



Results of the public consultation on streamlining EU funding in the European Arctic

1. THE CONSULTATION

A public consultation on streamlining EU funding in the European Arctic was published on the European Commission's EU Survey website on 1 September 2014 and was accessible until 2 December 2014.

The aim of the consultation was to gather stakeholder opinions on if, how and where the use of EU funding instruments in the European Arctic could be improved. The European Arctic region was defined in the consultation document as the area stretching from Greenland to the Ural Mountains.¹

This document summarises the contributions received in response to the public consultation. Its objective is to present an overview of the opinions expressed and arguments presented in the responses received. The views summarised in this document do not necessarily represent the views of the Commission and do not prejudice, in any respect, the policy orientation which may be developed by the European Commission and the European External Action Service in the future. The results of this public consultation will feed into the preparatory work on the forthcoming Joint Commission and High Representative Communication on EU Arctic Policy.

A total of 72 replies from individuals and organisations were collected through the on-line form. In addition, one letter and one email were received with additional information, but not within the format and outside the scope of the public consultation. Despite the limited number of replies, the Commission received contributions from key actors, with the majority coming from public authorities and research institutes, in particular from Arctic countries.

In addition, the Commission found that responses often pointed in highlighting the main challenges and opportunities for the Arctic for the next ten years, such as infrastructure development, climate change impacts, environmental protection and sustainable development.

¹ The consultation document can be found here:
http://ec.europa.eu/dgs/maritimeaffairs_fisheries/consultations/arctic-eu-funding/index_en.htm

The European Commission will organise a series of stakeholder workshops between April and June 2015 in order to explore these key issues in further detail, offering stakeholders the opportunity to debate future EU Arctic policy and contribute to the development of the forthcoming Communication.

2. PROFILE OF RESPONDENTS

Out of the 72 respondents, 29% replied in an individual capacity, whereas the majority (71%) replied on behalf of an organisation. Most of the responses on behalf of organisations were from research organisations (36%) and public authorities (26%). In particular, most of the public authorities came from Arctic countries. NGOs made up 11%. Notable was the under representation of business (only two responses were on behalf of a business organisation).

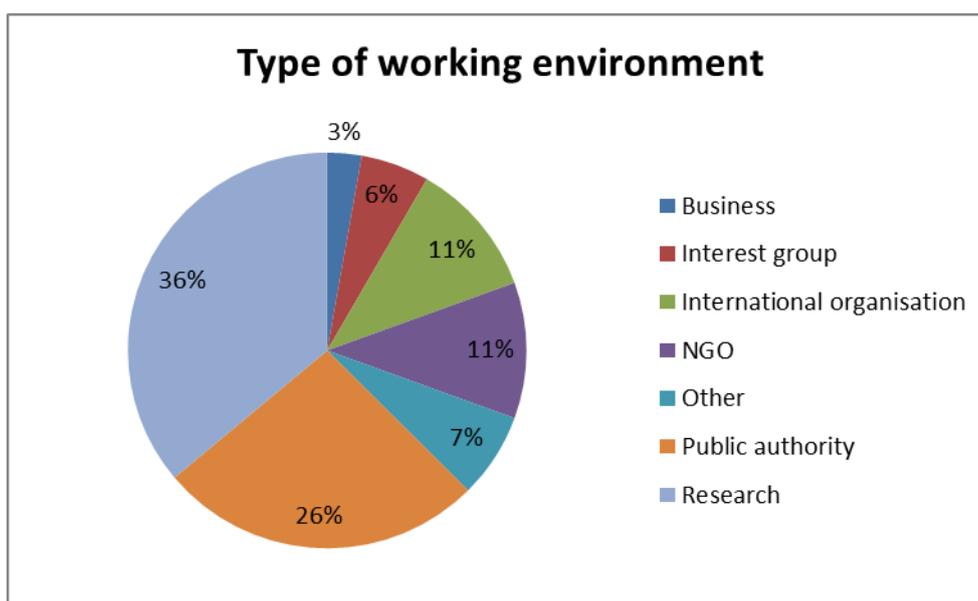


Figure 1: Replies by working environment category in percentages

12 respondents (17%) indicated they are a managing authority for EU funds. 75% of the respondents representing an organisation indicated they have been a beneficiary of EU funds in the past five years.

60% of the respondents are based in an Arctic state (Finland, the Kingdom of Denmark, Sweden, Norway or Iceland), 25% are based in a state that is an observer to the Arctic Council (France, Germany, Poland, the United Kingdom and Italy) and the remaining 15% come from other countries (Belgium, Hungary, Ireland, Portugal).

