the beginning. The purpose of the Working Group on Indigenous Peoples (WGIP), which was established on a permanent basis in 1995, is to serve as a forum for indigenous cooperation in the Barents Euro-Arctic Region and to ensure the involvement of the indigenous peoples in the decision-making process in the Barents Euro-Arctic Region. WGIP is appointed by the Barents Regional Council and has an advisory status towards the Barents Regional Council, but also to The Barents Euro-Arctic Council (BEAC). By this, the WGIP has a particular political dimension within the formal structure of the Barents cooperation.

The members of the Barents regions share a significant number of similarities, most notably the Arctic climate, sparse population, long distances, vast natural resources and a high exposure to the consequences of ongoing climate change. These characteristics impose both challenges and possibilities for our mutual cooperation. During the past 20 years, the region has developed a unique people-to-people cooperation, and it has become one of Europe's most important regions of natural resources.

1.1 Overall vision for the Barents Region

The overall vision that the BRC formulated for the regional Barents Euro-Arctic cooperation, is to improve peoples' living conditions, to encourage sustainable social and economic development, and to have a peaceful and sustainable development in the northernmost part of Europe. Only by continuity of the multidimensional efforts in various areas of cooperation can this vision be reached. The vision is based on the following principles:

- The well-being of people who live in the Barents region is at the center of all the activities carried out within the framework of Barents regional cooperation.
- An enhanced people-to-people cooperation, at all levels, remains the main achievement and the main strength of the cooperation.
- All competent actors, at both regional and national levels, work together to further facilitate regional border crossing procedures for both individuals and goods.
- All actors protect the culture, customs and traditional lifestyle of the indigenous peoples of the region. Strong ties and exchanges between indigenous peoples in the region are facilitated.
- The Barents Regional Council uses its political influence to better advocate circumstances of the people of the region on national, European and international arenas.

¹ Terms of Reference; <u>http://www.barentsinfo.fi/beac/docs/Regioan-Council-Terms-of-Reference-2012.pdf.pdf</u>

- National and regional authorities take all appropriate measures to ensure sustainable economic, social and environmental development in their respective parts and of the Barents Euro-Arctic region as a whole.
- Barents cooperation remains a successful model for peaceful international and interregional cooperation, and can be replicated in other parts of the world.

The Barents Programme 2014 – 2018 is the seventh Barents Programme since the cooperation declaration was signed in 1993. The purpose of the Programme is to suggest solutions for common challenges and to offer a general framework for regional cooperation. While the Barents regional programme provides a common vision for the region as a whole, thematic cooperation programmes, and detailed plans of action of the Barents working groups, will complete the picture. This general cooperation framework will, in addition, be further enriched by future programmes set up by the upcoming chair regions.

1.2 Challenges and opportunities

The Barents region attracts particular interest from Europe and overseas, mostly due to its access to natural resources and its arctic location. Due to on-going climate change, there is increased an interest in and an opportunity for new transport links on the Northern sea routes. Another opportunity is the greater access to natural resources. Oil and gas, as well as minerals and mining, create economic value for both investors and local communities. There is, however, a downside to these increased opportunities, most notably the need to manage the environmental impact and related effects on peoples' living conditions.

The region also faces a demographic challenge, where the population is increasingly ageing and the younger population, especially young women, are leaving the region to live and work in larger cities in the south. There is thus a need to create an attractive living environment in order to get people to move in, stay in or return to the region. Similarly, there is a growing need to create new employment possibilities, preferably through business investments and innovations, since the unemployment, especially among young people, is quite high in some parts of the region.

When developing business opportunities there is, however, a necessity to adapt to on-going climate change, as well as mitigate the change, in order to protect the environment. It is important to reduce greenhouse gas emission, improve water and waste management, attain cleaner production methods, and increase energy efficiency in the whole society.

