

Interreg



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Northern Periphery and Arctic

**Extract from the
COOPERATION
PROGRAMME DOCUMENT**
Interreg Northern Periphery and Arctic Programme

Summary

On 9th February 2022 the Cooperation Programme (CP) document was submitted to the European Commission. Pending approval, this document contains an extract of the submitted CP, focusing on the joint programme strategy and priorities, i.e. chapters 1 and 2.

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1. Joint programme strategy: main development challenges and policy responses

1.1. Programme Area

The Interreg Northern Periphery and Arctic (NPA) Programme area spans the northernmost parts of Europe and North Atlantic territories. From its inception the first Interreg period for this programme, 2000-2006, the programme was called “The Northern Periphery Programme” in order to highlight the peripheral and northern position of the Programme area compared to Europe in general. In 2014, the Arctic dimension was underlined in the Programme title “The Northern Periphery and Arctic Programme” (NPA). The background for this was the growing international and EU interest in the developments in the Arctic area, mainly driven by climate change and the new challenges and opportunities that it brings. It is, however important to stress that the programme area does not solely have Arctic coverage but also includes non-Arctic areas.

In the EU Member States, the Programme area covers Northern and Eastern Finland, Northern and Western Regions of Ireland, and Northern Sweden. In the Non-EU Member States, the Faroe Islands, Greenland, Iceland, Northern parts of Norway belong to the Programme area.

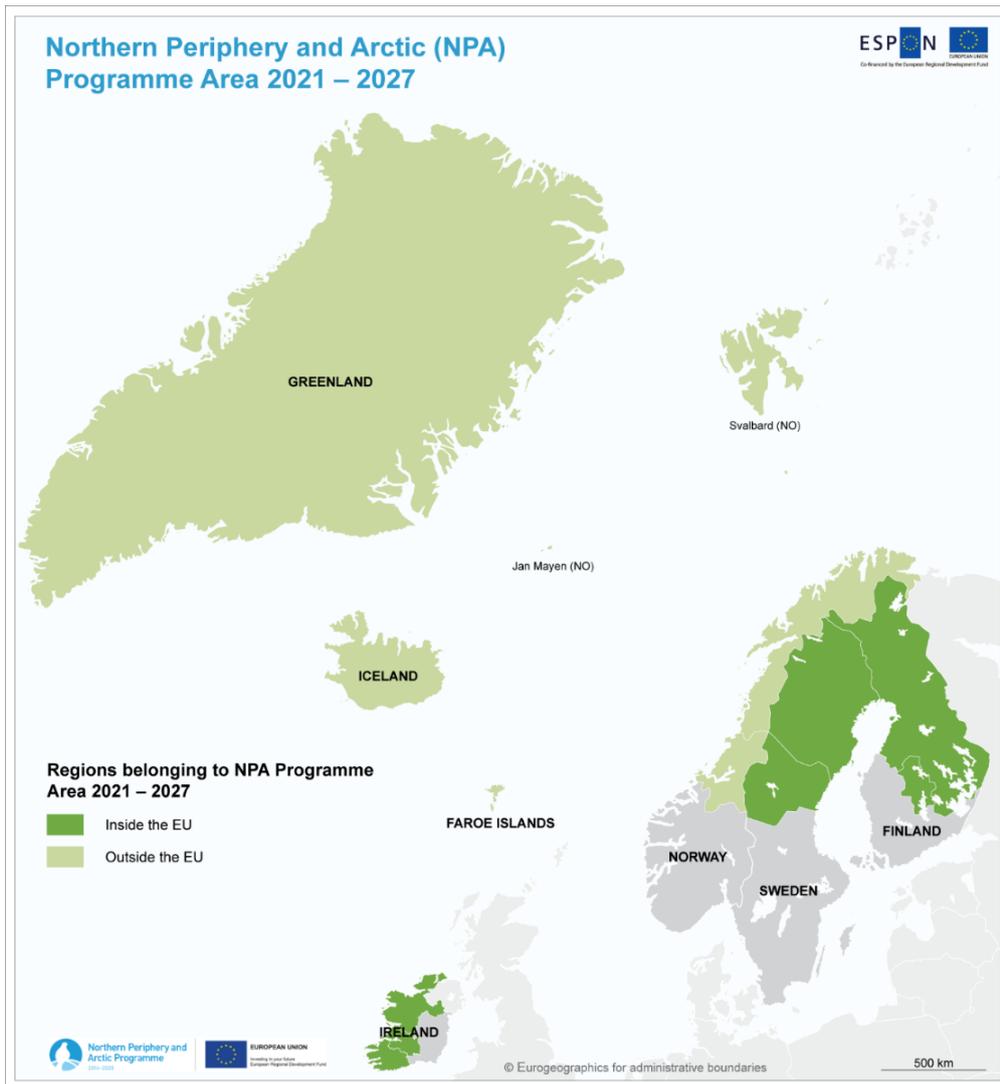
Sparse population and extreme peripherality from the economic centres of the EU are defining characteristics that present a functional rationale for cooperation across the territory. The Programme provides a framework for the countries and regions to cooperate on common and shared issues in ways that recognise the particular demands of, in particular, the geographical characteristics of the area. The Programme encourages effective cooperation, e.g. to maximise place-based development, builds on the strengths within sparsely populated communities, and finds innovative solutions to support links into larger markets and more populated areas.

The NPA area consists of regions inside the EU Member States of Finland, Ireland, and Sweden, as well as regions outside the EU, in Norway, Iceland, the Faroe Islands, and Greenland.

