



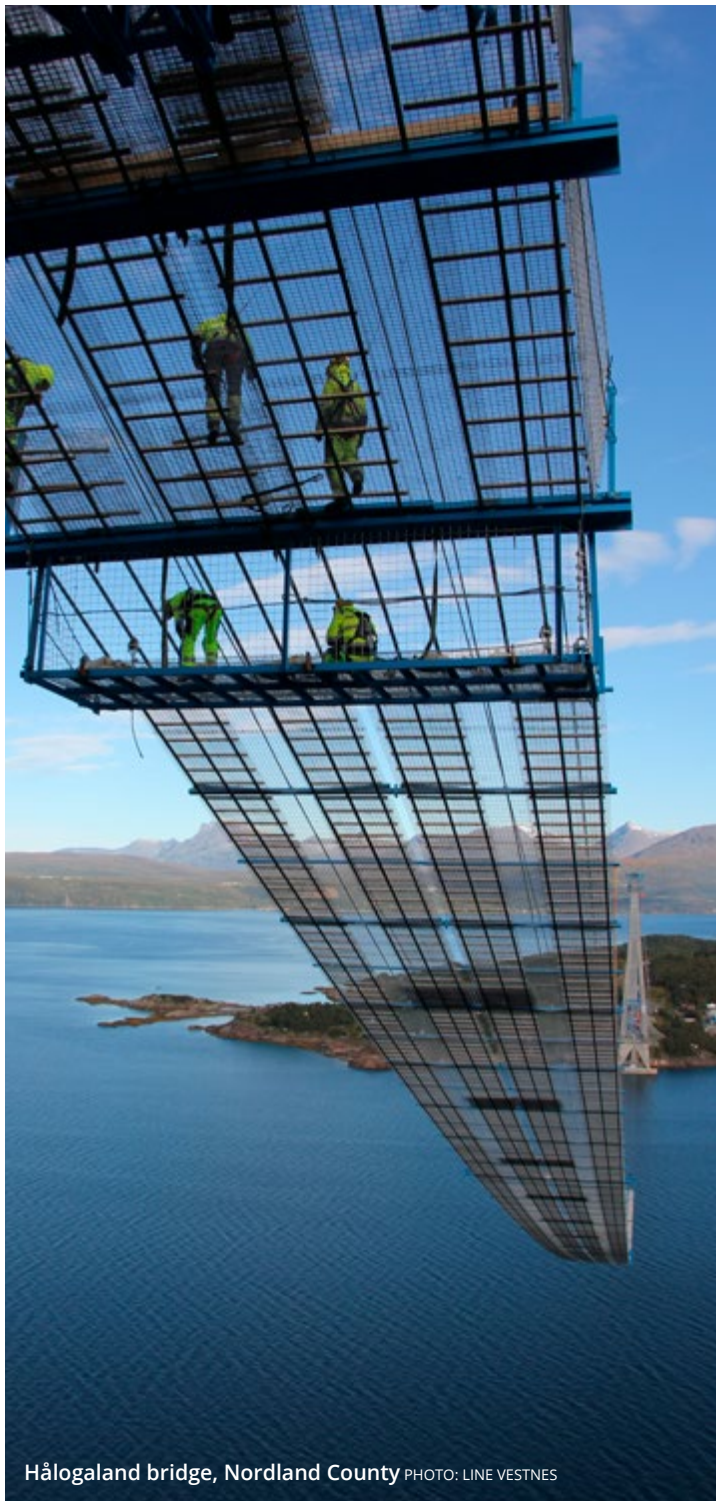
Norwegian Ministries

Strategy

Norway's Arctic Strategy

– between geopolitics and social development





Hålogaland bridge, Nordland County PHOTO: LINE VESTNES

Foreword

The Arctic is important for Norway and for the world as a whole. Foreign and domestic policy are intertwined in the region, and people's everyday lives are affected both by high politics and by day-to-day issues. Here, people are not divided by the ice, but rather joined by the ocean. In the Arctic, our most important foreign policy priority, countries from three continents have found new ways of cooperating, based on common interests and respect for international law.

Foreign policy and domestic policy converge in the Arctic. Our efforts to promote an innovative and sustainable North Norway are dependent on peace, stability and well-functioning cooperation with our Arctic neighbours. Close international cooperation has played a significant part in safeguarding Norwegian interests relating to safety, environmental protection and resources in the Arctic. Foreign policy is key in the Arctic, and we will build on our existing policy and the effective international cooperation mechanisms, such as the Arctic Council and the Barents Euro-Arctic Council.

The Arctic provides both a home and a livelihood for many Norwegians. Some 10 % of Norway's population lives north of the Arctic Circle, a greater proportion than in any other country in the world. North Norway accounts for an important share of overall value creation in Norway.

The Arctic offers major opportunities for development that will be important for the whole country. The seafood sector shows great potential for growth. Research related to new industries such as marine bioprospecting and seabed mining is invaluable. Nearly half of Norway's estimated undiscovered oil and gas resources are to be found in the Barents Sea. Renewable energy is another sector where there is considerable potential for growth. Oil and gas operations and shipping through the Northeast Passage could offer significant opportunities for the Norwegian

supplier industry and the maritime industry. The tourism industry is growing, with visitors coming to the region from all over the world. The Norwegian economy is undergoing a process of restructuring, and needs North Norway's contribution more than ever.

The business sector in North Norway is thriving, and the rate of growth in the north of the country is currently higher than in the south. There are clear indications that economic growth in North Norway will continue in the years ahead. This will depend on several factors, such as companies in the region being able to find enough employees with the necessary skills and knowledge.

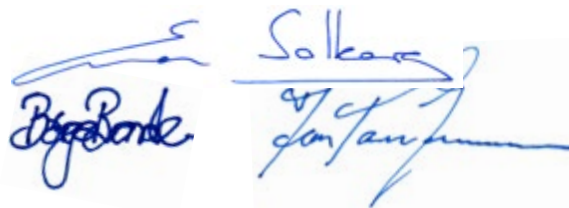
The Government aims to make North Norway one of the most innovative and sustainable regions in the country. We will create economic growth and future-oriented jobs in the north in a way that takes account of environmental and social considerations. We will build local communities that can attract people of different ages and genders, and with different skills and expertise. Areas such as education, business development and infrastructure are vital in our efforts to build a sustainable region. In this strategy, the Government has sought to give greater consideration to the domestic aspects of Norway's Arctic policy. Well-functioning communities are built by the people who live and work there. In the development of North Norway, it is the region's own citizens, companies and politicians that have the most important role to play.

International interest in the Arctic is growing. The impacts of climate change are particularly pronounced in the north, and this may affect current business activities and communities in the region. At the same time, as increasingly large sea areas become ice-free, opportunities for new transport routes and new business activities are opening up. Globally, there is a growing need for food, energy and raw materials. There are abundant fish and energy

resources in the Arctic, and also minerals, which the world is going to need more of. Many actors are naturally keen to take advantage of the new economic opportunities to be found in the region. International interest in the Arctic is creating new opportunities for cooperation for Norway, but it also brings challenges. More actors than before are seeking to influence the Arctic's future development.

The impacts of climate change in the Arctic are affecting countries both in and outside the region. As one of the eight Arctic states, Norway has a great responsibility for ensuring sound management of all activities in the Arctic, so as to protect the region's vulnerable environment. We have centuries of experience of resource management and sustainable business activity in the north. We intend to build on this.

In drawing up this strategy, it has been important to listen to the voices of those who live in the north. Enthusiastic representatives of the business sector, various organisations and knowledge institutions from all over North Norway have given us invaluable advice on how to make Norway's Arctic policy as forward-looking and effective as possible. In the recently established regional forum for dialogue on the Arctic, we have had constructive discussions with regional politicians and the Sámediggi (Sami parliament) on determining our priorities for the future. Local and regional knowledge is crucial for building a successful Arctic policy. By ensuring that we work together towards the same goals at the national level, we will be better able to set the agenda for the international debate on developments in the Arctic.



Norway's Arctic Strategy

– *between geopolitics and social development*

English short version

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the arctic

Important for Norway, important for the world

Priority areas:

- International cooperation
- Business development
- Knowledge development
- Infrastructure
- Environmental protection and emergency preparedness

Knowledge development

16 % of the companies in North Norway face recruitment difficulties, compared with 9 % nationwide.