These opportunities and challenges present a lot of questions. For instance, how can we turn regional challenges into advantages? How can we increase knowledge about Barents inside and outside the region itself to become a stronger player on the European arena? How can we enhance people-topeople cooperation to the next level of cooperation? And, last but not least, how can we, in the long run, decrease the differences in the living standards of people who live in various parts of the Barents region, and ultimately, contribute to a better life for all?

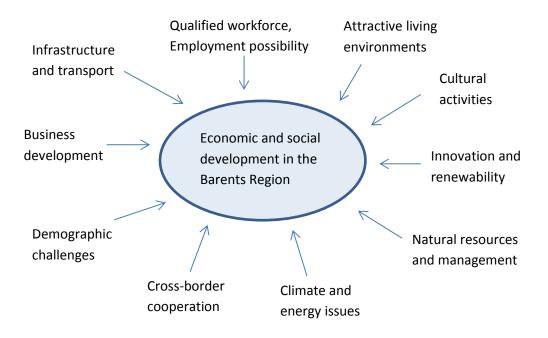
In the region we have both strengths and weaknesses when considering the challenges and opportunities described above. All 13 regional members have developed regional development strategies to deal with the challenges and to foster economic, social and sustainable growth. These strategies are fundamental for the development of the Barents Programme and its priorities.

1.3 Development strategies within the Barents Region

In summary, there are several common goals in the regional development strategies of the 13 members in the Barents region (see figure 1). Firstly, the whole region suffers from demographic challenges, and high employment rates, especially among younger people. So, one goal is to attract a qualified workforce and develop peoples' skills through education and lifelong learning. This issue is of

great importance for the development of the whole Barents region and can be tackled through multilateral cooperation. A second issue of importance is the utilisation of business opportunities. All member regions recognise new opportunities for industrial development, especially to enhance the value of natural resources. Innovations and industrial development are seen as drivers for economic growth. In this respect, renewability is of significant importance when developing both innovations and enterprises. A third area of importance for regional development is the living environment. We need to achieve attractive living environments with healthy pleasant surroundings, cultural activities and good quality of life, in order to attract people, especially young people and women, to stay or to move here. To achieve these desired developments there is a need for; good transportation and logistics systems with railways, aviation, roads and sea ports to facilitate business investments and passenger traffic.





The development of the Barents region, and the competitiveness arising from a high-level of knowhow, requires close cooperation between universities, companies and public institutions in order to form a platform for product development, innovations and internationalisation of businesses. Crossborder cooperation is vital to learn from each other and to achieve common goals. Finally, to improve the visibility and advantages of the Barents region, we need to be present on international arenas as a united region.

2. Prioritised areas for 2014-2018

The Barents Programme 2014-2018 articulates the framework for a sustainable development of the Barents region. By identification of common territorial challenges, main priorities and objectives are formed.

Essential for economic growth in the Barents region is the promotion of innovation and business development. It is small and medium sized businesses (SMEs) that create most employment opportunities. Furthermore, they are drivers for innovation and proactivity, which are important for the competitiveness of the Barents region. However, increased cooperation with research and large companies needs to be promoted, in order to succeed with the development and commercialisation of innovative products, services and processes. Which, in turn, increase companies' competitiveness on international markets.

In addition, to enhance innovation and research in the region, we need to obtain a critical mass adequate enough to stimulate and support a development area further. This requires universities and other research institutions to work together with companies, municipalities and others to identify important areas of competitiveness. There is, thus, a need to identify and develop areas where the Barents region would be advantageous and successful.

To be an attractive region, not only for economic investments, consideration needs to be taken regarding the living environment and natural resources. When developing the region, it must be made with concern to preserving the environment, mitigating and adapting to climate change, and fostering good and healthy living conditions for the people. Attractiveness for people to live and work in the region, as well as for the establishment of companies, is very much attached to employment opportunities, education, health, culture, the surroundings, nature and recreational activities.