Table 1 - List of regions in the NPA Programme area

Country	Region code	Region name
Finland	FI193	Keski-Suomi
	FI1D	Pohjois- ja Itä-Suomi
Ireland	IE04	Northern and Western
	IE051	Mid-West
	IE053	South-West
Sweden	SE32	Mellersta Norrland
	SE33	Övre Norrland
Norway	NO06	Trøndelag
	NO07	Nord-Norge
	NO0B	Svalbard and Jan Mayen
Iceland	IS00	Entire territory
Faroe Islands	-	Entire territory
Greenland	-	Entire territory

Table 2 - NPA Programme area map



1.2. Summary of main joint challenges, taking into account economic, social and territorial disparities as well as inequalities, joint investment needs and complimentary and synergies with other funding programmes and instruments, lessons-learnt from past experience and macro-regional strategies and sea-basin strategies where the programme area as a whole or partially is covered by one or more strategies.

Lessons-learnt from past experience

The NPA programme area is vast and participating territories separated by long distances. Yet, there are close similarities and links between the participating territories. The NPA and its predecessor Northern Periphery Programmes have worked to reinforce and strengthen these ties over the last 20 years, resulting in valued, and valuable, cooperation delivering innovative approaches to improve peoples' living and working conditions in remote areas. Highlights from previous programmes are:

- promoting sustainable development for people living in remote communities and helping them to adapt to climate change,
- improving health and safety for older people,
- improving the availability and accessibility of public (e.g e-health) and commercial services in rural and remote areas,
- promoting cultural heritage,
- creating employment, socialisation and health improvement opportunities for hard-to-reach groups, and
- creating economic diversification and opportunities.

According to the impact evaluation of the NPA 2014-2020, the Programme delivered positive impacts and results for a wide range of beneficiaries across the area. Beneficiaries include the key stakeholder groups, such as SMEs, research organisations, public authorities and NGOs, and, crucially local communities.

The Programme's focus on place-relevant tangible outputs and results has been a strength of the Programme and has led to the development of transferable concepts, ideas, services and tools. The magnitude of the impact has been significant for individuals, organisations and localities at the same time as providing approaches to addressing large-scale development issues based on strengths in the programme area. While the mechanisms that lead to wider and durable impacts are complex and often beyond the control of the Programme or stakeholders, the research suggests that cumulatively at national and transnational scales impacts demonstrate an increased capacity for external engagement and collaborative action on key development issues for the area.

The transnational dimension has brought significant added value in a number of ways. Cross sectoral and transnational links have enabled local stakeholders to access new know-how and tools, re-evaluate their own unique strengths and opportunities and build capacity for change. Transnational impact can also be seen at regional, national and EU levels through, for example, increased policy coherence and cohesion, regional partnership and new innovative approaches, e.g. in relation to activities aimed at climate adaptations and environmental protection. The programme has also strengthened the capacity for cooperation in the Arctic region. These are all issues that will be taken forward in this new programme, and experiences from earlier programming periods will be applied when developing the work further.

Economic, social and territorial disparities as well as inequalities

The Programme area is diverse in many respects. A considerable part of the area is located north of the Arctic Circle, while other areas belong to the subarctic or the northern temperate zone. The area has an extensive coastline, numerous islands and a high proportion of mountainous regions. Nevertheless, the area has common characteristics and shared development concerns that offer a strong basis for cooperation.

The NPA area has notable regional centres such as Tromsø, Umeå, Oulu, Reykjavik and Galway. However, in contrast to the high levels of urbanisation and connectivity across much of the EU, the scale of distances to and between centres, physical barriers, and cost of transport are key factors shaping development across the NPA area. Larger cities are usually the centres of local labour market areas and have an important role to play in the functioning of the labour market, as the centres for education, but also more widely in regional development and relating to the specific opportunities in the Arctic. In more remote areas, labour markets are more restricted, they have limited opportunities for further education, and service provision is fragile.

The area has valuable capacity and skills in terms of regional innovation and R&D capacity. The European innovation scoreboard ranks all countries within the NPA region as either 'Strong' or 'Leading' innovators. However, within countries there can be large regional disparities between central and more peripheral territories. Some regions and regional centres have high levels of innovation, R&D and knowledge intensive jobs often linked to the presence of universities or research centres and the use of high-tech solutions to diversify traditional primary industries. Other regions face challenges linked to the long distance to research-intensive environments, a lack of venture capital for very sparsely populated areas, and the fragility of the innovation system, often relying on individuals rather than organisations and a corresponding lack of capacity within SMEs and micro businesses. These and other challenges present an opportunity to create new complementary cooperation partnerships, not least to gain the critical mass of actors and competences to strengthen the innovation potential.

The primary characteristics that draw the area together are peripherality and low population density. The surface area that the NPA programme covers about 3 million km² and approximately 7 million people.

The ice-free surface area is about 1,3 million km². As a whole, the average population density in the ice-free part of the NPA land area is less than 6 inhabitants per km², compared to the EU average of 117 inhabitants per km². Only "pockets" of similarly sparsely populated areas can be found in other parts of the EU. Thus, the programme area is unique in a European context. Another characteristic of the population is the rich, unique cultural heritage. The programme area hosts a wide variety of cultures with their own distinctive cultural identity and a range of minority languages. The area also has indigenous peoples that live and work across the region.

Other related and shared features include sparse and imbalanced settlement structures, dispersed business base, long distances and physical barriers between the communities, difficulties for communications and accessibility, and extreme climates with many regions experiencing long cold winters. Furthermore, the Programme area suffers from relatively low economic diversity, which means that the regions are dependent on relatively few economic sectors.

