Consultation of the NPA 2021-2027 Priorities under development

Background
In the Spring of 2020, the preparations for the NPA 2021-2027 started under the guidance of the Programme Planning Group (PPG), which consists of national and regional representatives from 7 countries (Member States Finland, Ireland, and Sweden in cooperation with the Faroe Islands, Greenland, Iceland and Norway) and observers from Canada, Russia, NORA, and the Arctic Council's Indigenous Peoples Secretariat.

As a first step, during the summer of 2020, an area analysis was carried out by the European Policies Research Centre, which provides the context for transnational cooperation in this part of Europe. This analysis looked at the main joint challenges in the programme area, taking into account: economic aspects and innovation, green development and the environment, connectivity and networks, community and people, lessons learnt from past experience, as well as complementarity with other forms of support and territorial strategies. Based on the analysis, the PPG has agreed on a range of themes for the future NPA programme, or Policy Objectives and underlying Specific Objectives as they are called in the draft EU regulations.

With input from the PPG, the area analysis consultants and Regional Advisory Groups, the drafting team has now compiled draft Priorities for the forthcoming NPA 2021-2027. These Priorities will become part of the NPA 2021-2027 programme document, which is planned to be ready by June 2021, when a national and European approval process is expected to start.

Purpose of the consultation
The NPA programme has a tradition of involving regional and project stakeholders in the drafting process, to ensure that the programme's approach is rooted in the needs of the programme area. The PPG is looking for input that can help finetune the Priorities and form the basis for a well-functioning programme.

For this reason, the drafting team invites feedback on the draft Priorities from:
- NPA projects and former projects
- Regional Advisory Group members
- Members of the PPG
- local, regional and national decision makers and other stakeholders from the programme area and neighbouring regions with an interest in regional development and cooperation, including organisations representing indigenous communities
- other Interreg programmes and ENI programmes with an overlapping geography
- policy initiatives and international cooperation structures related to the Arctic as well as the Atlantic

Good to know
Several important aspects of the future NPA programme are currently still unclear. For example, the programme geography is still undecided, in particular the involvement of the UK. Related to this, the future programme budget is not yet known, but it is likely to decrease compared to the current programme. Among other things, this will affect the number of themes and projects that can be supported, what regions will be eligible, and the size of the programme administration. For this reason, the draft Priorities may need to be adapted as these elements fall into place over the coming months.

Besides this, it is important to highlight that the draft Priorities are focussed on those themes and types of activities that are deemed to benefit most from transnational cooperation between the regions in the NPA area. For 20 years, the NPA programme has provided a framework for regions to work together with a focus on promoting sustainable development in remote and sparsely populated communities. In this way, the NPA programme both complements and differentiates itself from other programmes, policy instruments, strategies, and funding mechanisms that exist in the same territory.

Consultation setup

Between 15th February and 5th March, an **online survey** is open, allowing interested respondents to provide written feedback on the draft Priorities. Link to the online survey.

In addition, on 22nd, 24th, and 25th February, the programme is organising a series of **online workshops entitled "Shape the future NPA"**, where the draft Priorities will be presented and participants can ask questions and provide feedback. For more information and registration, please visit our event page.

On behalf of the NPA Programme Planning Group,

Thank you very much for helping us shape an NPA that champions Northern Periphery and Arctic regions!

Draft Priorities

The Northern Periphery and Arctic Programme area comprises the northernmost part of Europe including parts of the North Atlantic territories. In the EU Member States, the Programme area covers Northern and Eastern Finland, Western Ireland, and Northern Sweden. In the Non-EU Member States, the Faroe Islands, Greenland, Iceland, Northern Norway belong to the Programme area.

The Programme provides a framework for the countries and regions to cooperate on common issues in a way that recognises the particular challenges and approaches necessitated by the geographical characteristics of the area. Many traditional forms of cooperation are difficult to achieve over the distances and climatic conditions evident in the NPA area. The Programme encourages effective cooperation to maximise place-based development, builds on advantages in sparsely populated communities, and finds innovative solutions to their linkage into larger markets and more populated areas.

From a territorial and thematic logic, the sparse population and extreme peripherality from the economic centres of the EU are defining characteristics that present a functional rationale for cooperation across the NPA territory.