The Barents region extends across a large geographical area with long distances between the cities. A prerequisite for building a critical mass for innovation, to foster business development, to provide employment opportunities and to develop the region, is good transportation networks. As it is today, inter-community mobility is poor not only due to the general lack of good cross-border transportation and transport links, but also, and perhaps more importantly, to good east-west communication.

The Barents programme will, thus, during 2014-2018 aim at the following:

- promote creative businesses and fast growing enterprises in the region,
- increase cross-border cooperation to achieve economies of scale and quality of life,
- support joint management, as well as preservation, of natural resources,
- implement a joint climate change adaption,
- enhance innovation and research cooperation by increasing critical mass,
- focus on missing cross-border links in the transport infrastructure,
- foster mobility across borders for workers, enterprises, tourists and students,
- focus on cultural cooperation in order to develop mutual understanding and regional development.

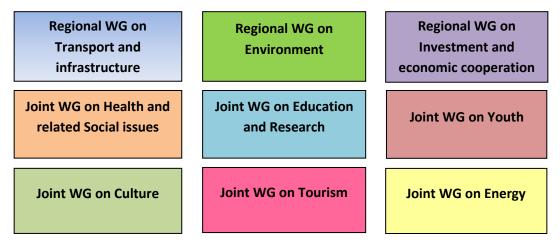
3. Implementation and responsibilities

The overall responsibility for implementing the present programme lies with the council (BRC), under the chair and leadership of the respective regions. The BRC may at any time decide to review parts of, or the whole, present programme to better adapt it to the changing geopolitical context and economic situation, but also to eventual new regional, national or European policies and strategies.

The committee (RC) is responsible for the implementation of the Barents Programme, based on the decisions taken by the council. Both the BRC and RC will pay attention to the goals of the programme in their work. In order to generate concrete cooperation and to reach the above objectives of the Barents regional development, the BRC has established Working Groups functioning as expert groups for regional cooperation. For an overview of the structure of the Barents regional cooperation, see <u>ANNEX 1</u>.

The working groups should also be seen as a tool for the implementation of the Barents Programme, with specific focuses as shown in figure 2 below. These networks should aim at creating ideas, projects and policies for Barents cooperation, based on the priorities set in the Barents Programme, and on the mandates given from the Regional Committee. The working groups, acting as expert groups in their given field of activity, will help the regional authorities and other relevant actors to bring the priorities of this programme into action. The working groups will play an important role in implementing the prioritised tasks in this programme and are advised to seek funding for their operations through various funding instruments (see <u>ANNEX 2</u>).

Figure 2. Working groups in Barents Cooperation.



The new status of cooperation partners, introduced by the Terms of Reference for the Barents Regional Council and Committee, will, if actively used, provide additional possibilities for conducting a variety of specific projects.

The International Barents Secretariat contributes with its expert advice, administrative and technical support.

The implementation of the present program will be carried out in coordination and consultation with the national level of the Barents Euro-Arctic Cooperation (BEAC).

Barents cooperation does not have its own subsidies to finance the activities required to attain the common objectives and priorities. However, the operations arising from the implementation of the Barents Programme could be financed by various sources on regional, national and EU levels. The main challenge of the funding is to stimulate organisations to be involved in project activities and, in this way, launch concrete cross-border cooperation developing the whole region. The EU's financing programmes are important instruments for implementing the Barents Programme (see <u>ANNEX 3</u>), especially the ENI Programmes, which are the only programmes including northwest Russia.

Initiatives should also be taken to develop a financial instrument similar to the funding system established by the Council of the Baltic Sea States (CBSS). The aim of the financial instrument should be to attract partners and financial resources for projects aimed at sustainable economic development and to offer financial assistance for SMEs and public-private partnerships. The funding system should be administrated by the International Barents Secretary with the Committee of Senior Officials as a monitoring body. To have a strong regional impact, funding decisions should be made by the Barents Regional Council. Proposals for decision making should be made by the Barents Regional Committee and existing working groups.