Economy

Economic performance varies across the programme area. In terms of GDP, NPA regions tend to lag behind national averages. However, GDP levels across the area tend to be above the EU average. The reliance on primary resources is a long-standing trend across the NPA area. The use of natural resources, mining and mineral processing, oil and gas extraction are key industries. Growing numbers of megaprojects in mining, oil and gas is a continuing trend within the area, in particular in Arctic parts of the programme area. Fisheries, forestry and chemical production also rank among the top exports in NPA areas.

Over reliance on single sectors and the vulnerability of primary industries to shifts in global demand and markets, means that economic diversification and resilience are important. Within traditional and primary sectors there are ways to diversify and expand activities, e.g. through innovation and pursuing higher value-added processes within the area drawing on specialist sectoral knowledge and expertise. The importance of secondary and tertiary sectors across the area reflects this trend towards greater diversification. Manufacture of food products and beverages, construction and public services and education are all key growth sectors. Other areas of activity of particular importance for the NPA area are the circular, green and new areas of the bioeconomy. Creative industries are another example of an area of growth. In the programme geography there are regions that are amongst the global leaders in creative sectors (such as design and games), processes (such as linking new technology to new content), and activities (such as in developing cultural tourism).

As well as common development challenges, the Programme area is characterised by shared and common development resources, including the area's abundant natural resources and high-quality physical environments. All of these characteristics are fundamental to the local communities and indigenous populations in the area. They are also keys to local economies, e.g. through tourism, which is a key sector across the NPA area.

Looking to the future, for both established sectors and new areas of activity, SMEs and larger companies, innovation capacity is key. Innovative firms offering new products and processes also have a potentially vital role for the local economy in expanding market opportunities, increasing the competitiveness of other local suppliers, and providing a model for encouraging wider innovation among local firms and entrepreneurs. A key aspect of emerging strength in the area is the increasing use of e-technologies, innovative solutions and partnerships between private and community sectors that continue to be necessary to deliver high quality services to remote communities. In addition, new forms of economic activity in areas such as niche manufacturing and food production are necessary for ongoing sustainable growth. The growing focus on the circular economy requires new solutions and innovations to transform production processes and change consumer behaviour, for example in waste prevention, recycling and the sharing economy. Across the NPA area, there are important opportunities for knowledge transfer, skills development, and cooperation across this area to inform new thinking, introduce new methods of operation/disruptive technologies, support emerging sectors, and boost productivity. The COVID-19 pandemic has amplified the existing vulnerabilities in the NPA area. However, the NPA area can also build on valuable lessons about resilience in the face of shrinking and ageing communities, and dealing with economic shocks. Regional innovation systems across the NPA can contribute to building greener and smarter communities, putting them in a better position to handle economic fluctuations and natural risks resulting from climate change.

Environment

Climate change is causing ice glaciers to melt at an unprecedented rate, threatening crucial ecosystems and biodiversity across the NPA area and global social, economic and environmental consequences. The NPA region faces numerous environmental challenges linked to the sustainable management of natural resources, environmental protection, and climate change. The impacts of climate change are diverse and wide-ranging, including loss of biodiversity, increased river levels due to higher rates of rainfall, smaller and less glaciated areas, fewer areas with permafrost, and more extreme weather events threatening coastal communities. Climate change affects the whole territory, but regions within the area also face specific challenges. For example, the Arctic NPA area is particularly sensitive to climate change because of ice-albedo feedback and the vulnerability of its ecosystem - temperatures have increased at almost twice the global average rate over the past century.

At the same time, climate change is also opening new opportunities for resource extraction and transport, the area has huge potential for green development and renewable energy resources. The result is increased economic and military activity in the region, both from the Arctic countries and new players.

As has been mentioned already, the area has diverse, unique environments, ranging from Arctic, boreal forest to coastal maritime territories. Due to low population density, the programme-geography has large areas of natural and semi-natural environments. Related, the area has high levels of biodiversity, unique species and large protected areas. Natural resources form an important basis for the economies of the area, e.g. forestry, fishing, mineral extraction. This tradition and the opening of new mining megaprojects highlight the ongoing and evolving challenge of balancing sustainable economic development, environmental management and the needs of local communities.

The exploitation of natural resources, most notably fishing and forestry industries, places significant pressure on sensitive ecosystems and is linked to habitat loss, fragmentation of ecosystems, environmental degradation and threats to vulnerable species. Pressures from pollution, particularly in marine and freshwater ecosystems, managing tourism in fragile environments and high per capita greenhouse gas emissions are additional challenges.

Combatting climate change and climate change adaptation/resilience are major challenges for the area. Climate change is already a common focus in bilateral and multilateral programmes and networks across the area and each NPA country has set ambitious goals toward cutting carbon emissions. This commitment has driven innovation, capacity, and leadership in 'Green technologies and solutions' and with respect to carbon neutrality and environmental aspects. Achieving these goals will rely heavily on innovation in the industrial, transport and building sectors, as well as efforts towards behaviour change, particularly with respect to consumption patterns. For example, actions to support remote working, more energy efficient buildings, developing eco-products, Cleantech, boosting the circular economy, addressing efficiencies in supply chains, recycling and waste reduction (especially food waste) will all have a role.

Connectivity and networks

The geographic and climatic conditions of the NPA present particular challenges for both transport and digital connectivity including:

- huge distances between settlements and to nearest regional and national urban centres,
- difficult topography and climatic conditions which increase the logistical feasibility,
- financial cost, and
- potential environmental impact of physical infrastructure links.