750 million NOK was spent on research relating to the Arctic through the Research Council of Norway in 2016.

Infrastructure

40 billion NOK was allocated to investment projects in Norway's three northernmost counties.

Environmental protection and emergency preparedness

1831 high-risk vessels passed through Norwegian waters in 2016, according to the Vardø Vessel Traffic Service. These vessels are over 130 metres in length, vessels carrying dangerous or polluting cargo, including radioactive material, and vessels towing or pushing a tow where the combined length exceeds 200 metres. Of these, nearly 400 were oil tankers.

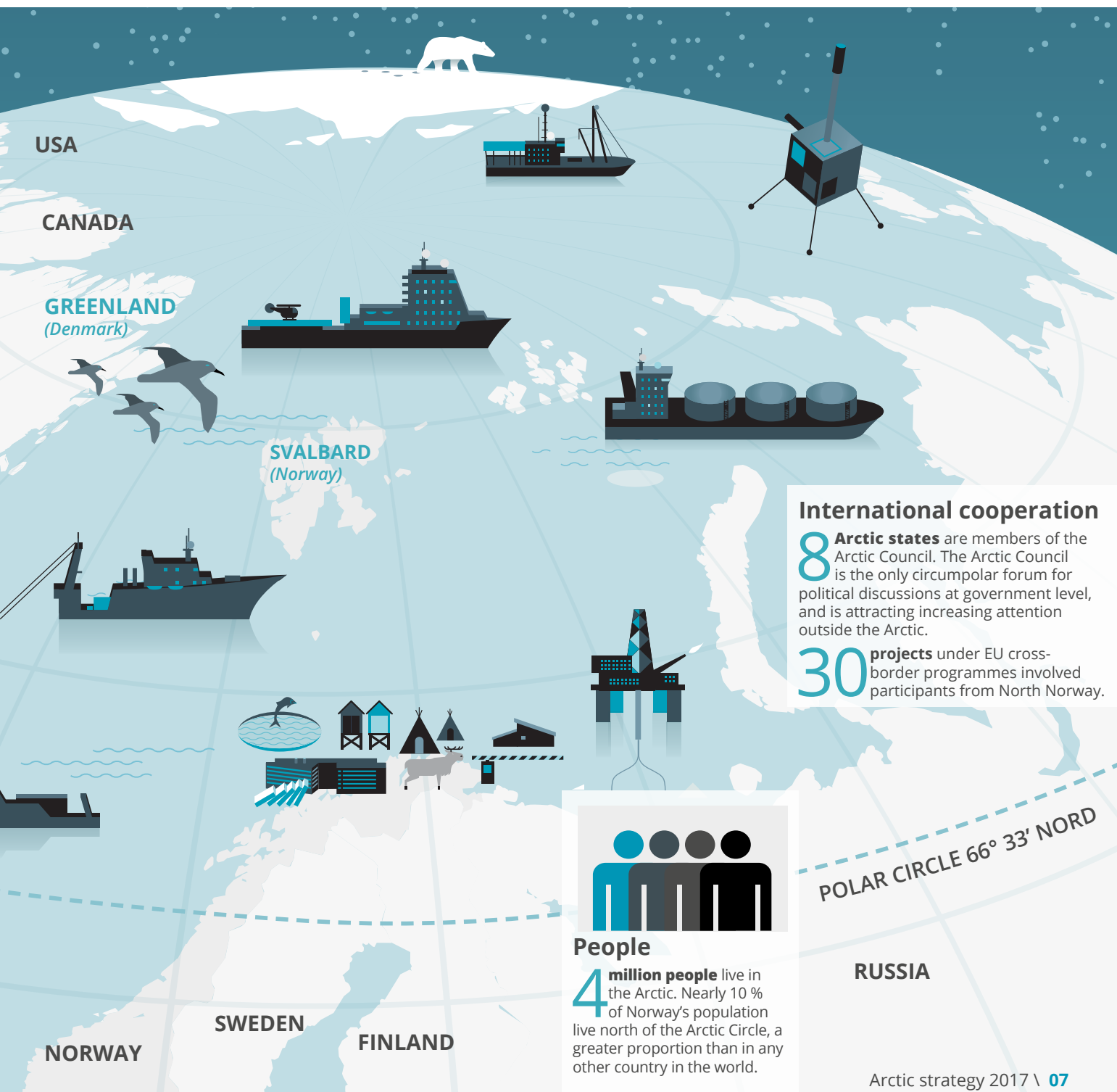
Business development

24,5 billion NOK was the value of fish exports from North Norway in 2016. This amounts to around 60 % of the region's total exports of goods.

JAN MAYEN
(Norway)



ICELAND



International cooperation

8 Arctic states are members of the Arctic Council. The Arctic Council is the only circumpolar forum for political discussions at government level, and is attracting increasing attention outside the Arctic.

30 projects under EU cross-border programmes involved participants from North Norway.



People

4 million people live in the Arctic. Nearly 10 % of Norway's population live north of the Arctic Circle, a greater proportion than in any other country in the world.

POLAR CIRCLE 66° 33' NORD

RUSSIA



Our vision

– a peaceful, innovative and sustainable north

The Government's vision is for the Arctic to be a peaceful, innovative and sustainable region. To achieve this, we need an integrated strategy that incorporates both foreign policy and domestic policy.

Our foreign policy should lay the foundation for peace and stability in the region. Safety, the environment and resources are cross-border issues, and can only be addressed in cooperation with other countries and actors in the north. Arctic policy is also ocean policy. We have built up knowledge over generations that puts us in a good position to take on a leading role in promoting sustainable use of the oceans.

With our integrated and coherent domestic policy, and national and regional authorities pulling together, it will be possible for North Norway to become one of the most innovative and sustainable regions in the country. We will create economic growth and future-oriented jobs in the north in a way that takes account of environmental and social considerations. We will build local communities that can attract people of different ages and genders, and with different skills and expertise.

A sustainable region is one that has a balanced population structure, and is one where human and natural resources are managed in a way that promotes develop-

ment and growth, both now and in the future. Norway has a long tradition of sound and sustainable resource management and business activity. The policy choices we make to advance development in the north must be designed to facilitate increased activity within an environmentally sound framework. Our decisions will always be based on the best available knowledge. Knowledge is therefore crucial to promoting sustainable development in the north.

Economic sustainability

The Arctic, with its abundant resources both on land and at sea, provides a home and a livelihood for many Norwegians. A profitable and adaptable business sector is vital for ensuring the region's sustainability. The spin-off effects from the resource-based sectors will affect future growth. Access to skilled labour, close cooperation between the research community and the business sector, and a more market-oriented approach can be expected to give companies in North Norway new advantages and increase their profitability. Digital solutions and new technology can limit the disadvantages of the shortage of labour and the long distances involved when doing business in the north.

Environmental sustainability

The natural environment and natural resources are the basis of all livelihoods in the north, and healthy ecosystems provide goods and services the region depends on. Key industries in North Norway such as fisheries, aquaculture, tourism and reindeer husbandry depend on the natural environment and its resources. Ensuring sustainable use is vital for securing future livelihoods. Temperatures in the Arctic are rising approximately twice as fast as the global average, and this is having a negative impact on the ecosystems in the north. At the same time, increasing activity in new areas is creating a need for integrated management and effective measures to maintain good environmental status. To be sustainable, development in the north must reduce greenhouse gas emissions and pollution, and safeguard biodiversity in the region.

Social sustainability

A diverse labour market that allows women and men, both young and old, to participate in working life, is the best guarantee of sustainable development in North Norway. Without a varied labour market, we will not be able to take full advantage of the population's skills and knowledge or create attractive local communities. Nor will we be able to make the most of the opportunities that are opening up in the north. A balanced population structure is also vital for maintaining settlement patterns. Norway has a greater proportion of its population living north of the Arctic Circle than any other country in the world. In contrast to our neighbouring countries, the population trend in the Norwegian part of the Arctic is positive. This is due to immigration. Norway is well placed to create sustainable communities in the north. However, the region has an

ageing population and the proportion of people of working age is decreasing, especially in rural areas. We want even more young people to choose to build their future in the north. Creating attractive local communities that can offer secure and interesting jobs in both the private and public sectors is therefore an essential component of the Government's Arctic strategy.

North Norway encompasses most of the traditional Sami settlement area in Norway. Finnmark and Troms are the main settlement areas for the Kvens. The Sami and the Kven people have an important cultural and linguistic heritage that is crucial to preserve.