Overall, assessments of operation activities and projects should be linked to strategies and policies of the Working Groups, since a prime idea of the Working Groups is to create ideas, projects and policies for Barents cooperation, based on the priorities outlined in the Barents Programme.

4. Other actors in the High North

The Barents Euro-Arctic Cooperation is one of many organisations with interest in or operating in the Arctic region. Other essential organisations are the Arctic Council, Nordic Council of Ministers, organisations representing indigenous peoples, the Northern Dimension and the European Union. In

the development of the Barents Region, collaboration and information exchange with these organisations should therefore be conducted.

The European Union

Natural resources not only represent an important asset and possibility for the Barents Region, but also from the European Union's (EU) point of view. Natural resources, such as oil, gas, wood, ore and minerals, bring not only global attention to the region, but also jobs and economic benefits, thus, contributing to regional development and structural policies in the EU. The Arctic is an area of growing strategic importance, and the EU has an important role in supporting successful arctic cooperation and helping to meet the challenges that now confront the region. The EU is also a major destination for the resources and goods from the region. Therefore, many of its policies and regulations have implications for Arctic stakeholders and the EU has, as a result, developed a specific Arctic policy.

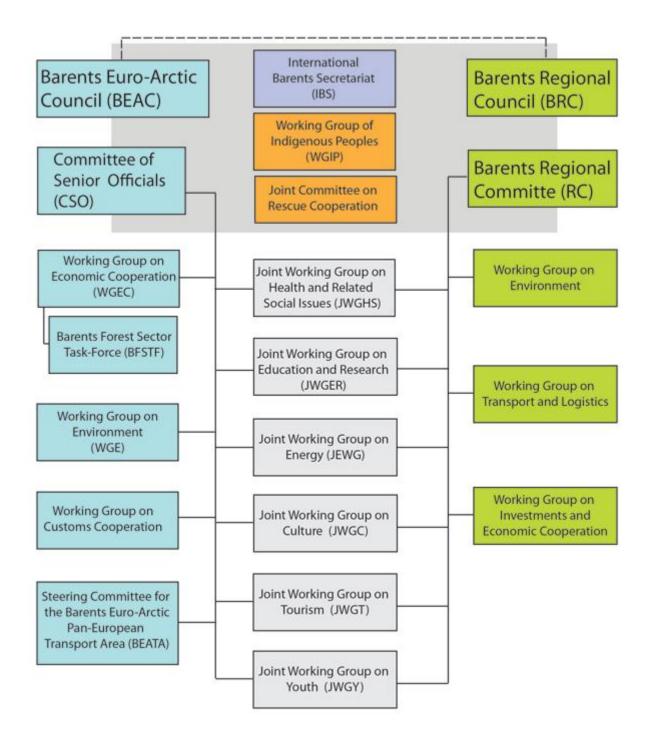
Northern Dimension

The Northern dimension (ND) is a joint policy regarding the cross-border and external policies between the EU, Norway, Iceland and Russia. The ND policy has made the Barents Region a priority, and the regional and sub-regional organisations, as well as the sub-national and local authorities, are named as actors in the ND policy. This will give new possibilities for the BRC and RC to influence the contents of the ND policy. Although transport, environment, culture, and public health and social well-being are the main focus areas in the ND policy, all of the present Barents Programme priorities should be viewed within the ND context.

Arctic Council and Nordic Council of Ministers

The Arctic Council (AC) and the Nordic Council of Ministers (NCM) are two other organisations operating in the Nordic and Arctic region promoting cooperation, coordination and interaction among the member states. These organisations are valuable partners for the BRC and RC to discuss relevant issues concerning the region and its inhabitants.

ANNEX 1. Barents Regional Cooperation Structure



ANNEX 2. Working Groups of the Barents Region

Below is a short outline of the nine working groups in the scope of Barents regional cooperation. The working groups will play an important role bringing the priorities of the Barents Programme into action. The groups have various objectives and tackle the different priorities from several angles.