Sustainable economic development in peripheral regions that are distanced from major markets is strongly correlated with good transport infrastructure that provides the means for the exchange of physical goods and products, labour mobility, access to services and educational interaction. Good infrastructure provision is also necessary as a factor in population retention as well as the development of industries with growth potential such as tourism. Though the TEN-T network provides access throughout the core of Europe, it does not yet cover much of the NPA area.

However, transport networks and infrastructure are potentially on the cusp of significant change linked to the opening up of new sea routes, wider impacts of climate change, and major economic developments in the region. Territorial cooperation through smaller scale, innovative projects such as Interreg-projects can inform new and innovative approaches to regional transport and logistics, e.g. by mobilising and using existing knowledge. Inter-regional transport networks benefit from close relations between regions, particularly those which are hubs in multi-modal networks. Multi-modal networks (i.e. in which goods or passengers move between destinations via two or more different modes of interconnecting transport) enable economic efficiency savings by maximising the advantages of each transit mechanism.

Digitalisation is vital for the social and economic development of NPA regions but geographical remoteness presents particular challenges for infrastructure provision and supply. Digitalisation has enormous potential to overcome some of the specific challenges facing NPA areas, offering the potential to overcome the barriers of distance and open up new service provision and employment opportunities in e-education, e-health and e-business. Place-based development opportunities can also be exploited more effectively when remote communities can be digitally connected. Barriers to progress in digitalisation in many peripheral areas include: the higher infrastructure costs of bringing new technologies over longer distances to smaller areas of population; urban-led technology development taking less account of the needs of remote areas; and lack of skills and knowledge to fully exploit new technology opportunities.

Nevertheless, digitalisation has been a priority for many NPA regions and there are many policy initiatives supporting effective provision and use of new digital technologies.

Joint investment needs, complementarities and synergies with other forms of support

The NPA programme neighbours and overlaps with a number of programmes, due to its large geographic scale. The European Territorial Cooperation programmes that are of relevance to the NPA area are:

- Peace plus
- Interreg Aurora
- Sverige-Norge
- Kolarctic CBC
- Karelia CBC
- Baltic Sea Region
- North Sea Region
- Atlantic Area
- North West Europe

All programmes mentioned above have their own distinct focus, but the differentiation between the programmes can be difficult to spot when only looking at the Policy objectives and Specific objectives since these are already formulated and set by the Commission and are similar for all programmes. The differences can instead be seen in what focus a programme with a specific geographic feature has within the policy objectives or specific objectives due to for example the needs of particular communities e.g. coastal or Arctic. Similarly, some themes will be given more emphasis than others e.g. the Peace Plus programme will contain a strong community relationship focus while the Baltic Sea will be expected to have a strong link to the Baltic Sea Macro Regional Strategy and work, in part, through the Interreg specific objectives. There will also be differences between co-operations between neighbouring countries and countries with no common border. However, the broad themes outlined in the regulations, and the nature of the development challenges faced across Europe, mean that many of these broad themes are likely to remain the same, e.g. innovation, supporting SMEs, addressing climate change, protecting the environment. This allows not just for programmes to work for their own territories but also allows them to collaborate and complement activities, building wider impacts and results.

Macro-regional strategies and sea-basin strategies

The NPA area partly corresponds to macro-regional and sea basin strategies, namely the EU Strategy for the Baltic Sea Region, that covers parts of the programme area (Sweden and Finland, Iceland and Norway) and the EU Action Plan for Maritime Strategy in the Atlantic area which applies to NPA regions in Ireland. Since a larger part of the programme area is not covered by the strategy nor the action plan, the focus of the programme is not formally aligned with the two documents. However, there is not any conflict of interest between the goal of the programme and the Baltic Sea Strategy, nor with the the Action Plan for Maritime Strategy in the Atlantic area, and in practice there are quite a few areas where NPA actions could complement strategy goals.

Arctic Cooperation

The NPA Programme has a strong basis upon which to build its contribution to the Arctic and the wider northern periphery neighbourhood. A considerable part of the Programme area is located north of the Arctic Circle, but it also includes areas which belong to the subarctic or the northern temperate zone.

Many of the regions in the Programme area are Arctic or at least 'Arctic like'. Most of the programme's partner regions and/or countries have specific Arctic Strategies in place and an interest in advocating close

links with the Arctic. Moreover, due to changes taking place in the Arctic region (climate change and reduced sea ice in particular), the political, economic and social importance of the Arctic region is growing impacting the wider NPA area. The EU has been conscious of the need for international cooperation on Arctic issues and the EU's Arctic policy, which has evolved since it was first outlined in 2008, is set to undergo further update to respond to new challenges and opportunities related to climate change and receding sea ice (and in consideration of the European Green Deal) and the increasing geo-political importance of the region. The 2016 Joint Communication on an integrated EU policy for the Arctic is expected to be updated in the autumn 2021.

The programme has demonstrated its value in acting as a bridge between the Arctic and the wider northern periphery and other parts of Europe.

The NPA addresses the Arctic Dimension in three ways:

- Geographically, the Programme covers Arctic and subarctic territories from Finland to Greenland.
- The programme supports cooperation, innovation and transfer of knowledge and technology within themes, which are of specific significance for the Arctic territories, such as sustainable use of non-renewable and renewable resources and demographic development
- Finally, the overall intention is that NPA projects shall foster changes that are of importance to people, including indigenous people, living in the Arctic and the wider northern periphery.