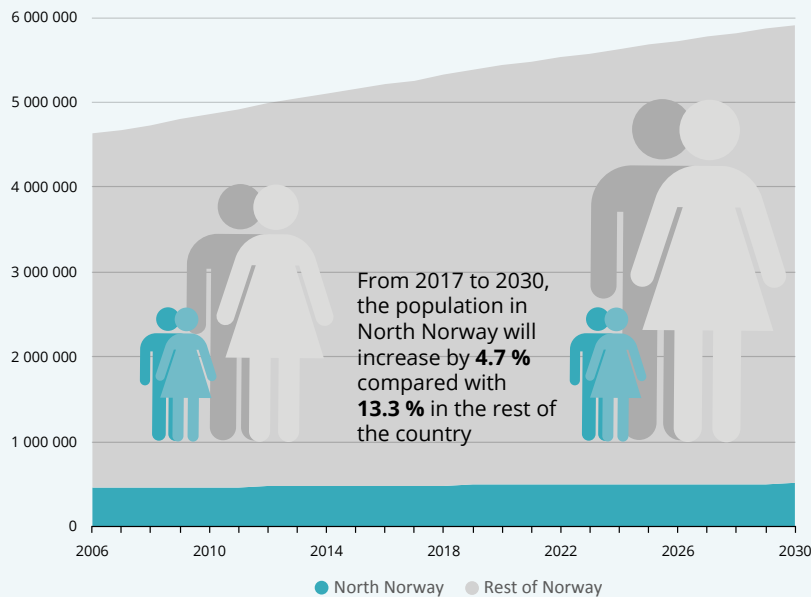
If we are to succeed in finding solutions that are environmentally, socially and economically sustainable, we must draw on the knowledge of the people, companies, institutions and local politicians in the north.

An integrated Arctic policy

The Government will give even higher priority to ensuring an integrated approach to Arctic policy. If we are to achieve the three dimensions of sustainable development – social, economic and environmental – in the Arctic, our efforts in the region must be better integrated. All policies of relevance to the region, whether local, regional, national or international, must pull in the same direction.

International cooperation is vital for maintaining the overarching framework, including peace and security, but it also enhances national efforts in areas such as infrastructure, knowledge development and business development.

National efforts in these areas, as well as in areas such as skills development, education and research, must promote the achievement of the Arctic policy objectives. There is a need for closer coordination between the various sectors



LOWER POPULATION GROWTH

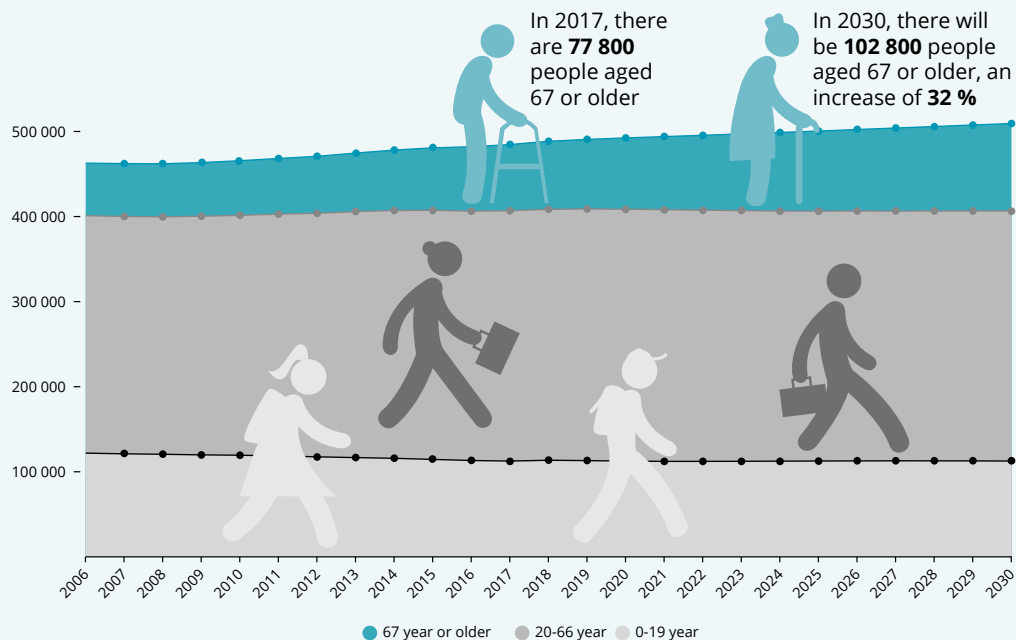
in North Norway than in the rest of the country. Registered and projected.

SOURCE: STATISTICS NORWAY. ESTIMATES: MINISTRY OF LOCAL GOVERNMENT AND MODERNISATION

THE NUMBER OF ELDERLY

will increase by **32 %** by 2030. The population of North Norway divided into three age groups.

SOURCE: STATISTICS NORWAY. ESTIMATES: MINISTRY OF LOCAL GOVERNMENT AND MODERNISATION



GREEN COMPETITIVENESS IN THE ARCTIC

Sustainable development in the Arctic will depend on our ability to adapt to the changes that lie ahead. Growth and development must take place in a way that reduces greenhouse gases and pressure on the environment. There is considerable potential for green growth in North Norway. Natural resources, particularly marine resources, have always been important for value creation. Renewable energy, low-emission industrial production, fisheries and aquaculture are sectors where the transition to a green economy offers good opportunities for growth. At the same time, the high level of demand for energy and transport and the cold climate pose challenges. The Government will create a framework that promotes the development of environmental technology and a rapid transition to green transport, energy and construction, and that enables the business sector to grasp the opportunities offered by the transition to a green economy.

In autumn 2016, the Expert Committee for Green Competitiveness presented a proposal for how Norway can cut its greenhouse gas emissions whilst maintaining high levels of value creation and employment. The committee reaffirmed Norway's commitment to reducing its

greenhouse gas emissions by at least 40 % by 2030, and to becoming a low-carbon society by 2050, in line with the Paris Agreement. Eleven sectors, including transport, the processing industry, oil and gas, and agriculture presented roadmaps for green competitiveness to the committee. In its report, the committee pointed out that

the market for products and services that contribute to green solutions is expected to grow rapidly, while industries with high levels of emissions are expected to lose market share. The maritime industry is an important sector in North Norway, and the report highlights that this is an industry where Norway has considerable expertise and good prospects for exporting environmental technology and green transport services in the future. The committee also underlined the need for cooperation across sectors and administrative levels in order to meet Norway's ambitious emission reduction goals.



and actors that influence development in the north. The state, through various ministries, government bodies, agencies and institutions, including the County Governor, is involved in implementing the Arctic policy, but there is a need for better coordination between the different government institutions and policymakers at regional and local levels.

The County Councils have been given a broad range of tasks relating to planning, coordination and regional development. For example, the County Councils are responsible for upper-secondary education, vocational

training, regional research funds, infrastructure, competence building and business development. Their work is therefore of great significance for the society in the North. Due to their regional development tasks and role as planning authorities, they have a responsibility to take a coherent approach to land use management and social and business development, and to give strategic direction to the efforts of the municipalities, regional government bodies, and other key actors in the north. This involves mobilising and coordinating efforts by many different actors, to ensure that the overall development takes

REGIONAL FORUM FOR DIALOGUE ON ARCTIC POLICY



From the left: Minister of Local Government and Modernisation Jan Tore Sanner, Senior Adviser from the Sami Parliament Torvald Falch, President of Nordland County Government Tomas Norvoll, Executive Counselor for Planning and Finance Gerd Hetland Kristiansen from Troms County Government, County Governor of Finnmark County Runar Sjøstad and Minister of Foreign Affairs Børge Brende, Kirkenes 8 February 2017

PHOTO: MINISTRY OF FOREIGN AFFAIRS

To strengthen cooperation on developments in the Arctic, the Government has established a regional forum for systematic dialogue at political level between the national government, the three regional governments counties of North Norway and the Sámediggi. Other key players in the Arctic, such as the business sector, academia, etc. will also be invited to take part in the forum, when relevant.

The preparation of this strategy has been a topic for discussion at the meetings held so far, and active use has been made of the input received from the members of the forum.

