



**European Committee
of the Regions**

COTER-VII/17

150th plenary session, 29-30 June 2022

OPINION

The new EU Arctic strategy

THE EUROPEAN COMMITTEE OF THE REGIONS

- strongly condemns the unprovoked, unjustified and unlawful Russian military invasion of Ukraine and underlines that Russian military activities have increased significantly in the Arctic. Stresses the role and potential of subnational cooperation frameworks at local and regional level, such as the Arctic Mayors Forum or the Northern Sparsely Populated Areas Network (NSPA), to promote stability and peaceful cooperation in the region, by delivering results on tangible projects;
- highlights that climate change in the Arctic is the main threat, to EU cities and regions, with a potentially very serious impact. Calls for this challenge to be addressed from a broad perspective as part of the region's socio-economic development. Long-term climate policies in the Arctic must be economically, socially and regionally just;
- stresses the role of Arctic cities in implementing sustainable development and adaptation to change. Calls on the European Commission to partner and closely work with Arctic cities, in particular the Arctic Mayors Forum, and to jointly design an Arctic Urban Agenda for sustainable, prosperous, attractive, and vibrant Arctic cities;
- notes that the Arctic can provide Europe with knowledge, products, resources and energy that are crucial to achieving the EU's climate goals. The EU's strong industries based on natural resources in the Arctic include energy production, tourism, mining, forestry, bio-economy and fisheries; the Arctic's strong ICT capacity supports the transition;
- notes that EU funding must be targeted to support and ensure sustainable investments in the Arctic. At the same time, it is important to strike a balance between the responsible development of natural resources and environmental protection, in order to make full use of the Arctic's potential as a driver of green growth and the digital transition in the EU. All activities in the Arctic must be based on nature's resilience, climate protection and the principles of sustainable development, as well as respect for the rights of the people and indigenous peoples living in the region;

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Reference document

JOIN(2021) 27 final

Opinion of the European Committee of the Regions
The new EU Arctic strategy

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. commends the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy on their joint communication of 13 October 2021, demonstrating the EU's long-standing commitment to the development of and cooperation on the Arctic. Welcomes the objectives, priorities and actions set out in that communication which are intended to ensure a peaceful, sustainable and prosperous Arctic. Recognises that the challenges facing the Arctic require joint, multilevel efforts at local, regional and international level;
2. agrees that the Arctic is a key strategic area for the European Union in terms of climate change, raw materials and geostrategic issues; notes that there is growing interest in the Arctic, including from non-Arctic states;
3. points out that the geographical definition of the Arctic region is not clear. The area situated north of the Arctic Circle can be considered to be the core of the Arctic. It includes the Arctic ocean and territories belonging to eight States: Canada, Finland, Iceland, Norway, Sweden, Denmark, the United States and the Russian Federation;
4. notes that areas included in the stretch of land covered by this opinion include areas located immediately to the south of the Arctic Circle, where environmental and socio-economic conditions and infrastructure development are undeniably and significantly affected by Arctic conditions.;
5. points out that there is not one Arctic but rather a very large and heterogeneous region: some areas are remote with extreme natural conditions, a fragile environment and low population density, while others are highly developed, urbanised regions with strong skills, a highly educated population and strong innovation capacity, such as the EU Arctic region;
6. notes that the Arctic is home to millions of people, with the number depending on how the area is defined. Some four million inhabitants, live in the area located north of the Arctic Circle. There are several nationalities and more than 40 different indigenous peoples. A significant proportion of the region's population are EU citizens;
7. notes that the transformation of the Arctic is affected by environmental, social, cultural, economic political and security changes that are interlinked. These changes are dynamic, rapid and deep, and increasingly linked to regional, European and global development;
8. underlines that, even before Russia's invasion of Ukraine, military activities have increased significantly in many areas of the Arctic, in particular with the strengthening of military capabilities in the Russian Arctic;