Cooperation in the Arctic has a long history. The European Territorial Cooperation programmes operating within the Arctic have already during the past programming period been working more closely together and will continue to do so in this period. The NPA programme, which is the programme with the widest Arctic coverage, has been chosen to perform this coordination role. This means supporting cross programme collaboration in the Arctic to maximise the benefit of territorial cooperation, support the progression, dissemination and capitalisation of projects and boost strategic synergies with other Interreg, Cohesion policy programme and EU interventions.

The cooperation has so far facilitated:

- exchange of information and dissemination of information,
- joint/coordinated project and programme events and representation at larger Arctic and European conferences,
- funding clustering of projects from different programmes,

- the running of an Arctic Award project competition.

Based on experience from the previous period, it must be recognised that the success of the Arctic network cooperation is dependent on the active involvement by all the programmes. Links with the wider NPA neighbourhood, both within and outside of EU strategies, are an important aspect for the NPA to consider.

1.3. Justification for the selection of policy objectives and the Interreg-specific objectives, corresponding priorities, specific objectives and the forms of support, addressing, where appropriate, missing links in cross-border infrastructure

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity	RSO1.1. Developing and enhancing research and innovation capacities and the uptake of advanced technologies	1. Strengthening the innovation capacity for resilient and attractive NPA communities	<p>Justification for selecting the policy objective “A smarter Europe” is the need to build adaptive capacity and resilience in the NPA area.</p> <p>Through strengthening the innovation capacity in remote regions, the NPA communities can become more attractive both for businesses and persons, and also be a role model for sustainable living conditions in peripheral areas. There are regional disparities when it comes to innovation. Some regions have high levels of innovation, other faces challenges in relation to long distances.</p> <p>Transnational cooperation provides possibilities to connect key stakeholders and build critical mass to act and combine local expertise and technical/research capacity across the programme area. Sustainable development is of great importance for the area and this includes development of both green and blue technologies.</p>
1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity	RSO1.2. Reaping the benefits of digitisation for citizens, companies, research organisations and public authorities	1. Strengthening the innovation capacity for resilient and attractive NPA communities	<p>By enhancing research and innovation capacities and reaping the benefits of digitisation, the programme can deliver key services to SMEs and communities and support capacity to adapt to rapidly changing conditions.</p> <p>This is done by building know-how and capacity in new and emerging areas of activity/need, and developing existing areas including new approaches to managing tourism, development of creative industries etc.</p>

			Actions aimed at supporting SMEs and development of advanced or 'disruptive' solutions, engaging even more fully with the opportunities offered by digitalisation are all areas that benefit the area and lend themselves to transnational cooperation.
1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity	RSO1.3. Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	1. Strengthening the innovation capacity for resilient and attractive NPA communities	The key role of SMEs in the NPA area economies, past NPA experience and the new challenges facing SMEs means that by enhancing growth and competitiveness of SMEs, the programme could offer the opportunity to address needs, share experience and develop SME support through advanced SME engagement and business support services. The NPA can add value by focussing on the specific needs for SMEs and innovation in extremely remote and peripheral areas.
2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility	RSO2.1. Promoting energy efficiency and reducing greenhouse gas emissions	2. Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities	<p>The NPA areas are highly exposed to the impacts of climate change and are also leaders in the development of innovative approaches to green and low carbon solutions.</p> <p>The areas are early and extensive adopters of green solutions, e.g. energy efficiency, and renewable energy. This vast expertise and local capacity, including indigenous knowledge, can be brought together by transnational cooperation to e.g. develop industry-specific advances for relevant sectors or place-specific needs, link local know-how with technological/research developments and broadening the application of local solutions.</p> <p>The areas of activity where the programme has most potential are in relation to innovations and promoting tailored green solutions. The area can build on its leadership in developing energy efficiency measures, e.g. cold climate technologies.</p> <p>Some parts of the programme area have a leading capacity and take-up when it comes to renewable energy use, while in other parts, geographic limitations mean that there are still high levels of dependency on fossil fuels.</p>

<p>2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility</p>	<p>RSO2.4. Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system based approaches</p>	<p>2. Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities</p>	<p>The impacts of climate change in the NPA area make promoting climate change adaptation, risk prevention and disaster resilience an extremely relevant area of intervention, and one where transnational cooperation can support the development of critical mass to act, provide scope to link areas of expertise, and the capacity to develop tailored solutions for peripheral areas.</p>
<p>2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility</p>	<p>RSO2.6. Promoting the transition to a circular and resource efficient economy</p>	<p>2. Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities</p>	<p>When working with the circular economy, it is important to focus on those sectors that use the most resources and where the potential for circularity is highest. There is scope for transnational cooperation in this field due to the similarities between the NPA communities, and the programme aims at sharing and develop expertise to make circularity work for people, regions and cities in the NPA area. Resource efficiency, creating more with less and delivering a greater value with less input, is one of the bases for this programme.</p>
<p>6. Interreg: A better Cooperation Governance</p>	<p>ISO6.4. Enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies and sea-basin strategies, as well as other territorial strategies (all strands)</p>	<p>ISO1. Strengthening the organisational capacity among NPA communities to make use of cooperation opportunities</p>	<p>Linked to the value of the Arctic dimension of the programme, this priority can provide a mechanism through which to continue to develop the NPA's role in developing transnational territorial cooperation in the Arctic.</p> <p>This could be done, for example, by setting arenas for cooperation across projects, not only between projects within the NPA programme but also between programmes. This could both enrich and extend cooperation by for example building know-how, shared experience; developing/implementing shared strategies; strategy coordination; commissioning studies or data to better understand cooperation</p>

			<p>opportunities and challenges (making sure they are applied/used); empowering local communities; and improving communication.</p> <p>Projects in this priority can be developed both as 'top-down', as strategic capacity building actions, or bottom-up initiated actions by stakeholders, such as for example indigenous peoples and local communities. Small projects can be one tool to implement this priority.</p>
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1.4. Priority: 1 - Strengthening the innovation capacity for resilient and attractive NPA communities

Specific objective 1.1: RSO1.1. Developing and enhancing research and innovation capacities and the uptake of advanced technologies

Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies.