The purpose of the forum is to discuss issues of importance for developments in the north that require cooperation across different sectors and administrative levels. These discussions will form the basis for implementing policy in the three counties and nationally. It is already clear that education, infrastructure and business development will be high on the agenda.

account of social, business, environmental and climate considerations.

The municipalities also have a key role to play in the development of their local societies. They are responsible for local business development, primary and lower secondary education for children and adults, and integration of immigrants, as well as for ensuring that the municipality is an attractive location to live in.

The Government has presented a proposal to the Storting (Norwegian parliament) on regional reform aimed at creating larger and more efficient regions. Among the

objectives of the reform are closer coordination between sectors and a stronger role for the County Councils in the development of the region.

The Sámediggi

The Sámediggi is an important partner in the context of Arctic policy, and plays an important role in the development of the Sami community. Through various schemes and funds, the Sámediggi contributes to growth and development in North Norway. The Sámediggi has a number of cooperation agreements with both regional and

REGIONAL REFORM

The objective of the Government's regional reform is to ensure that County Councils foster regional development throughout the country, on the basis of each region's specific strengths, circumstances and priorities. The reform will make it easier for County Councils to operate across sectors and with central and local governments. The reform is also intended to simplify the work of the County Councils and give them new responsibilities.

Stronger local government will in turn enhance policy development both regionally and nationally, and will make it easier to steer regional development in the desired direction in all parts of the country. Closer coordination with the central government and larger geographical units will enhance the role of elected local government structures in regional development.



governmental actors in the region, and with city municipalities such as Tromsø and Bodø. The Sámediggi provided important input to the Government in connection with the

development of the Arctic policy based on its insight into what the various Sami communities see as the greatest challenges.

The objectives of the strategy

The Government's Arctic policy builds on our long-term efforts. The overarching goals, as set out in the last white paper on Arctic policy¹, remain unchanged:

- **Peace, stability and predictability**
- **Integrated, ecosystem-based management**
- **International cooperation and the international legal order**
- **A stronger basis for employment, value creation and welfare**

The objectives of the Arctic policy are interlinked with the context of the Government's regional policy. The Government recently presented a white paper on regional policy, which outlines the direction of urban and regional development across the country. Sustainability is a key principle for all development.² This is in line with the UN's Sustainable Development Goals, which reflect the three dimensions of sustainable development: economic, social and environmental. The Government builds on these principles in this strategy.

- **The aim of the Government's regional and rural policy is regional balance, through growth capacity, an equitable standard of living, and sustainable regions throughout the country. A sustainable region is one that has a balanced population structure, and is one where human and natural resources are managed in a way that promotes development and growth, both now and in the future. These factors are necessary to maintain settlement patterns.**

In 2014, the Government presented a report on Norway's Arctic policy (*Nordkloden*)³, in which it identified five priority areas. These five areas are still crucial for development in the Arctic:

- **International cooperation**
- **Business development**
- **Knowledge development**
- **Infrastructure**
- **Environmental protection and emergency preparedness**

The specific goals for each priority area are presented in the respective chapters. Common to all of them is that, in their different ways, they will help us realise our vision of peaceful, innovative and sustainable development in the north.

1 *The High North – Visions and strategies* (Meld. St. 7 (2011–2012))
https://www.regjeringen.no/en/dokumenter/high_north_visions_strategies/id664906/

2 *Urban sustainability and rural strength* (Meld. St. 18 (2016–2017))
<https://www.regjeringen.no/en/dokumenter/meld.-st.-18-20162017/id2539348/>

3 *Norway's Arctic Policy*, presented on 10 November 2014
<https://www.regjeringen.no/en/dokumenter/nordkloden/id2076193/>



ARCTIC FRONTIERS Norwegian Prime Minister Erna Solberg opens the Arctic Frontiers conference in Tromsø in January 2017. Every year Arctic Frontiers brings together important international stakeholders to discuss Arctic issues PHOTO: TERJE MORTENSEN, ARCTIC FRONTIERS

PRIORITY AREAS

International cooperation

– promoting peaceful and sustainable development in the Arctic

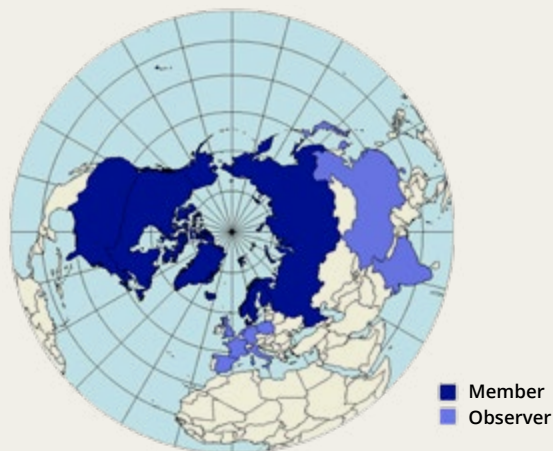
AIMS:

- Ensure that the Arctic remains a peaceful, stable and predictable region where international cooperation and respect for the principles of international law are the norm
- Engage in international cooperation on cross-border challenges relating to climate change, the environment, resource management, health and maritime safety
- Strengthen sustainable development and growth in the north through international cooperation

Cooperation forums in the north

Norway gives high priority to cooperation in the Arctic Council, the Barents cooperation, the Baltic Sea cooperation and the Northern Dimension. It is important that national, regional and local authorities, as well as various institutions and NGOs, participate actively in cooperation in the Arctic, because this promotes understanding in the region and opens up more channels for dialogue. The Arctic Council is the only meeting place for all the eight Arctic states. The practical importance of cooperation in the Arctic Council has increased in recent years, with the

ARCTIC COUNCIL



conclusion of cooperation agreements on search and rescue and oil spill preparedness and response. In addition, an agreement on research cooperation was entered into in May 2017. It is important that the region's own views are reflected in the Arctic Council's work. The Barents cooperation promotes good neighbourly relations and sustainable development in the Barents region, and there



COOPERATION between Norway and Russia is necessary in order to solve common challenges in the north. Meeting between Norwegian Foreign Minister Børge Brende and Russian Foreign Minister Sergey Lavrov in Archangelsk, Russia, 29 March 2017 PHOTO: KRISTIN ENSTAD, NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

is particularly close collaboration between the national and regional levels. The main strength of the Barents cooperation is that it provides an arena for addressing common challenges through cross-border collaboration across the region.

Cooperation with Russia

Broad cooperation with Russia over the course of many decades has been important for building trust and promoting stability in the Arctic. Our bilateral cooperation has also produced concrete results in areas of common interest. Despite Russia's violations of international law in Ukraine

and Norway's response to these, it is vital that Norway and Russia work together to address key challenges in the north. Our relations with Russia will remain a constant and important element of Norway's Arctic policy. Norway wants to have good neighbourly relations with Russia, and the Government gives high priority to dialogue with the Russian authorities.

Security policy in the north

Membership of NATO and the transatlantic security community is the cornerstone of Norway's security policy. Over the last ten years, Russian military activity in the north has increased. This increase in activity is not considered to be targeted at Norway, but it is nevertheless an important factor in Norway's security and defence policy. The role played by the Norwegian Armed Forces in exercising sovereignty and authority and providing situational awareness in the north is an important element of the Government's overall Arctic policy. The Long-term Defence Plan emphasises the need for the Norwegian Armed Forces to be able to operate together with Allied forces in the north.

Nordic cooperation

The Government wants to exploit the opportunities Nordic cooperation offers for growth and development in the Arctic. Key areas for cooperation include knowledge development, business development, infrastructure, climate change, the environment, security policy, and cooperation with the EU. The Freedom of Movement Council, established in 2014, is working to remove obstacles to free movement between the Nordic countries. The



CROSS-BORDER COOPERATION between Sami people from Norway and Russia in Lovozero, Russia, in 2014

PHOTO: ANJA SALO, NORWEGIAN BARENTS SECRETARIAT

report *Growth from the North*¹, which was presented in 2015, examines how Norway, Sweden and Finland can join forces to strengthen growth in the northern areas of all three countries. The Nordic countries are engaged in an active dialogue on increasing mobility and enhancing growth in the region.

The EU and the Arctic

The integrated EU policy for the Arctic, which was adopted in 2016, provides a good starting point for cooperation, and the Government attaches importance to maintaining its dialogue with the EU on the Arctic. Norway has two

main messages in this context: 1) the Law of the Sea must be respected in the Arctic as elsewhere, and 2) we must achieve a good balance between conservation and sustainable use. Norway supports the EU's application for observer status in the Arctic Council, which is still being processed. The EU's Arctic research programmes and cross-border regional programmes in the Arctic are important for knowledge development and for cross-border cooperation in the region. High priority is therefore given to Norway's participation in these programmes.