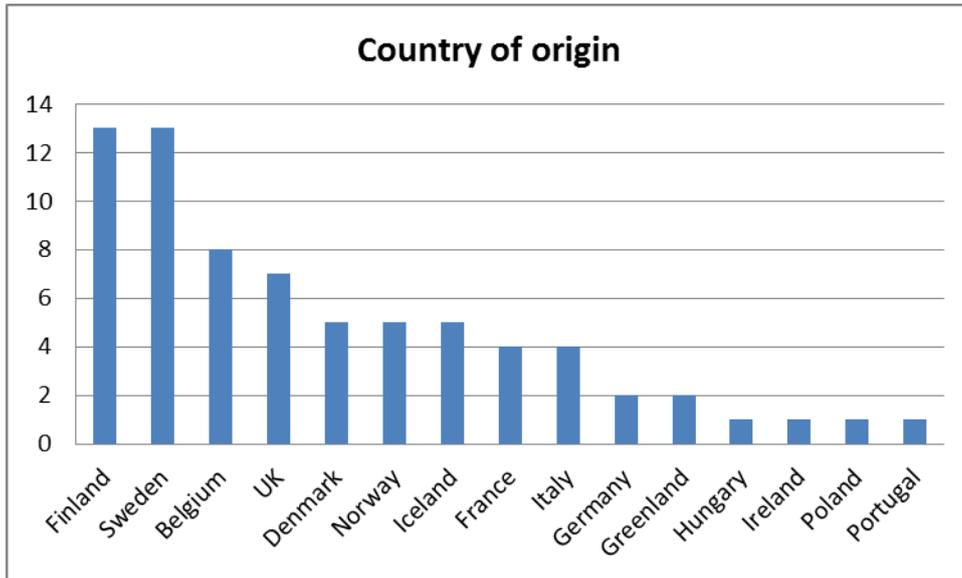


Figure 2: Replies by country of origin in absolute value

15 respondents (21%) indicated that their organisation is listed in the EU's transparency register, but most of them did not know (65%).

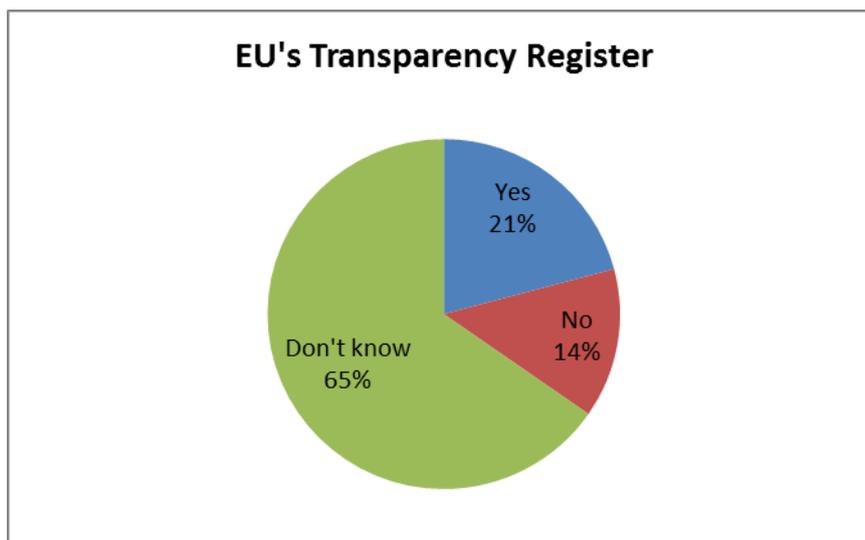


Figure 3: Percentage of respondents listed in the EU's Transparency Register

3. SUMMARY OF RESPONSES

3.1. Challenges, opportunities, actions

3.1.1. The main challenges for the European Arctic for the next 10 years

There was substantial variation in the issues that respondents identified as being the main challenges for the European Arctic over the next 10 years. They range from the protection of indigenous rights, to the improvement of data sharing, from ensuring a good level of welfare and public health to the need of more investments in education and training.

However, the following five topics were mentioned substantially more often than others:

- Ensuring sufficient infrastructure development
- Providing environmental protection
- Ensuring sustainable development
- Dealing/coping with climate change and predicting environmental changes
- Increasing research efforts