Enhancing research and innovation capacities and the uptake of advanced technologies are of key importance for SMEs and micro enterprises, and related, the NPA area as a whole. Through innovation and pursuing higher value-added processes activities can be diversified and expanded, drawing on specialist sectoral knowledge and expertise in the area. Regional programmes and strategies, including smart specialisation strategies, which foster bottom-up policy approach for regional innovation and development can be the basis for identified key regional strengths.

In times of major change, most notably climate change, the vulnerable ecologies of the programme area place even more importance on innovation capacity as a means to adapt, manage and respond to change, and the innovation capacity is also of importance when other unforeseen catastrophes such as pandemics occur. To combat the climate change, green and blue technologies are of interest to the area.

Recognising that the innovation process can take time and involve many stages, projects can engage at various stages in the innovation cycle, from inception to testing and pre-commercial development, to expanding application and adoption. It is important to involve SMEs already when developing innovations, but also in the application of existing technologies. Examples of sectors in which the programme can finance projects are healthcare, energy, the marine economy, circular economy, transport, environmental and natural resources as well as innovation with emphasis on tourism, culture and creative industries.

Types of actions to be funded	Main Target Groups
<ul style="list-style-type: none"> • Facilitating technology transfer to, or across, the Programme area benefiting SMEs, including green technologies • Facilitating commonly identified opportunities based on strengths in the programme area supported by research and innovation, including smart specialisation strategies. <p>In all activities that are approved by the NPA programme, there should be an integration of the horizontal criteria. This means that the activities should strive for sustainable development, with equal opportunities.</p>	<ul style="list-style-type: none"> • Higher education and research • Enterprise, except SME • SME • Business support organization • Regional public authority • National public authority • Local public authority • Non-profit organisations / Social enterprises

Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
1	RSO1.1	RCO87	Organisations cooperating across borders	organisations	12	36
1	RSO1.1	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	10	30
1	RSO1.1	RCO10	Enterprises cooperating with research organisations	enterprises	58	174
1	RSO1.1	RCO116	Jointly developed solutions	solutions	10	30

Result Indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target
1	RSO1.1	RCR03	Small and medium-sized enterprises (SMEs) introducing product or process innovation	enterprises	0.00	2021	36
1	RSO1.1	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	18

Specific objective 1.2: RSO1.2. Reaping the benefits of digitisation for citizens, companies, research organisations and public authorities

Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies.

Territories across the programme area experience challenges linked to long distances and access to markets and key services. Digitalisation and digital solutions are key to addressing and mitigating these challenges of importance for public service, SMEs and the communities and people who live in the area, e.g creating links between the public sector, networks of SMEs and education providers. Digitisation can help to mitigate challenges linked to demographic change, mitigate crises such as pandemics, and also create opportunities for younger population in remote and peripheral communities, e.g through remote healthcare and smart mobility. In order to make the advantages of digitisation accessible for everyone, it is important to develop digital skills and also to build capacity in SMEs, in public service, and in organisations.

Transnational collaboration has a vital role in strengthening the expertise and experiences of working with digital solutions in the programme area, both to widen and deepen the expertise coming from these peripheral areas, and to apply new solutions.

Types of actions to be funded	Main Target Groups
<p>Transfer and development of accessible digital solutions to create better conditions for people to live and work in the area. This includes technology-driven solutions for public service provision, as well as marketing models and solutions facilitating the use of distance-spanning technology to overcome long distance to market.</p> <p>In all activities that are approved by the NPA programme, there should be an integration of the horizontal criteria. This means that the activities should strive for sustainable development, with equal opportunities. The objectives of the programme take into account the “do no significant harm” principle.</p>	<ul style="list-style-type: none"> • Local public authority • Regional public authority • National public authority • Sectoral agency • Infrastructure and (public) service provider • Interest groups including NGOs • Higher education and research • Education/training centre and school • SME • Enterprise, except SME • Business support organisation • General public (including local communities)

Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
1	RSO1.2	RCO87	Organisations cooperating across borders	organisations	18	54
1	RSO1.2	RCO14	Public institutions supported to develop digital services, products and processes	public institutions	18	54
1	RSO1.2	RCO116	Jointly developed solutions	solutions	15	45
1	RSO1.2	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	15	45

Result Indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target
1	RSO1.2	RCR11	Users of new and upgraded public digital services, products and processes	users/year	0.00	2021	900.00
1	RSO1.2	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	27.00

Specific objective 1.3: RSO1.3. Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments

Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies.

Through transnational cooperation, the programme will contribute to enhancing the entrepreneurial climate of the NPA area by facilitating the transfer and development of business support strategies and solutions to overcome the particular challenges faced by start-ups and existing SMEs in remote and peripheral regions. An example is building networks and clusters with capacity to tackle the challenge with long distance to market for SMEs. Overcoming these challenges will contribute to a more dynamic business sector, in particular for SMEs in non-traditional sectors.