Investment and economic cooperation

Commercial establishments need to be prioritised in order to achieve economic growth in the region. To promote good framework conditions for commercial activity is one of the Barents Cooperation's most important tasks. The member regions' comparative advantage must be utilized to a greater degree. Better utilisation of the region's natural resources is necessary. This applies particularly to forestry, mining, oil and gas. Further development of the Barents Region is dependent on continuation of the existing heavy industry, tourism and knowledge based industries, i.e. branches of business that may utilise the region's resources and competence areas.

Economic cooperation should pay particular attention to facilitate entrepreneurial activities among young people, women and indigenous peoples. Cooperation with universities and other educational institutions is preferable. When economic investments are planned, considerations of indigenous peoples' living conditions should be taken into account. Moreover, the development of economic cooperation should be promoted regionally as well as internationally.

The aim of the Regional Working Group on Investment and Economic Cooperation (RWGIEC) is to strengthen the economic development in the region by bringing focused multilateral cooperation into action, facilitate border crossings and to improve the business and investment climate in the region.

Tourism

The Barents Euro-Arctic Region has great potential to be an even more attractive destination for international tourism than it is today. The significance of tourism as a source of livelihood has grown considerably during the past decades. The tourism industry has a significant employment effect, especially on young people and women. This is particularly important in sparsely populated areas where tourism sometimes is the only income source.

The attractive but fragile arctic environment, natural phenomena and cultural diversity are the key factors attracting tourists to the Barents region. The tourism business needs to be developed in an ecologically, economically, socially, culturally and politically sustainable way. Sustainability is especially important when considering the challenges caused by climate change. This can considerably affect as well as promote the tourism industry.

Competition in the tourism business is getting tougher. The major improvements needed are related to the available level of transportation and visa handling procedures between Russia and other Nordic countries. Today's and tomorrow's visitors require fast and flexible solutions. Access to fast east-west communications and smooth visa handling are necessary.

Tourism is still at different stages of development among the member regions. Through better cooperation and exchange of know-how, the development of the tourism industry in the Barents region could be made stronger. Consequently, the aim of the Joint Working Group on Tourism (JWGT) is to strengthen the tourism sector by promoting joint product development, cooperating in fields of tourism education and research, and influencing the preconditions for tourism development while improving transport connections.

Sustainable living environment

Global warming represents a threat to the environment, notably in the Barents Region. The changing climate affects many different aspects of the environment, from people dependent on nature to make a living to the possible changes in the movement of the Gulf Stream. Climate change is especially

affecting the Arctic climate and immediate action must, thus, be taken. The biodiversity of the region, including; vulnerable coastal areas, large forests and taiga/tundra areas in the north, will all be affected. The enhancement of economic progress through the development of oil, gas and heavy industry must be based on a safe, responsible and proactive environmental policy.

Universities, industry and young people should be engaged in this matter, since they all are and will be able to affect the future environmental conditions in the region. Additionally, the living conditions and livelihood of indigenous peoples needs to be considered. It is vital that information about and promotion of the environmental circumstances and, above all, environmental improvements, are made clear both regionally and internationally.

The aim of the Regional Working Group on the Environment (RWGE) is to improve environmental sustainability by bringing focused multilateral cooperation into action. During the period of the Barents Programme, RWGE will especially focus on surface and drinking water, biodiversity, minerals and mining, and inform and expand public awareness and knowledge.

Transport and infrastructure

Generally, the current national transport strategies in the Barents Region are still based on the inertia of south-north thinking. Globalization will, however, necessitate and also provide new ways for developing the regional economies inside the Barents Region, but the current, poorly developed east-west transport connections impose severe hindrances to meeting these new needs.

Good and efficient flight connections inside the Barents Region are a prerequisite for increasing economic cooperation. Development of railway connections in the region offers significant benefits for economic cooperation, as do maritime traffic, both in the Barents Sea and in the Gulf of Bothnia. The Barents' region ports have a new role in intermodal corridors, like motorways of the sea, and the Northern sea routes should be highlighted. Road connections leading to and from international border crossing points should be maintained on the national/federal level.