Safe, stable and peaceful Arctic

9. strongly condemns the unprovoked, unjustified and unlawful military invasion of Ukraine by Russia and expresses its concern about the geopolitical change this brings to the European security order and the spill-over effects on the Arctic;
10. stresses the need to do everything possible in terms of international cooperation to ensure that the Arctic remains safe, stable and peaceful, and stresses the importance of maintaining, supporting and promoting peaceful cooperation in the Arctic region through a number of existing cooperation structures, first and foremost the Arctic Council as the pre-eminent format for circumpolar Arctic cooperation, at both people-to-people and intergovernmental level. With a view to stability, the EU must also recognise the role and potential of international non-governmental cooperation frameworks at local and regional level, such as the Arctic Mayors Forum, the NSPA, the Northern Forum the Arctic Economic Council and UArctic, in promoting dialogue in support of stability; these subnational frameworks can bring significant added value by providing results on tangible projects and bringing together partners less constrained by high-level political developments; calls on the EU institutions to partner and work with them;
11. considers it important that the Barents Euro-Arctic Council and the Barents Regional Council continue to promote sustainable development in the Barents region; EU cooperation in the Baltic Sea region is also linked to the Arctic cooperation package;
12. stresses the enduring value of the Arctic Council and reiterates support for this institution and its work, which has a responsibility to the people of the Arctic, including the indigenous peoples. The core principles of sovereignty and territorial integrity, based on international law, have long underpinned the work of the Arctic Council. After Russia's violation of these principles, the work of the Arctic Council is temporarily on hold. Thought must be given to how the Council can continue its important work in view of the current circumstances; reiterates the call it has been making for twenty-one years to award the European Union "observer" status in the Arctic Council;
13. recognises the importance of enhancing cross-border and international cooperation in the Arctic civil protection area, as well as different types of crisis management;

Climate change

14. agrees with the European Commission that climate change is the main threat to the Arctic. Temperatures rising three times faster than in the rest of the world, melting ice and thawing permafrost have huge knock-on effects throughout Europe and the whole planet;
15. encourages the EU to take a leading role in Arctic climate action but underlines the importance of addressing Arctic climate change and adaptation from a broad perspective as part of the region's socio-economic development. Long-term climate policies in the Arctic must be economically, socially and regionally just, so that their implementation is effective and publically acceptable. This means that support must be given to the regions, sectors and workers most affected by change;

16. highlights the serious impact that climate change in the Arctic will have on cities and regions throughout Europe, through rising sea levels, for example, which will make several coastal areas uninhabitable, or through modified oceanic currents and precipitation patterns. Fighting climate change and protecting the environment in the Arctic are the absolute priority. The EU should intensify EU research into the Arctic's climate change;
17. underlines the EU's commitment to making the Arctic region a sustainable and prosperous area, which links the EU's commitment to the Arctic closely to the EU's Green Deal and its blue economy;
18. considers that thought must be given to how to implement the Green Deal and the Fit for 55 climate package, taking into account the specific features of the EU Arctic region in order to ensure equal treatment. For example, the specific conditions of winter shipping in the Arctic must be considered in the context of emissions trading;
19. considers that any activity in the Arctic must be based on nature's resistance, the protection of the climate and the principles of sustainable development and respect for the rights of all people living in the region. Economic interests and sustainable economic activity can be tackled from this perspective; following the Arctic Investment Protocol guidelines for responsible investment in the Arctic;

People's Arctic

20. fully agrees with the European Commission that people living in the Arctic are the key priority for sustainable development and resilient societies, and highlights the demographic challenges and the fact that a sustainable way forward needs inclusive dialogue and meaningful participation in decision making at all levels;
21. highlights the role played by the Arctic cities, which are key players in development and adaptation to the changing context. Investments in sustainable urban infrastructure, transport, digitalisation, waste management, the circular economy and energy-efficient solutions, on the one hand, and social investments in fields such as education and health, on the other hand, contribute to creating a high-quality and attractive living environment, new businesses, etc. Cities are also important for keeping the Arctic, vibrant, competitive and inhabited, acknowledging that an inhabited Arctic strengthens security;
22. The CoR therefore calls on the European Commission to support, partner and work closely with Arctic cities, in particular with the Arctic Mayors Forum, which brings together representatives of local governments from eight Arctic EU and non-EU countries; on a number of specific projects and areas, such as climate neutrality and energy efficiency, urban planning, an inclusive society, jobs, skills and talent attraction and healthy and smart cities. Underlines that the Arctic Mayors Forum is an instrument of soft diplomacy, which should be given observer status in the Arctic Council to represent all Arctic communities, including indigenous communities. Believes that the Arctic Mayors Forum should become a partner of the EU institutions in its multilevel

dialogue and policymaking on the future of the Arctic and calls on the European Commission to reflect on concrete ways of achieving this goal;