In the programme area, there are area-based specialisms linked to specific area-based cultural or natural resources as for example uniqueness of Arctic, islands, coastal areas etc. To manage traditional business in remote and sparsely populated areas there is a need to build economic diversification and resilience.

Through innovation, traditional sectors can be diversified and expanded. A key sector for the area that has particularly high number of SMEs and micro enterprises is tourism. This is also a sector where it is important to engage indigenous groups and local communities in planning and activities

Types of actions to be funded	Main Target Groups
<ul style="list-style-type: none"> • Transfer and development of models and solutions for support to SMEs faced with commonly identified challenges and opportunities in peripheral regions with a particular focus on entrepreneurial skills and sustainable business models. • Transfer and development of concepts for creating networks and clusters of SMEs and connecting entrepreneurial capacities across regions as well as adapting marketing models for a greater market reach. <p>In all activities that are approved by the NPA programme, there should be an integration of the horizontal criteria. This means that the activities should strive for sustainable development, with equal opportunities. The objectives of the programme take into account the “do no significant harm” principle.</p>	<ul style="list-style-type: none"> • Local public authority • Regional public authority • Sectoral agency • Higher education and research • Education/training centre and school • SME • Business support organisation • General public (including local communities)

Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
1	RSO1.3	RCO01	Enterprises supported (of which: micro, small, medium, large)	enterprises	20	60
1	RSO1.3	RCO04	Enterprises with non-financial support	enterprises	10	30
1	RSO1.3	RCO116	Jointly developed solutions	solutions	10	30
1	RSO1.3	RCO05	New enterprises supported	enterprises	10	30
1	RSO1.3	RCO87	Organisations cooperating across borders	organisations	12	36
1	RSO1.3	RCO84	Pilot actions developed jointly and implemented in projects	Pilot actions	10	30

Result Indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target
1	RSO1.3	RCR04	SMEs introducing marketing or organisational innovation	enterprises	0.00	2021	30
1	RSO1.3	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	18

1.5. Priority: 2 - Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities

Specific objective 2.1: RSO2.1. Promoting energy efficiency and reducing greenhouse gas emissions

Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies

Territories across the programme area have high energy needs linked to their cold and extreme climates. This, in turn requires smart energy solutions, including smart energy storage. Long distances and a lack of access of communities and hubs drives the need to explore community-based systems, for example for islands and remote areas. The area has a high potential for renewable energy resources and can build on vast expertise and experience in the field and a preparedness to adopt and apply new technologies and new solutions. The main focus is achieving net energy savings and respect of biodiversity and habitats.

Types of actions to be funded	Main Target Groups
<ul style="list-style-type: none"> • Transfer and development of sustainable renewable energy generation and energy efficiency solutions suitable for cold climates and remote communities. • Facilitating the use of place-based energy surpluses and development of smart energy management concepts in remote communities. <p>In all activities that are approved by the NPA programme, there should be an integration of the horizontal criteria. This means that the activities should strive for sustainable development, with equal opportunities. The objectives of the programme take into account the “do no significant harm” principle.</p>	<ul style="list-style-type: none"> • Local public authority • Regional public authority • Sectoral agency • Infrastructure and (public) service provider • Interest groups including NGOs • Higher education and research • SME • General public (including local communities)

Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
2	RSO2.1	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	16	48
2	RSO2.1	RCO116	Jointly developed solutions	solutions	5	16
2	RSO2.1	RCO87	Organisations cooperating across borders	organisations	19	56

Result Indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target
2	RSO2.1	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	0.00	2021	8.00
2	RSO2.1	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	5.00

Specific objective 2.2: RSO2.4. Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system based approaches

Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies.

The vulnerability of the NPA regions and their geographies (sparsely populated costal-, mountain-regions and islands) makes combating climate change and climate change adaptation/resilience major challenges for the area. The specific nature and needs of these areas means it is vital to have input from specialists and local input with in depth knowledge of the unique and sensitive natural environments. The programme will support the transfer of knowledge and experiences between the regions in the programme, and the creation of new transnational networks.

Types of actions to be funded	Main Target Groups
<ul style="list-style-type: none"> Transfer and development of solutions that facilitate the use of community knowledge and builds local capacity for climate change adaptation, risk prevention and disaster resilience in sparsely populated communities. <p>In all activities that are approved by the NPA programme, there should be an integration of the horizontal criteria. This means that the activities should strive for sustainable development, with equal opportunities. The objectives of the programme take into account the “do no significant harm” principle.</p>	<ul style="list-style-type: none"> Local public authority Regional public authority National public authority Sectoral agency Infrastructure and (public) service provider Interest groups including NGOs Higher education and research SME International organisation, EEIG General public (including local communities)

Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
2	RSO2.4	RCO116	Jointly developed solutions	solutions	5	16
2	RSO2.4	RCO87	Organisations cooperating across borders	organisations	19	56
2	RSO2.4	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	16	48

Result Indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target
2	RSO2.4	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	0.00	2021	8.00
2	RSO2.4	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	5.00

Specific objective2.3: RSO2.6. Promoting the transition to a circular and resource efficient economy

Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies.

The circular economy requires new solutions and innovations to transform production processes and change consumer behaviour. Crucially responses need to take into account territorial specificities, such as the impact of peripherality and extreme climates, some areas have recognised challenges in dealing with waste management, where distance and transport is an issue. For example waste is one of many aspects that could be included in actions to create circular economy. Other important aspects are resource efficiency in sectors as bio economy, blue economy, the building sector and infrastructure, food, and by- products from production.