Cooperation on indigenous issues

Cooperation on indigenous issues in the Arctic increases awareness and respect for the culture and rights of indigenous peoples in all the Arctic countries. Direct cross-border

¹ Growth from the North. How can Norway, Sweden and Finland achieve sustainable growth in the Scandinavian Arctic? <http://site.uit.no/growth-fromthenorth/files/2015/01/Growth-from-the-North-lowres-EN.pdf>



AIRBORNE Hercules plane *Frigg 5601* from 335 squadron on Jan Mayen, Norway PHOTO: TORBJØRN KJOSVOLD, NORWEGIAN ARMED FORCES

contact between indigenous peoples is also important for strengthening mutual support and assistance.

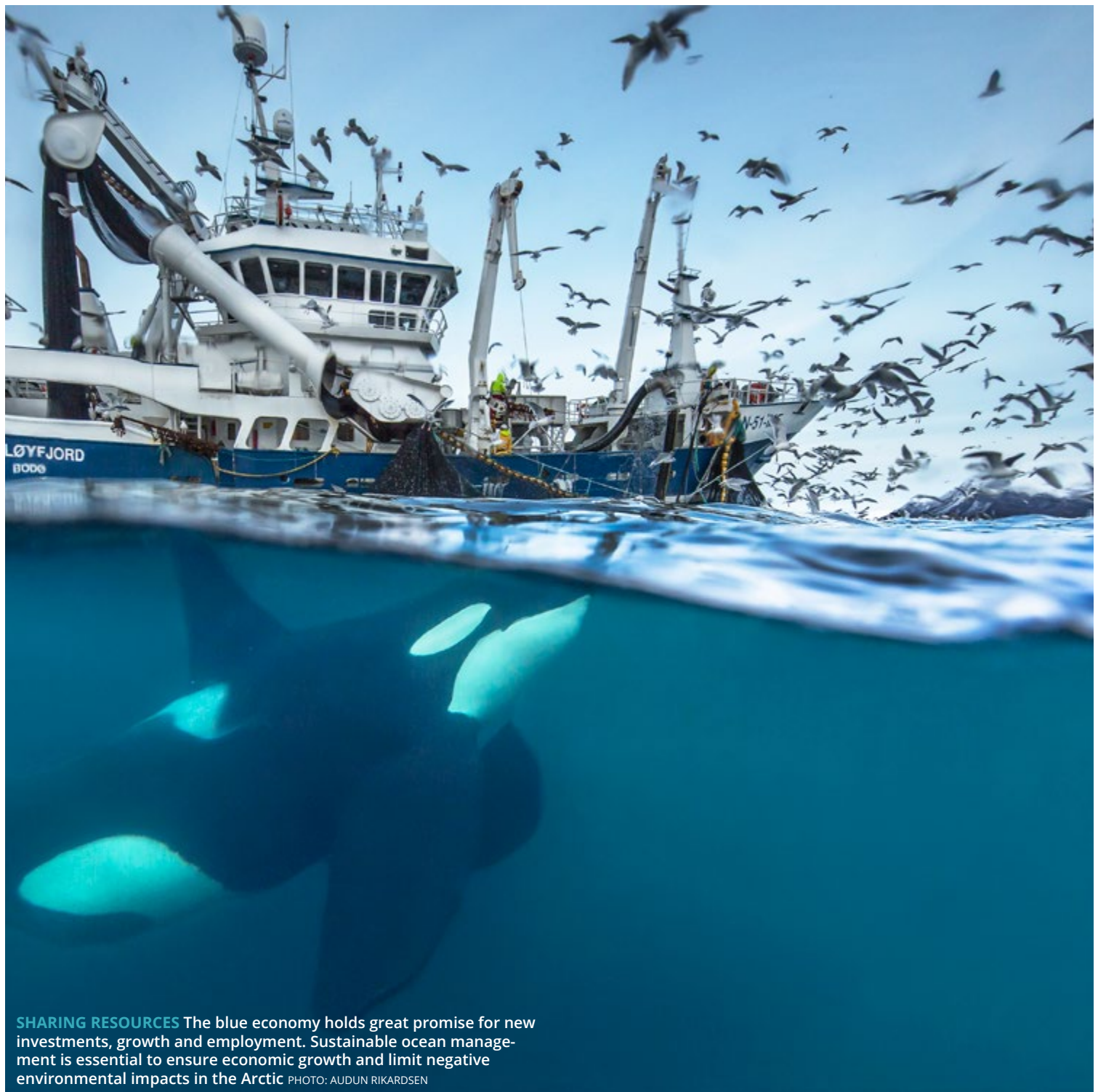
The legal framework for the Arctic sea areas

It is important for Norway that there is broad international awareness of, and compliance with, the UN Convention on the Law of the Sea, and that the Convention forms the legal basis for the management of the Arctic sea areas. All the five coastal states bordering the central Arctic Ocean – Norway, Canada, Denmark/Greenland, Russia and the US – respect the Law of the Sea. Norway gives

high priority to maintaining a close dialogue with the other coastal states on issues relating to the Law of the Sea and on sustainable management of the central Arctic Ocean. In 2015, the coastal states signed the Oslo Declaration on research cooperation and on preventing unregulated fishing in the international part of the central Arctic Ocean. Negotiations are currently underway on a legally binding agreement that will also include the EU, Iceland, Japan, China and South Korea, all of which are interested in high seas fishing in the central Arctic Ocean. The negotiations are expected to be completed in autumn 2017.

THE GOVERNMENT WILL:

- Continue to play an active role in the Arctic Council, and work to ensure that the Arctic Council remains the most important intergovernmental body for cooperation on Arctic issues
- Continue to play an active role in the Barents cooperation, and to further develop people-to-people cooperation in the Barents region
- Continue to provide a high level of financial support to the Arctic 2030 grant scheme and to project cooperation with Russia, and continue to provide support for people-to-people cooperation with Russia
- Promote Norwegian–Russian political dialogue and cooperation in areas of common interest, including fisheries management, the environment, search and rescue, nuclear safety, border control, and notification and response to incidents at sea, and maintain the direct line of contact between the head of the Norwegian Joint Headquarters and the head of the Northern Fleet
- Sign an agreement with Russia on seismic surveys up to and along the delimitation line in the Barents Sea
- Continue to exercise authority and sovereignty in the northern sea areas in a predictable, consistent and unambiguous way
- Implement measures to strengthen Norway's defence capabilities and enhance the ability of the Norwegian Armed Forces to conduct joint operations with Allied forces in the north, by carrying out more frequent exercises and training programmes with our Allies, in line with the Long-term Defence Plan
- Engage in active Nordic cooperation, both at the bilateral level with the individual countries and in the Nordic Council of Ministers
- Continue our dialogue with the EU on Arctic issues. This includes promoting a common understanding of the UN Convention on the Law of the Sea as the legal framework for the Arctic sea areas, and providing input to the EU on the EU's priority areas for the Arctic
- Promote cooperation between indigenous peoples in the Arctic under the auspices of the Arctic Council, the Barents cooperation and the Nordic cooperation
- Work towards signing the Nordic Sami Convention in 2017
- Work to increase broad international awareness of the UN Convention on the Law of the Sea as the legal framework for management of the Arctic seas, and promote compliance with the Convention
- Continue cooperation with the other coastal states bordering the central Arctic Ocean on issues relating to the Law of the Sea and management of the central Arctic Ocean
- Continue efforts to ensure conservation and sustainable use of the Arctic sea areas and promote greater understanding internationally of the need to ensure that conservation measures in international waters can be combined with sustainable use that is compatible with the purpose of protection
- Complete the negotiations on and sign a legally binding agreement that extends the commitments set out in the Oslo Declaration concerning the prevention of unregulated high seas fishing in the central Arctic Ocean to include the EU, Iceland, Japan, China and South Korea, all of which are interested in high seas fishing in the Arctic



SHARING RESOURCES The blue economy holds great promise for new investments, growth and employment. Sustainable ocean management is essential to ensure economic growth and limit negative environmental impacts in the Arctic PHOTO: AUDUN RIKARSEN

PRIORITY AREAS

Business development

– moving up the value chain

AIMS:

- Ensure economically, socially and environmentally sustainable business development in the Arctic
- Increase value creation by companies in North Norway based on the region's resources
- Create value by promoting cooperation between academia and the business sector in areas where North Norway has particular advantages
- Support the achievement of the region's business policy goals

A sustainable business sector in the Arctic

The Government will create a framework that promotes continued strong growth and value creation in North Norway. A successful business sector provides jobs, enhances skills and generates income; it is also essential for ensuring positive, sustainable development of the society. The Government's position is that all business activity in the Arctic is to be economically, environmentally and socially sustainable. In order to enhance the competitiveness of companies in the region, the Government will continue to provide risk capital through Innovation Norway's Environmental Technology Scheme to companies seeking to

develop environmentally friendly products and technology.