23. suggests that the European Commission, jointly with the Arctic Mayors Forum, design an Arctic Urban Agenda for sustainable, prosperous, attractive, and vibrant Arctic cities fit for the future and allocate adequate resources to the agenda's implementation. The European Commission could also draft an action plan to propose concrete ideas on how to further involve the AMF in its work;
24. points out that a smart, modern rural policy and urban-rural cooperation are required in the Arctic to stem the flow of resources from rural areas and strengthen competence development and living conditions in rural Arctic areas;
25. points out that the Arctic cultural and creative industries, together with the tourism sector, have international growth potential, providing jobs and making the region more attractive, for example, for women and young people. EU support for the development of the industry is paramount. It is worth noting that Umeå (Sweden, 2014), Bodø (Norway, 2024) and Oulu (Finland, 2026) have been selected as European Capitals of Culture;
26. stresses the importance of promoting dialogue among young people and involving young people in the design and implementation of the EU strategy and calls on the European Commission to invest in young people, education and student mobility and exchange programmes, including virtual exchanges; calls on the European Commission to actively promote the EU Arctic region as part of the DiscoverEU programme, as remote and less-populated regions are often overlooked in this process;
27. notes that, in light of the UN Declaration on the Rights of Indigenous Peoples, the EU institutions must negotiate with indigenous peoples in the region through their own representative bodies on any action that may affect indigenous peoples; in this regard, the EU should support the objective of establishing a delegation of the Sami people in Brussels initiated by the Sami Council;
28. considers it necessary to strengthen awareness and know-how within the European Commission and other institutions on the specific status and needs of all Arctic indigenous peoples;

A sustainable and resilient Arctic economic model

29. considers that thought must be given to how to implement the Green Deal and the Fit for 55 climate package taking into account the specific features of the EU Arctic region in order to ensure equal treatment, taking into account, the specific natural circumstances from the Arctic region;
30. stresses that the sustainable development of the Arctic region must be based on its territorial strengths and long-term joint planning. The potential of green growth in the EU Arctic region must be supported, based on a place-based approach, the unique know-how of its people, cities, regions and natural resources. Multilevel governance, dialogue and mutual respect are building

blocks for achieving sustainable use of resources and new businesses that ensure employment and value creation;

31. notes that the Arctic can provide Europe with knowledge, products, resources and energy which are crucial for achieving the EU's climate goals. The EU's strong industries based on natural resources in the Arctic include energy production, tourism, mining, forestry, bio-economy and fisheries; the region's strong ICT capacity supports the transition; calls on the EU to support the transition of those industries to becoming sustainable sectors. Smart specialisation can provide a framework for turning vulnerabilities into opportunities;
32. stresses that the sustainable development of the Arctic must primarily benefit local communities. Recognises the importance of EU access to the critical raw materials necessary for the green transition, but notes that their exploitation would have considerable implications for the economies, environment and inhabitants of Arctic States;
33. notes that with more than 70% of the land surface covered by forests, the northern regions of Sweden, Finland and Norway are some of the most forest-dense regions in Europe, and some of the world's largest exporters of forestry products. The forest sector in the Arctic region affects the lives of Arctic peoples in many ways, being a source of prosperity and business as well as recreation and outdoor life; forests also play a crucial role in mitigating climate change; and the New EU Forest Strategy for 2030 should be the guiding principle to improve the quantity and quality of EU forests, however, northern forest-dense regions require support and investment to foster a bio-based economy and a green, modern and sustainable forestry that respect specific regional characteristics;
34. considers that the Arctic needs to actively promote business activities that create jobs for the future. According to an estimate published in early 2022, the EU Arctic region has an investment potential of around EUR 150 billion by 2030, a large part of which is linked to delivering on the green transition. Emphasis is placed on investments in carbon-neutral steel, battery manufacturing and mineral extraction. In the energy sector, the focus is on wind energy generation;
35. stresses that the energy transition is key to the fight against climate change; new ways of producing and consuming energy are needed. The EU must focus its efforts on modernising the Arctic energy sector in order to reduce reliance on fossil fuels and strengthen the EU's energy independence. Imported fossil energy makes the region vulnerable to geopolitics and global markets; acknowledging that the short-term solution to EU's energy dependence lies in the North;
36. stresses that in the Arctic, with energy production, energy-intensive industries and a challenging environment for sustainable transport and infrastructure, it is essential to ensure a fair energy transition and adaptation from the perspective of the region's population and industry. Investments should include renewable energies, energy technologies and future energy solutions, such as renewable hydrogen and battery clusters, decentralised energy production, heat recovery and digitalisation of the energy sector;