In remote communities, there are already important strengths in this field, e.g a tradition of self-reliance, reusing and repurposing. Therefore circular, green and bio-economy are already integral parts of the NPA area. Another reason for the importance of these sectors are the high impact of pollution on sensitive environments in the NPA area.

The programme can, for example, support concepts for engaging sparsely populated areas in accessing wider networks and capacities for knowledge transfer and skills development.

Types of actions to be funded	Main Target Groups
<ul style="list-style-type: none"> • Facilitating the transfer and development of solutions that promote resource efficiency, end-of-waste, and a better use of by-products in remote, and sparsely populated communities • Facilitating the transfer and development of solutions for community planning for the circular economy in remote, and sparsely populated communities. <p>In all activities that are approved by the NPA programme, there should be an integration of the horizontal criteria. This means that the activities should strive for sustainable development, with equal opportunities. The objectives of the programme take into account the “do no significant harm” principle.</p>	<ul style="list-style-type: none"> • Local public authority • Regional public authority • Sectoral agency • Infrastructure and (public) service provider • Interest groups including NGOs • Higher education and research • Enterprise, except SME • SME • Business support organisation • International organisation, EEIG • General public (including local communities)

Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
2	RSO2.6	RCO116	Jointly developed solutions	solutions	3	10
2	RSO2.6	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	10	30
2	RSO2.6	RCO87	Organisations cooperating across borders	organisations	12	35

Result Indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target
2	RSO2.6	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	0.00	2021	5.00
2	RSO2.6	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	3.00

1.6. Priority 3: ISO1 - Strengthening the organisational capacity among NPA communities to make use of cooperation opportunities

Specific objective 3.1: ISO6.4. Enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies and sea-basin strategies, as well as other territorial strategies (all strands)

Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies

The goal for actions to enhance organisational capacity of public authorities and stakeholders in NPA is to develop more resilient communities. This includes working with natural and cultural heritage to protect, promote and develop these important features for the programme area and developing wider territorial synergies and links to the benefits of the programme area.

The NPA Programme has the potential to bring strong regional and territorial development perspectives to the EU Arctic Policy, as well as national Arctic policies, recognizing the unique circumstances and challenges of the Northern Periphery and Arctic Programme area compared to other parts of Europe. In particular, common characteristics in relation to demography, indigenous perspectives, peripherality, insularity and harsh conditions .

The NPA programme has a leading role in the cooperation between the Arctic INTERREG programmes (a cooperation that potentially will be extended to national programmes and other Arctic networks). To bring the cooperation to a project level, the NPA can support projects that cooperate across programmes in order to encourage increased alignment, synergies and results.

The specific objective does not only target Arctic regions, but also other northern European regions that have similar features and challenges.

Types of actions to be funded	Main Target Groups
<ul style="list-style-type: none"> Development and transfer of capacity building concepts to engage stakeholders in cooperation based on local knowledge, supporting them to implement strategies for Northern Periphery and Arctic regions <p>In all activities that are approved by the NPA programme, there should be an integration of the horizontal criteria. This means that the activities should strive for sustainable development, with equal opportunities for men and women, non-discrimination and accessibility and inclusion of underrepresented groups, including indigenous peoples and other culturally and linguistically distinct groups originating from the NPA area. Activities should be carried out with respect for fundamental rights.</p>	<ul style="list-style-type: none"> Local public authority Regional public authority National public authority Sectoral agency Interest groups including NGOs Higher education and research Education/training centre and school SME International organisation, EEIG General public (including local communities)

The objectives of the programme take into account the “do no significant harm” principle.	
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Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
3 (ISO1)	ISO6.4	RCO83	Strategies and action plans jointly developed	strategy/action plan	4	11
3 (ISO1)	ISO6.4	RCO87	Organisations cooperating across borders	organisations	21	63
3 (ISO1)	ISO6.4	RCO116	Jointly developed solutions	solutions	1	9
3 (ISO1)	ISO6.4	RCO84	Pilot actions developed jointly and implemented in projects	Pilot actions	1	9

Result Indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target
3 (ISO1)	ISO6.4	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	0.00	2021	4.00
3 (ISO1)	ISO6.4	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	3.00

1.7. Financing Plan

Between 2021-2027, the Programme will allocate 46 833 778 Euros to projects, of which 39 978 162 EUR in European funding (ERDF) will be available to partners in Member States (Finland, Ireland, Sweden) and 6 855 616 EUR for partners in the Non-EU partner countries (Norway, Iceland, Faroe Islands, Greenland).

The Euro (€) is used for all transactions in the Programme.

The funding available for projects (100%) has been distributed as follows:

- Priority 1: 45%
- Priority 2: 45%
- Priority 3: 10%

The Programme is financed by European Regional Development Fund (ERDF) contributions from the EU Member States, ERDF equivalent funding from the Non-EU partner countries, supplemented by match funding from projects. Projects apply to the Programme for ERDF or ERDF equivalent co-financing, and they contribute to the project with public or private match funding.

Table 3 – Funding Sources Interreg NPA

Source	Type	Funding allocation for projects	Grant Rate*
Member States (Finland, Ireland, Sweden)	ERDF	39 978 162 EUR	65%
Norway	ERDF equivalent	2 710 020 EUR	50%
Iceland	ERDF equivalent	2 622 600 EUR	65%
Faroe Islands	ERDF equivalent	696 877 EUR	65%
Greenland	ERDF equivalent	826 119 EUR	65%

* Please note that grant rates may be changed by the Monitoring Committee on a call-by-call basis.