In order to get as much as possible out of our common transport system, a wider use of Intelligent Transport Systems (ITS) is a solution. ITS is an advanced application aiming to provide innovative services related to different modes of transport and traffic management. Moreover, the transport modes can be used in a more efficient and environmentally friendly way.

In order to develop an improved transport and logistics system in the Barents region, we need to engage as many interested players as possible, and to take different interests into consideration. This is a concern for indigenous people, young people, tourists, politicians, research and education establishments, as well as business life in the region. The aim of transport and logistics activities is to improve connections within the Barents region by bringing multilateral cooperation and projects into action. Additionally, this is to optimize transport networks on land, air and sea, and to develop and propose an integrated Barents Region Transport Strategy.

Culture

The Barents Euro-Arctic Region is characterized by rich cultural diversity where culture plays a fundamental role in the social and regional development of the region. The need to focus on cultural cooperation is a key issue in developing mutual understanding, and for paving the way for a welfare society in the whole region.

Cultural activities, and businesses based on culture, contribute to regional development in many ways. A rich and developed cultural life can serve as an important tool in the world-wide branding and marketing of the region. Culture has the potential to make the Barents Region creative and dynamic, which in turn can attract other investments, create more working places and attract people to live in the region. As a result, for example, development can be facilitated through exchange and sharing by

artists, cultural heritage activities and tourism, and strengthened by stronger ties between people in the Barents region.

The Joint Working Group on Culture (JWGC) aims to promote cultural diversity and multicultural dialogues as tools for regional, social and economic development. This can be achieved by promoting cultural cooperation, interacting with other international structures, such as; the Arctic Council, the Nordic Council of Ministers and the Baltic Sea States, as well as with other sectors and working groups within the Barents cooperation.

Young people

Children and young people are the most valuable resource and, what's more, have a beneficial interest in the future development of the Barents Region. They are crucial for the cooperation, the development and the sustainability of the region. An active Child and Youth Policy in the Barents Region is required in order to secure a sustainable population in the region. An active Child and Youth Policy in the Barents Region will further contribute to the development of democracy at a regional and local level, through increased child and youth participation in decision making processes.

Mobility and cooperation across the borders have to be promoted and supported, and cooperation in the fields of education, innovation and entrepreneurship have to be encouraged. Moreover, there needs to be improvement in transition from education to the labour market; improvement in people to people cooperation, through exchanges of child and youth groups; and improvement in support of common multilateral projects and activities. A prerequisite for this development is improved east-west communication in the Barents Region and a simplified visa procedure.

By bringing focused multilateral cooperation into action, the Joint Working group of Youth (JWGY) aims to increase the participation of young people in decision-making-processes, in the labour market and in the economic sector. They want to contribute to the development of the Barents Identity, strengthen the attractiveness of the region for young people and improve their living conditions. Social inclusion and equal access for all groups is important, as well as enhancing and developing sustainable structures for cooperation among adolescents and young people.

The County Administrative board, as chairman of the BRC, and the JWGY has, during 2013, gathered young people in the Barents region at a regional workshop and a national conference to discuss their future in the Barents region. During these meetings, the youngsters and young adults got the opportunity, together with actors from the Barents cooperation area, to deliberate issues of importance for the future development of the region. What they found significant for their future in the region was: to have a greater involvement of young people in the work of Barents cooperation, to ease up visa procedures, to have a joint education system, to work for a common labour market, to develop a common identity, and, finally, to achieve a greater visibility of what actually goes on in Barents cooperation.

Education and Research

Human resources are vital for all development areas. We need education and research to achieve change and renewal. Student exchange and international study programmes contribute to breaking down language and cultural barriers, and they lay a solid foundation for Barents cooperation in the future.