37. points out that the growing demand for raw materials caused by the electrification of society will put pressure on sustainable mining and processing in the Arctic. The Arctic region has a vast reserve of rare-earth minerals, which would help the EU to reduce its dependency on China, which currently produces 90% of these minerals. The EU should ensure that the Arctic plays a key role in the European Raw Materials Alliance, while also protecting the Arctic's nature, despite the EU's interests in mining and raw material opportunities. European Arctic actors have world-leading skills in sustainable industries and processing throughout the value chain. The Arctic Council should take note of this;
38. stresses the need to target EU funding to support and ensure sustainability of investments in the Arctic and to strike a balance between responsible development of natural resources and environmental protection, in order to fully unlock the potential and transformative power of the Arctic as a driver of the EU's green, blue and digital transformation;

Education and research

39. notes that high-quality research and access to education are key prerequisites for the vitality and attractiveness of the Arctic; highlights that one of the biggest challenges for the Arctic region is brain drain, either of educated people leaving the area or of people leaving for education and not returning afterwards; calls on local and regional authorities to cooperate and exchange best-practice examples on how to tackle this challenge;
40. highlights the need to involve regional education and research institutions and their networks in Arctic research policy formulation and to interpret Arctic research as covering all research activities that contribute to sustainable development and benefit the people of the Arctic, and not solely as polar research. The establishment of the Arctic innovation ecosystem, based on smart specialisation strategies, should contribute to the regional development of the EU Arctic region and lead to further innovation and cooperation opportunities;
41. calls for sufficient resources to be made available to achieve the objectives. The Arctic should be identified as a cross-cutting theme across different funding programmes and synergies between programmes should be promoted. In addition to Horizon Europe and Erasmus+, relevant instruments include those with a regional base such as the European Structural and Investment Funds and territorial cooperation programmes;

Connectivity

42. considers that the green industrial transition must be matched by rapid development of green modes of transport, subsidising the shift from fossil fuels to modes such as electric and hydrogen-powered transport; points out that in the Arctic, air transport security is also essential. Electric aircraft are a sustainable alternative;
43. welcomes the extension of the TEN-T corridor in the EU Arctic and stresses the importance of strengthening transport links, both north-south and east-west, in order to interconnect the regions connected to the EU transport networks in northern Norway, Sweden and Finland and to enable connections to the Arctic ocean. Considers that the TEN-T regulations must take better

account of the specific features of the Arctic, such as long distances, winter shipping and sparse population, in order to support the development of strategically important transport hubs in the Arctic;