The Government attaches importance to safeguarding Sami interests. As an indigenous people, the Sami have a right to be consulted in matters that could affect them directly. These consultations are to take place in good faith with the aim of reaching agreement on any proposed measures. Traditional Sami industries make an important contribution to value creation, and it is the Government's aim that these industries can be maintained alongside other activities that generate growth and create value for the country as a whole.

Building on the region's resources

In general, the business sector in North Norway is doing well. The region's rich natural resources are a key factor. Further growth will have to be based on an even better utilisation of the region's natural and human resources. This will include diversifying business activities related to the resource-based industries, and developing competitive suppliers.

Ocean-based industries are essential for value creation in the north. The traditional ocean-based industries are the seafood industry, oil and gas, and the maritime industry. These, together with new ocean-based industries such as



SNØHVIT FIELD First offshore gas development in the Barents Sea and Norway's first liquefied natural gas (LNG) facility. Statoil's facility at Melkøya, outside Hammerfest, Finnmark County PHOTO: OLE JØRGEN BRATLAND

marine biotechnology, energy, seabed mining, and maritime transport and tourism, have considerable potential for the future.

Research based value creation

Companies in North Norway carry out less research and cooperate less with research institutions than companies in other parts of Norway. The Government will seek to facilitate closer cooperation between the research community and the business sector.

Supporting the region's business policy goals

The Government will strengthen regional planning and coordination between local, regional and national authorities and other relevant actors. Most sectors with growth potential in the north are subject to considerable government regulation. The business community and the local authorities also have a key role to play in developing the region. It is therefore important that the relevant national authorities work closely together with the local authorities and the business sector.

THE GOVERNMENT WILL:

- Facilitate a close and timely dialogue between industries, Sami representatives, local authorities and the local community
- Strengthen the supplier industry in North Norway by establishing a supply chain development programme for the region
- Build stronger ties between the research community and the business sector in North Norway
- The Government announced the 24th oil and gas licensing round in June 2017 and will award licences on an annual basis in predefined areas.
- Work to increase the positive local and regional spin-off effects of oil and gas activities in the Arctic
- Further develop the tourist industry with a focus on profitability and sustainable management of the natural environment and cultural heritage
- Establish a seed co-investment fund in North Norway
- Strengthen regional planning and support efforts to develop and implement regional growth strategies



KIRKENES SNOWHOTEL Winter tourism in North Norway is growing PHOTO: KIRKENES SNOWHOTEL



MEETING THE FUTURE and high-quality education are vital if we are to provide a bright future for the next generations. Students at Vadsø Upper Secondary School, Finnmark County PHOTO: EKATERINA GOLITSYNA

PRIORITY AREAS

A leader in the field of knowledge

– in tune with the needs of the business sector

AIMS:

- Ensure that Norway is at the forefront when it comes to knowledge relating to the Arctic
- Improve access to knowledge and expertise in order to enhance innovation capacity and value creation in the business sector in the north
- Improve the quality of education from primary school to university, and increase completion rates

A knowledge-based Arctic policy

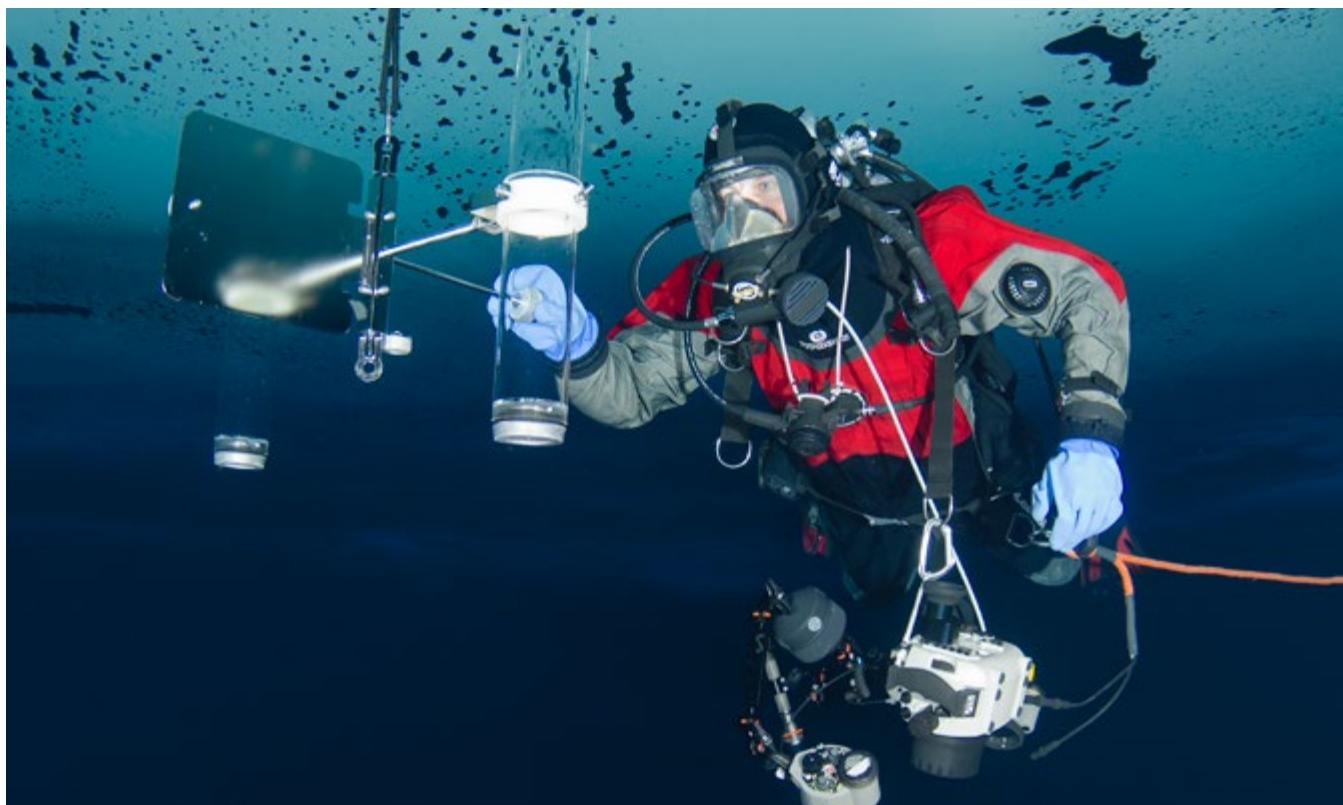
The Government will continue to provide good framework conditions for research relating to the Arctic to ensure that this research is of the highest international standards. Environmental and natural resource management, business activity and social development in the Arctic must be based on sound scientific knowledge. The oceans, climate change and the environment are key topics in current Arctic research. In the time ahead, it will also be important to develop more knowledge on sustainable social and business development in the

Arctic. The Government will give priority to Norwegian participation in international research cooperation, for example under the Arctic Council and EU research programmes.

Access to relevant skills and expertise

Access to a sufficiently large labour force with the necessary skills and knowledge is vital for growth and value creation in North Norway. The trend in the region is towards an ageing population with fewer young people and a greater proportion of elderly people. This will exacerbate the labour shortage in the years ahead and will make it even more important to ensure that workers have a good basic education, and skills and knowledge that are relevant to the labour market in the north. Educational programmes must be designed to meet regional labour market needs.

Various sectors and levels of the public administration are involved in implementing Norway's skills policy. The Government expects the local authorities to take steps to



OCEAN AND CLIMATE More knowledge about interactions between oceans, ice, biodiversity, and ecosystems is necessary for overall management of the northern sea areas and business development and value creation PHOTO: PETER LEOPOLD

improve access to skilled labour that meets the needs of the regional labour markets.