The draft Priorities presented on the next few pages are based on the Policy Objectives and Specific Objectives listed below, selected by the NPA Programme Planning Group from the draft EU regulations. In addition, the indicators outlined in the Priorities are selected from a list of common indicators pre-defined for ERDF and Interreg programmes.

- **Policy Objective 1**: A smarter Europe by promoting innovative and smart economic transformation
    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;

- **Policy Objective 2**: A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management
    a) promoting energy efficiency measures;
    d) promoting climate change adaptation, risk prevention and disaster resilience;
    f) promoting the transition to a circular economy;

- **Interreg Specific Objective 1**: A Better Cooperation Governance
    a) enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies and sea-basin strategies, as well as other territorial strategies.

PO1, A smarter Europe by promoting innovative and smart economic transformation

Priority 1: Strengthening the innovation capacity for resilient and attractive NPA communities

Justification for selecting the policy objective "A smarter Europe" is the need to build adaptive capacity and resilience in the NPA area. 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. 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.

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. 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.

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.

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.

Specific objectives under PO1:

1.1 enhancing research and innovation capacities and the uptake of advanced technologies;	Enhancing research and innovation capacities and the uptake of advanced technologies is of key importance for the SMEs and micro enterprises. Through innovation and pursuing higher value-added processes activities could be diversified and expanded, drawing on specialist sectoral knowledge and expertise in the area.
	Due to the vulnerability of the ecology in the programme area, innovation capacities are of even greater importance in periods of changes such as climate changes, but also when other unforeseen catastrophes such as pandemics occurs. To prevent the climate change, green technologies are of interest to the area and this includes blue technology as well.
	Projects can engage at various stages in the innovation cycle, from inception to testing and pre-commercial development, to expanding application and adoption. 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:
	• Facilitating technology transfer to, or across, the Programme area benefiting SMEs, including green technologies

	• Facilitating commonly identified place-based opportunities in the programme area supported by research and innovation, including smart specialisation strategies. 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 a performance with low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups. **Main target groups:** • higher education and research • enterprise, except SME • SME • business support organization • (regional public authority) • (national public authority) **Indicators:** • Research institutions participating in joint research projects. • SMEs introducing marketing or organisational innovation
1.2 reaping the benefits of digitisation for citizens, companies and governments;	Many regions in the programme area experience challenges with long distances and access to markets, which have been a driving force for innovations in the field of technology. Digitisation is of great importance for public service, SMEs and the people who live in the area, for example through creating links between the public sector, networks of SMEs and education providers. Digitisation can mitigate challenges linked to demographic change, mitigate crises such as pandemics, and also create opportunities for younger population in remote and peripheral communities as well as develop 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. Transnational collaboration has a 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 also to apply new solutions. **Types of actions to be funded:** • Transfer and development of technology-driven solutions for public service provision in remote and sparsely populated areas. • Transfer and development of marketing models and solutions facilitating the use of distance-spanning technology to overcome long distance to market. • Transfer and development of accessible digital solutions to create conditions for people to live and work in the area. 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 a performance with low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups. **Main target groups:** • local public authority • higher education and research • regional public authority • education/training centre and • national public authority school • sectoral agency • (enterprise, except SME) • SME

	- infrastructure and (public) service provider - interest groups including NGOs **Indicators:** - Public institutions supported to develop digital services, products and processes - Users of new and upgraded public digital services, products and processes - Users of new and upgraded digital services, products and processes developed by enterprises
1.3 enhancing growth and competitiveness of SMEs;	Transnational cooperation can contribute to an improved entrepreneurial climate by facilitating the transfer and development of business support strategies and solutions to overcome the challenges faced by start-ups and existing SMEs in remote and peripheral regions. This could for example be done by building networks and clusters with capacity to tackle the challenge with long distance to market for SMEs. Overcoming these challenges would contribute to a more dynamic business sector, not at least for SMEs in non-traditional sectors. In the programme regions, there are area-based specialisms linked to specific 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 can be need for economic diversification and resilience. Through innovation, traditional sectors can be both diversified and expanded. One sector that has a high number of SMEs and micro enterprises is tourism, and this is one of the sectors that can be developed by encouraging wider innovations. 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:** - 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. - Transfer and development of concepts for creating networks and clusters of SMEs and adapting marketing models for a greater market reach. 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 a performance with a low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups. **Main target groups:** - local public authority - regional public authority - sectoral agency - higher education and research - education/training centre and school - SME - business support organisation - General public **Indicators:** - Enterprises supported (of which: micro, small, medium, large) - Enterprises with non-financial support - Enterprises with higher turnover - SMEs with higher value added per employee