Three common challenges for the whole Barents region are; the lack of an educated work force in some sectors, lack of working places in other sectors, and a net reduction of the population due to migration to central regions. For the region to have competitive advantages, we need to recruit students and personnel from other parts of the world. We need to create a sustained performance distinction within, for instance, natural resource management. This will result in important competences building and, therefore, competitive advantages.

The aim of the Joint Working Group on Education and Research (JWGER) is to intensify cooperation in the academic and research spheres and exchange international cooperation experience among the higher education and research institutions in the Barents Region. By bringing focused multilateral cooperation into action, the JWGER will; promote cooperation between businesses and industries, contribute to the challenges of climate change, enhance academic mobility, broaden the range of joint academic programmes and training courses, and promote education and research as effective tools for regional socio-economic development.

Energy efficiency

Reducing energy consumption and increasing utilisation of renewables will reduce the emissions to the air from district heating systems. This can have a significant impact on stabilizing energy tariffs for the local population, preventing energy poverty and improving local energy security. Profitable economic savings can be achieved by introducing renewables at boiler plants in district heating systems, by renovating the heating systems and adopting up-to-date solutions and technologies. As we are all aware, energy costs constitute a substantial part of any municipal budget.

The aims of the Joint Working Group on Energy (JWGE) are, by multilateral actions, to achieve improvements in the efficiency of energy production, distribution and consumption in the Barents Region. The focus will be; to promote the use of bioenergy in northwest Russia, which will give both environmental and economic benefits, to further work on the use of Joint Implementation and other Kyoto mechanisms, and to coordinate with other relevant initiatives.

Health and related social issues

The important tasks within health and related social issues are to prepare and monitor multilateral actions in each of the priority areas of the working group and to ensure coordination with other international initiatives in the region. There are three subgroups working with actual and important issues. These are: Barents HIV/AIDS Programme, Programme on Children and Youth at Risk (CYAR) and Programme on Tuberculosis. One of the greatest achievements of this cooperation has taken place on a people-to-people level, including cooperation between NGO's, communities, and individuals. The target groups are vulnerable groups in the population, such as children and youth at risk, and people in sparsely populated areas.

The aim of the Joint Working Group on Health and Related Social issues (JWGHS) is to bring focused multilateral cooperation into action within the fields of healthcare and social protection. In particular they want to develop medical science and innovations, prevent non-infectious diseases, prevent and eliminate negative environmental health effects and increase exchange of experience and trends in the sphere of healthcare.

Indigenous Peoples

According to the Working Group of Indigenous Peoples (WGIP), the cultural landscapes of the indigenous peoples are often considered wilderness ready for industrial development. This leads to conflicts of interest which directly affect the livelihoods of indigenous peoples. The Arctic and hence the Barents Region is hot, and the race for the Arctic resources has started. Valuable minerals, oil, gas and fish are all located in the core area of indigenous peoples land. Just like the industry, the shipping companies eager to utilize the benefits of the climate change to open the Northern sea route. This development will have severe impact on the fragile environment and the traditional economy of the indigenous peoples in the north. The industrialisation generally and especially the extractive industry will in all stages transform the landscape and challenge the traditional use of the landscape and environment. These are all questions vital to the Barents Indigenous Peoples.

WGIP will prevent indigenous peoples from ending up merely as exotic pictures on the companies` ads and plans without any real saying in the resource exploitation. Co-existence should therefore be a keyword in this context and participation from the indigenous peoples' communities and organizations

ought to be considered an added value. The international principle of Free, prior and informed consent must be implemented in above mentioned situations.

The indigenous peoples' communities are also facing challenges attached to living standard, welfare, decline in public health- and social services, language loss, as well as serious problems with maintenance of traditional and necessary access to the natural resources. The situation of the indigenous peoples therefore demands particular measures and priorities in the Barents cooperation.