Improving the quality of education

School results that are lower than the national average, low completion rates in upper secondary schools, and a shortage of qualified teachers are among the challenges facing

the education system in North Norway. The Government is seeking to raise the level of education, improve the quality of education and training programmes, and reduce the dropout rate in upper secondary schools. The Government is taking an integrated and targeted approach to education policy by promoting closer cooperation between relevant actors at national, regional and local level.



NEW RESEARCH VESSEL Norway is preparing for the future with a new ice-breaker research vessel, Kronprins Haakon. The ship will be able to operate in northern parts of the Barents Sea and the Arctic Ocean that are difficult to access, and will provide new and important knowledge about the Arctic sea areas ILLUSTRATION: INSTITUTE OF MARINE RESEARCH

THE GOVERNMENT WILL:

- Establish a centre of expertise on ocean and Arctic issues in Tromsø
- Ensure that the new research vessel Kronprins Haakon is completed in autumn 2017
- Follow up the Norwegian Strategy for Skills Policy by promoting more Sami projects under Skills Norway's SkillsPlus programme, and by implementing measures to encourage companies to improve their employees' skills and knowledge by providing further training and education opportunities
- Consider how to give more responsibility for skills policy to regional authorities, in line with the recent proposition to the Storting on regional reform (Prop. 84 S (2016–2017))
- Establish cooperation between representatives of the counties, municipalities, the Sámediggi (Sami parliament) and the national authorities to improve the quality of education and increase completion rates
- Introduce a system for partial cancellation of student loans for teachers who train and work in North Norway



BRIDGING THE GAPS Distances between people and markets in North Norway are huge. Efficient infrastructure is essential for regional business adaptability and the transition to a green society. Tjelsund bridge, Nordland County

PHOTO: COLOURBOX, ANDREY ARMYAGOV

PRIORITY AREAS

Infrastructure

- a prerequisite for growth and the green transition

AIMS:

- Ensure that North Norway has effective, well-connected infrastructure that facilitates sustainable development, the transition to a green economy and the development of an innovative and adaptable business sector in the region
 - Develop a reliable, efficient and environmentally sound transport system
 - Ensure that the transport system is able to meet the business sector's international transport needs
 - Ensure a secure and efficient power supply
 - Ensure broad access to good digital infrastructure
 - Reduce greenhouse gas emissions and local pollution, and limit the negative environmental impacts of infrastructure development

Reliable, efficient and environmentally sound transport system

The Government's aim is to develop a transport system that is efficient and safe, and contributes to value creation and the transition to a low-emission society. The National Transport Plan 2018-2029 gives priority to a

IMPROVING PLANNING PROCESSES

– MAKING THINGS EASIER FOR COMPANIES

The Government is simplifying the Planning and Building Act. Simplifying planning processes is an important part of the Government's domestic policy. More effective and efficient planning processes are vital to fully exploit the country's potential for value creation and business development. This is therefore an important part of our Arctic policy. The planning and the construction phases must be better coordinated to speed up the overall process. This requires a more integrated approach that takes into account other legislation, ensures closer collaboration between the municipalities and the relevant authorities, results in fewer objections to plans, and promotes greater local autonomy.

The Government aims to halve the planning time for large-scale transport projects. The Government will also promote the development of the mineral industry. Mineral resources should be given higher priority in municipal and regional planning. There will also be a focus on measures to improve planning guidelines in these fields at municipality and county level.



HARSH CLIMATE It is vital to ensure that infrastructure is well-maintained, that there is sufficient ferry capacity, and that roads across the mountains are kept open all year round

PHOTO: ODD WALTER HISIVARA

number of large-scale investment projects in the north. The Government will also provide funding for operation and maintenance, to improve accessibility. It is vital to ensure that infrastructure is well-maintained, ferry capacity is sufficient, roads across the mountains are kept open year-round, and that there are reliable flight connections in the region.

Meeting the business sector's needs

Businesses in North Norway depend on good transport connections to be able to send goods to international markets. The Government is giving priority to efforts to

improve transport connections throughout the Barents region, through cooperation with Sweden, Finland and Russia on the revision of the Joint Barents Transport Plan.

Secure and efficient power supply

North Norway has abundant renewable energy resources, and the region as a whole has a power surplus. The Government will promote the effective use of renewable energy resources as a basis for business development and value creation. Transmission capacity in the grid in the north will be increased.

Access to digital infrastructure

The Government will work to ensure that the whole country has access to reliable and functional digital infrastructure. In the north, where there are long distances between communities and businesses, technology that can help to bring people closer together is all the more important for the business sector. Satellite navigation, communications and surveillance systems are also important in the north for search and rescue efforts, climate and environmental monitoring, resource management and the exercise of sovereignty.

Limiting negative environmental impacts

Norway has signed and ratified the Paris Agreement, and we have committed ourselves to reducing greenhouse gas emissions. The transport sector accounts for around 60 % of emissions from non-ETS sectors in Norway, i.e. sectors that are not covered by the EU emissions trading



EFFICIENT POWER SUPPLY Construction of a new power line between Balsfjord in Troms County and Skaidi in Finnmark County PHOTO: STATNETT

system. A large proportion of the domestic emissions reductions in non-ETS sectors must therefore be made in the transport sector.

The Government will seek to limit any negative impacts on the environment or on Sami interests when planning and developing infrastructure.

THE GOVERNMENT WILL:

- Allocate approximately NOK 40 billion (under the National Transport Plan 2018-2029) for investment projects in Norway's three northernmost counties
- Contribute to the revision of the Joint Barents Transport Plan in 2017, in dialogue with Russia, Finland and Sweden. The County Councils in North Norway will be involved in this work
- Take active part in cooperation under the Barents Euro-Arctic Transport Area
- Facilitate improvements in broadband coverage nationwide, including in North Norway
- Present a national space strategy during the course of 2017
- Reduce the environmental and climate impacts of ferry traffic and domestic shipping
- Reduce greenhouse gas emissions from road transport
- Seek to ensure that adequate attention continues to be given to climate change and environmental considerations in connection with land-use decisions concerning infrastructure development



THE COAST GUARD AT WORK Increased activity in the Arctic creates a need for greater search and rescue capacity. The Norwegian Coast Guard is responsible for fisheries inspection, customs enforcement, border control, law enforcement, shipping inspection, environmental protection, and search and rescue

PHOTO: HUGO SVENDSEN, NORLENSE

Environmental protection, safety, emergency preparedness and response

– ensuring a responsible approach

AIMS:

- Safeguard threatened and valuable species and habitats and achieve good ecological status in ecosystems
- Ensure sustainable use and the conservation of a representative selection of Norwegian nature covering the whole range of habitats and ecosystems
- Reduce greenhouse gas emissions and pollution in line with national targets and international commitments
- Strengthen emergency preparedness and response related to increased activity in the north

Environmental protection

Climate change is a major and growing threat to species and ecosystems in the north and also makes them more vulnerable to other environmental pressures. More knowledge and new approaches are needed to minimise the impacts of human activity and climate change on the Arctic environment. This is an important issue in Norway's Arctic policy and in cooperation between the countries in the

north. The Government will seek to safeguard threatened species and habitats, achieve good ecological status in ecosystems, and maintain a representative selection of Norwegian nature. Environmental considerations must be given due weight in all decisions on land use. Norway's environmental targets for the Norwegian Arctic archipelago Svalbard are particularly ambitious, and the current extent of wilderness-like areas is to be retained. The integrated management plans for Norwegian sea areas are the main tools the Government uses to ensure integrated marine management.

The Government recently presented an updated management plan for the Norwegian Sea, and work has begun on a complete revision of the management plan for the Barents Sea–Lofoten, which is due to be completed in 2020. The Government will strengthen efforts at both national and international level to prevent and combat marine litter and microplastics. The Government will continue to advocate global measures to reduce the use and emissions of persistent, bioaccumulative and toxic substances, and will continue to follow a restrictive line under the Pollution Control Act with respect to emissions from point sources in Norway.



SEARCH AND RESCUE CAPACITY The Governor of Svalbard's new vessel *Polarsyssel* contributes to the enhanced search and rescue capacity around the Norwegian archipelago Svalbard

PHOTO: THE GOVERNOR OF SVALBARD

Maritime safety, emergency preparedness and response

As a flag, coastal and port state, Norway has a special responsibility to help to ensure that activities in Norwegian waters are safe and environmentally sound. We will maintain a presence and will provide effective surveillance, and emergency preparedness and response in our large sea areas.