Note: The top-right cell of the first row continues with:
business support organisation
General public

PO2, A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management	

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

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. 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. The areas of activity where the programme has most potential are in relation to innovations and promoting green solutions.

The area can build on its leadership in developing energy efficiency measures, e.g. cold climate technologies. 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. Key for the NPA area is developing innovative tailored green solutions.

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.

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.

Specific objectives under PO2:	
2.1 promoting energy efficiency measures	The regions in the programme area have high energy needs because of the cold climate, which creates a need for smart energy solutions, including 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. There is a preparedness to adopt and apply new technologies and new solutions.
	Types of actions to be funded:
	• Transfer and sustainable development of energy efficiency and smart energy management concepts, suitable for cold climates and remote communities.
	• Facilitating the use of place-based energy surpluses in remote communities.
	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 a performance with low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups.
	Main target groups:

	- local public authority - regional public authority - sectoral agency - infrastructure and (public) service provider - interest groups including NGOs - higher education and research - SME - General public **Indicators:** - Dwellings with improved energy performance - Public buildings with improved energy performance - Annual primary energy consumption (of which: dwellings, public buildings, enterprises, other)
2.2 promoting climate change adaptation, risk prevention and disaster resilience;	The vulnerability of the NPA regions and their territorial features (sparsely populated costal-, mountain-regions and islands) makes combating climate change and climate change adaptation/resilience major challenges for the area. When planning in remote and peripheral regions, it is very important to have input from specialists and local input with knowledge of the unique and sensitive natural environments. The programme can 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:** - 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. 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 a performance with a low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups. **Main target groups:** - 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 **Indicators:** - National and sub-national strategies addressing climate change adaptation - Population benefiting from protection measures against non-climate related natural risks and risks related to human activities
2.3 promoting the transition to a circular economy;	The growing focus on the circular economy requires new solutions and innovations to transform production processes and change consumer behaviour. Some parts of the programme area have recognised challenges in dealing with waste management, when distance and transport is an issue. In remote communities, there is a tradition of self-reliance, reusing and repurposing and therefore circular, green and bio-economy are already an integral part of the NPA area. Another reason for the importance of this sector, is 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:

- 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

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 a performance with a low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups.

Main target groups:
- 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

Indicators:
- Additional capacity for waste recycling

ISO1, A better Cooperation governance	

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

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. 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 opportunities and challenges (making sure they are applied/used); empowering local communities; and improving communication.

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 project can be one tool to implement this priority.

Specific objectives under ISO1:

3.1 enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies and sea-basin strategies, as well as other territorial strategies	The goal with enhancing 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, promoting and developing these important features for the programme area.
	The NPA Programme has the potential to add a regional development level to the EU Arctic Policy, as well as the national Arctic policies, recognising the unique circumstances and challenges of the Northern Periphery and Arctic Programme area compared to other parts of Europe. In particular, when it comes to demography, indigenous perspectives, peripherality, insularity and harsh conditions that also apply to Arctic cooperation.
	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 regions that have similar features and challenges.
	Types of actions to be funded:
	• Development and transfer of capacity building concepts for upskilling local communities for resilience and good living conditions in Northern Periphery and Arctic-regions, including clustering-projects with other programmes.
	• Development and transfer of concepts and models for the protection, promotion and development of the natural and cultural heritage in Northern Periphery and Arctic-regions.

	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 a performance with a low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups.
	Main target groups: • 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 **Indicators:** • Participations in joint actions across borders • Jointly developed solutions • Solutions for legal or administrative obstacles across border identified • Organisations cooperating across bordersSolutions taken up or up-scaled by organisations • Legal or administrative obstacles across borders alleviated or resolved • Organisations cooperating across borders after project completion • Participations in joint actions across borders after project completion