ANNEX 3. Financing instruments

Financial possibilities should be taken into account when making programme implementation plans. Kolarctic ENI CBC, the Northern Periphery Programme, INTERREG Nord and Horizon 2020 are important funding possibilities for actors and projects in the region. Other notable sources are the Northern Dimension with its focus on the Barents Region, the Northern Council of Minister financing, Norwegian Barents Secretariat, and national funds in each country. Below is a more detailed presentation of the financing instruments on the EU level.

Kolarctic ENI CBC

The Kolarctic ENPI CBC programme is, perhaps, the financing instruments of the EU which fits the Barents region best. The programme is being implemented on the external borders of the EU, which include northwest Russia. The programme grants financing to projects with cross-border partners and activities. A minimum requirement is that there is one participant from the Russian programme area and one participant from the Finnish or Swedish programme area, i.e. EU area.

The programme area includes Nordland, Troms and Finnmark counties in Norway, Norrbotten in Sweden, Lapland in Finland, Murmansk and Arkhangelsk regions and Nenets autonomous district in Russia. Västerbotten in Sweden, Oulu Region (Northern Ostrobothnia) in Finland, the Republic of Karelia, the Leningrad region and St. Petersburg in Russia are also eligible regions, with certain conditions. It should be noted that the Kolarctic ENPI CBC programme region differs somewhat from the region known as the Barents Euro-Arctic Region (BEAR). BEAR also includes the Kainuu region in Finland, and the Karelia republic and Komi republic in Russia, which are not eligible regions in Kolarctic ENPI CBC.

Northern Periphery Programme

The Northern Periphery Programme aims to help peripheral and remote communities on the northern margins of Europe to develop their economic, social and environmental potential. The success of the programme will be built on joint projects creating innovative products and services for the benefit of the programme partner countries and Europe as a whole. The programme includes the EU member states of Finland, Ireland, Northern Ireland, United Kingdom and Sweden and Non-EU member states Faroe Islands, Greenland, Iceland and Norway.

INTERREG NORD

INTERREG Nord is an EU financial instrument that supports cross-border cooperation for the period 2014-2020. The goal is to strengthen economic and social development by supporting cooperation projects across national borders. The programme area covers Norrbotten and some municipalities in Västerbotten in Sweden, Lapland, Northern Ostrobothnia and Middle Ostrobothnia in Finland, Nordland, Troms and Finnamark County in Norway, and the area of Sápmi.

Horizon 2020

Horizon 2020 is the financial instrument implementing the Innovation Union² a Europe 2020³ flagship initiative aimed at securing Europe's global competitiveness. Running from 2014 to 2020 the EU's new programme for research and innovation is part of the drive to create new growth and jobs in Europe. The programme focuses on international cooperation and global challenges and is thus an option for the Barents Region to take a lead in the Arctic cooperation, including countries such as Canada and USA.

H2020 is focusing on key priorities such as; *Excellent Science*, *Industrial Leadership* and *Societal Challenges*.For the Barents Region, *Excellent Science* provides, for instance, funding options for mobility among researchers between the Barents' universities, and funding of e-infrastructure for

² <u>http://ec.europa.eu/research/innovation-union/index_en.cfm</u>

³ <u>http://ec.europa.eu/europe2020/index_en.htm</u>

cooperation within the Barents Region, the Arctic Region as well as globally. *Industrial leadership* aims at making Europe a more attractive location for investments in research and innovation by promoting activities where businesses set the agenda. It will provide major investment in key industrial technologies, maximize the growth potential of companies and help innovative SMEs to grow into world leading companies. The Barents Region has specific strong research and business areas of strategic importance for Europe in a broader context; for instance the forest industry, renewable energy, and industrial services such as automation for processing industries, minerals, oil and gas, tourism, and technology products and services in a cold climate. *Societal Challenges* addresses major concerns shared by citizens, and through a challenge-based approach, it can bring together resources and knowledge from across different fields, technologies and disciplines, including social sciences and humanities.