Surveillance and maritime safety

Cooperation in the International Maritime Organization (IMO) and in the Arctic Council on maritime safety and the sustainable development of shipping in the Arctic is vital for ensuring a high level of maritime safety in Arctic sea areas. Norway is actively promoting the Polar Code, which entered into force on 1 January 2017, and is playing a role in facilitating a harmonised and effective global implementation of the code. In Norway's northern waters,

traffic separation schemes, maritime traffic surveillance and the government emergency tugboat service all help reduce the risk of incidents. The Norwegian-Russian ship reporting system, Barents SRS, and the maritime surveillance and information system BarentsWatch help to provide an overview of high-risk traffic in these sea areas and a more effective response in the event of accidents.

Satellite-based infrastructure is important for managing the specific challenges associated with maritime activity in the north. The Government is currently assessing the need for, and possible models for, a new satellite-based communications system in the Arctic that would also provide coverage north of 72°N. To enhance maritime traffic surveillance, the Government also intends to establish new land-based AIS (Automatic Identification System) base stations along the west coast of Svalbard, and will consider further developing the AIS network in Svalbard.

Acute pollution and oil spill preparedness and response Acute pollution incidents can require very extensive response operations that, in some cases, extend across borders. Norway has signed a number of international agreements on acute pollution preparedness and response in Arctic waters. There is ongoing cooperation on notification of incidents, preparedness and response, and exercises, both under the bilateral agreement with Russia on oil spill preparedness and response in the Barents Sea and under the Arctic Council's Agreement on Cooperation on Marine Oil Pollution Preparedness and Response in the Arctic.

International cooperation on search and rescue

The increase in traffic in Arctic waters, combined with long distances and limited search and rescue resources,

makes closer international cooperation on search and rescue essential. Norway attaches great importance to the regular Norwegian-Russian search and rescue exercises that are carried out under the Barents cooperation. Under the Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic, which was signed by the eight Arctic states in 2011, the Arctic was divided into search and rescue regions with each member state having responsibility for coordinating search and rescue within its respective area. The Norwegian Armed Forces make a substantial contribution to our overall search and rescue capacity in the north, particularly by operating the rescue helicopter service and through the Coast Guard's continuous presence in Norwegian waters.

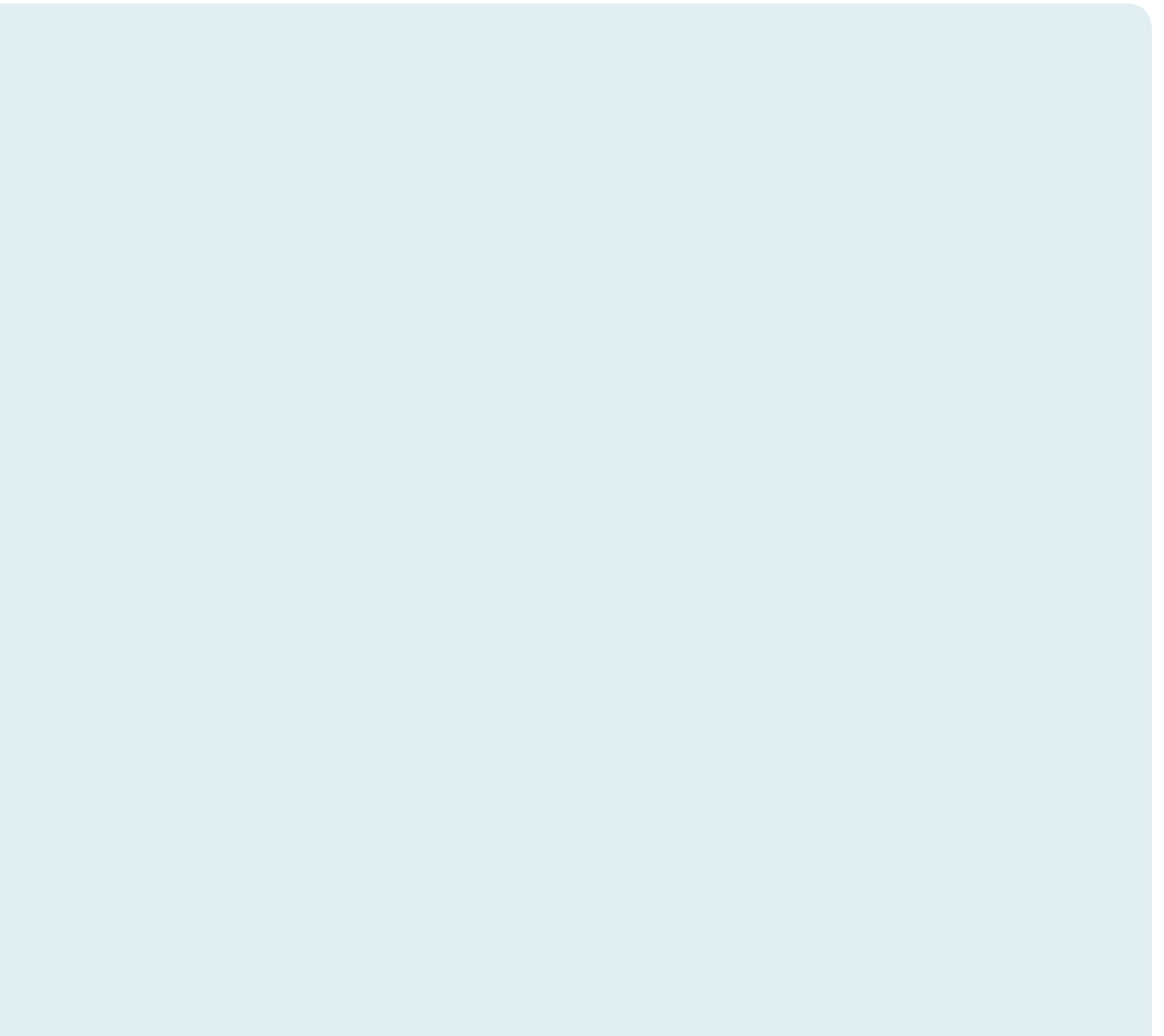
Search and rescue capacity and emergency preparedness in Svalbard

Search and rescue capacity and emergency preparedness and response in the Norwegian Arctic archipelago Svalbard have been strengthened considerably: not only in terms of resources, with the acquisition of new helicopters and a new search and rescue vessel with a longer sailing season; but also as a result of the extension of the Norwegian state pilotage service to the waters around Svalbard, and the entry into force of a new Act relating to ports and navigable waters. By virtue of its location and its search and rescue capacity, Longyearbyen has a key role to play in search and rescue efforts in the Arctic. Nautical charts and ice data are an important part of the infrastructure needed to save lives, and protect health, the environment and valuable assets and resources. The work that is already under way to chart key areas around Svalbard will therefore be continued.

THE GOVERNMENT WILL:

- Establish a centre with leading competence on oil spill preparedness and response and marine plastic litter, located in the Lofoten and Vesterålen archipelago
- Take steps to maintain viable populations and improve the conservation status of threatened species in the Arctic
- Present a revised management plan for the Barents Sea–Lofoten area in 2020
- Maintain the ambitious environmental targets and the current strict environmental legislation for Svalbard
- Maintain international cooperation on the Svalbard Global Seed Vault, with a view to safeguarding genetic diversity and contributing to global food security
- Continue to participate in efforts under the IMO and the Arctic Council to harmonise implementation of the Polar Code worldwide
- Continue efforts to survey and chart key areas around Svalbard
- Establish new AIS base stations on the west coast of Svalbard to strengthen maritime traffic surveillance and to provide continually updated maritime situational awareness to the Vardø Vessel Traffic Service and other relevant agencies
- Continue Norway's close cooperation with Russia on oil spill preparedness and response in the Barents Sea
- Continue to push for closer cooperation between the Arctic states on oil spill preparedness and response
- Maintain and strengthen international cooperation with the Arctic states on search and rescue, in particular with a view to further implementation of the Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic, through the work of the Arctic Council's Emergency Prevention, Preparedness and Response Working Group (EPPR)
- Commission the construction of new coast guard vessels and complete the acquisition of new rescue helicopters

Notes



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