44. notes that investment in infrastructure and transport in the Arctic region is reflected in the wider region and contributes to the region's operating conditions and competitiveness, including in terms of social development, industry and security of supply from an European perspective;
45. is concerned at the increased interest of third countries in the region, such as China's growing interest in the ownership of critical infrastructure, submarine cable construction and global shipping; considers it of the utmost importance that the EU play its role as an investor in the region, so that large-scale projects in the Arctic by third parties can be avoided;
46. stresses that the EU's commitment to correcting digital imbalances in the Arctic areas is crucial. The widespread adoption of high-speed fifth- and sixth-generation mobile technologies in the Arctic requires the European Union to invest in strengthening backbone connections and satellite technologies in Finland, Sweden and Norway. The low latency needed for security and telemedicine solutions, for example, requires efficient backbone connections in the Arctic. Securing the safety and international competitiveness of Europe's Arctic peripheral regions and strengthening digitalisation go hand in hand. Terrestrial solutions may also be possible, meaning that it is important to identify a combination of suitable technologies able to create stable, reliable and inexpensive connectivity. When developing new digital opportunities and services, consultation with different groups is crucial to ensure that the new solutions meet users' needs. In addition, connectivity also plays an important role in promoting safety and sustainable development;

More EU in the Arctic, more Arctic in the EU

47. encourages the European Commission to move forwards with its proposal to set up a one-stop shop to pool tools and funding for the development of the Arctic;
48. call on the current and future Council presidencies to ensure that Arctic issues are high on the EU agenda;
49. calls on the European Commission and the European External Action Service (EEAS) to dedicate sufficient resources to the implementation of EU Arctic policy. Recognises the need to enhance intra-EU coordination and cooperation on Arctic issues at all levels of decision making, and to ensure that local and regional authorities are fully involved in multilevel governance, the implementation of the EU strategy and the EU funding instruments;
50. calls on the European Commission and the EEAS to organise the Arctic Stakeholder Forum and the Indigenous Peoples' Dialogue in the EU Arctic in partnership with regional and local actors, paying greater attention to giving young people a voice in the future. In order to ensure continuity of the dialogue, the European Committee of the Regions encourages representatives of the EU institutions to step up their participation in Arctic policy-related events and meetings in the region;

51. call on the European Commission to consider setting up an Advisory Forum tasked with overseeing the implementation of EU Arctic policy. The Forum would bring together key stakeholders, including regional and local authorities.
52. notes that the publication of a new EU Arctic policy, at the same time as the start of the new 2021-2027 EU programming period, is a major opportunity to implement the policy successfully. Welcomes the existence of various funding instruments, under the ERDF and ETC programmes in particular, but regrets that small organisations often lack the administrative and financial capacity to benefit from them fully. EU funding instruments in the Arctic should be adapted to the specific territorial needs and capacities of the Arctic, including the needs of indigenous people;
53. notes that EU cohesion policy programmes and in particular cross-border Interreg programmes provide an important framework for people-to-people contacts across borders, considering the specific characteristics of the Arctic. However, there should be more opportunities to engage partners from non-EU Arctic countries to promote circumpolar collaboration and north-north mobility and collaboration;
54. lastly, notes that the Arctic region will continue to be strategically important for the EU in the coming decades and that the EU will need to keep moving forward, with greater multilateral cooperation and multilevel governance engaging Arctic people, in order to overcome the challenges posed by the Arctic region's geopolitical position, natural environment and specific socio-economic conditions and tap its full potential for the green, blue and digital transitions.

Brussels, 29 June 2022

The President
of the European Committee of the Regions

Vasco Alves Cordeiro

The Secretary-General
of the European Committee of the Regions

Petr Bližkovský

II. PROCEDURE

Title	The new EU Arctic strategy
Reference(s)	JOIN(2021) 27 final
Legal basis	Article 307 TFUE
Procedural basis	Rule 41(b)(i) of the CoR Rules of Procedure
Date of Council/EP referral/Date of Commission letter	-
Date of Bureau/President's decision	-
Commission responsible	Commission for Territorial Cohesion Policy and EU Budget (COTER)
Rapporteur	Mirja Vehkaperä
Analysis	24 February 2022
Discussed in commission	11 February 2022
Date adopted by commission	7 April 2022
Result of the vote in commission (majority, unanimity)	Unanimity
Date adopted in plenary	29 June 2022
Previous Committee opinions	An integrated EU policy for the Arctic (rapporteur: Pauliina Haijanen (FI/EPP) (adopted on 8/2/2017)
Date of subsidiarity monitoring consultation	