



Priority 1 and the NPA area analysis

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NORTHERN PERIPHERY AND ARCTIC PROGRAMME AREA

Extreme peripherality from major economic centres and sparse populations are defining characteristics that present a strong rationale for cooperation across the territory





Economy and Innovation

- GDP generally above EU average, but peripheral regions lagging behind national averages.
- Long standing economic patterns - reliance on primary industries
- Increased economic diversification and opportunities in growth sectors.
- Economic shocks (e.g. Covid and Brexit) likely to bring long-term economic impacts, challenging recovery for peripheral regions, need for building capacity for adaptation and resilience.
- Dominance of SMEs and micro businesses but also often resource-based multinational firm activity.
- Focus on building critical mass and capacity for resilience.



Green and environment

- Diverse, unique environments and abundant environmental and natural resources
- Environmental challenges linked to the exploitation of natural resources, environmental protection and climate change.
- Challenges have driven innovation, capacity and leadership in 'Green technologies'.
- Networks for environmental monitoring and strategic analysis well developed.
- The region already has substantial renewable energy generation and expertise in the sector.



Connectivity and Networks

- Geographical and climatic conditions of the NPA present challenges for both transport and digital connectivity
- Economic development in peripheral regions, which are distanced from major markets, is strongly correlated with good transport infrastructure.
- Digitalisation has enormous potential to overcome some of the specific challenges facing NPA areas.



Communities and People

- Sparse population is a defining characteristic of the NPA area.
- A wide variety of cultures, with their own distinctive cultural identity and a range of minority languages.
- Ageing populations and the outmigration of young adults (particularly women) are longstanding development concerns.
- Impacts of migration on access to key skills and competencies
- Regional well-being figures - NPA regions rate highly
- The tertiary educational attainment generally high in the NPA countries
- Employment, rates are generally high, but these have fallen as a result of the Covid crisis.

Focus on cooperation....PO 1 – A Smarter Europe

- **Central importance of SMEs and micro enterprises in NPA economies**, but period of major change linked to Covid, climate change etc.
 - Specific issues faced for SMEs linked to distance to market, profile, capacity for network/cluster engagement.
- **Key/emerging sectors**, (e.g. blue/green technologies, circular economy, tourism, culture, creative industries, niche manufacturing) and adaptation to territorial specificities/opportunities
 - Building resilience and adaptability into sectors
- Early adoption, application of and openness to **digital solutions** driven by peripherality
 - Scope to lead in development and innovation in remote areas; opportunities in e.g. remote healthcare, smart mobility, tourism, creative sector etc
- **Area-based specialisms** linked to specific cultural or natural resources (e.g. uniqueness of Arctic, island, coastal areas)
- **Place-based opportunities and challenges** at the heart of NPA cooperation and related scope for facilitating innovation in niche/key/emerging sectors
 - Challenges to address, e.g. access to the right skills and connectivity.
 - Need for **economic diversification and resilience** (diversifying/expanding traditional sectors through innovation).

- a) enhancing research and innovation capacities and the uptake of advanced technologies
- b) reaping the benefits of digitisation for citizens, companies and governments
- c) enhancing growth and competitiveness of SMEs

Thank you for your attention

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