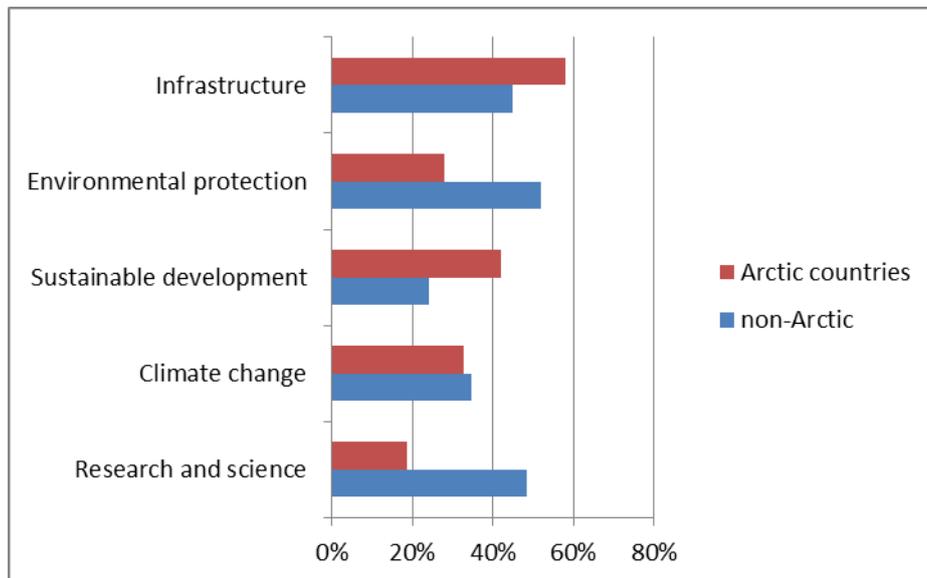
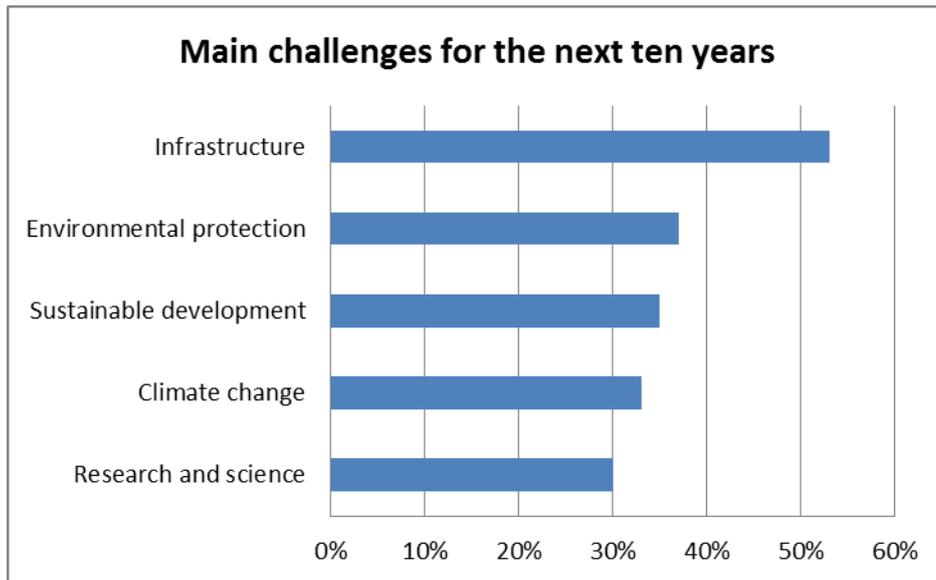


Figure 4: Main challenges in the European Arctic for the next ten years (qualitative analysis): percentage of respondents listed per Arctic and non-Arctic countries²

A large portion of respondents identified the **development of infrastructure** as one of the main challenges for the next ten years. Due to the sparse population and long distances, respondents considered that the current economic and social well-being of the Arctic population is highly dependent on infrastructure, which many respondents deem to be underdeveloped (such as an absence of roads and railways, flight connections and maritime routes). It is interesting to note that the majority of these replies came from public authorities based in Arctic countries. The Commission will take into consideration this particular element for the further policy development.

"The economic well-being of the Arctic depends on good transport infrastructure, but transport issues are also vital when it comes to social aspects. People need to be able to move to the Arctic and within the Arctic."
(Public authority, Finland)

On the other hand, respondents from non-Arctic countries put the **fragile Arctic ecosystem** first rather than exploring opportunities for economic development and growth, especially with regard to extractive activities.

By and large, respondents indicated that a better understanding and knowledge of the Arctic region would contribute to a responsible use of resources and better forecasting of **climate change effects**. In this regard, a significant number of non-Arctic respondents highlighted the need for more investment in **research** in order to provide guidance for **sustainable development**.

"Development in the fragile and hostile Arctic environment presents unprecedented environmental and safety hazards, which the international community is not yet prepared to deal with." (Environmental Investigation Agency, UK)

Finally, respondents referred to the relevance of enhancing **regional and international cooperation**, as well as the crucial importance of the continuous involvement of local communities and indigenous people in decision making.

Respondents were also asked to indicate what they saw as the main challenges facing the European Arctic from a list of options. These results give a slightly different picture. Figure 5 shows the challenges that were deemed to be the most significant and the extent to which respondents agree that a certain challenge is indeed relevant.

Of all categories, climate change adaptation and risks relating to human activity were clearly identified as being the most prominent challenges facing the Arctic. Tellingly, there is substantial common understanding

² For the purpose of this document, responses are labelled 'Arctic' if the respondent resides in Denmark, Finland, Greenland, Iceland, Norway or Sweden; otherwise they are labelled non-Arctic.

between respondents on the importance of these challenges, with 71% of respondents labelling these two issues as 'major' for both categories.

Other challenges where respondents agreed on their relevance for the Arctic are: protecting biodiversity and landscape, renewable energy/energy efficiency measures, intermodal transport links and maritime security. Infrastructure was included, but subdivided into (1) intermodal transport, road and rail systems as well as inland waterways, (2) energy systems and security of supply (3) telecoms and IT and (4) space technologies.

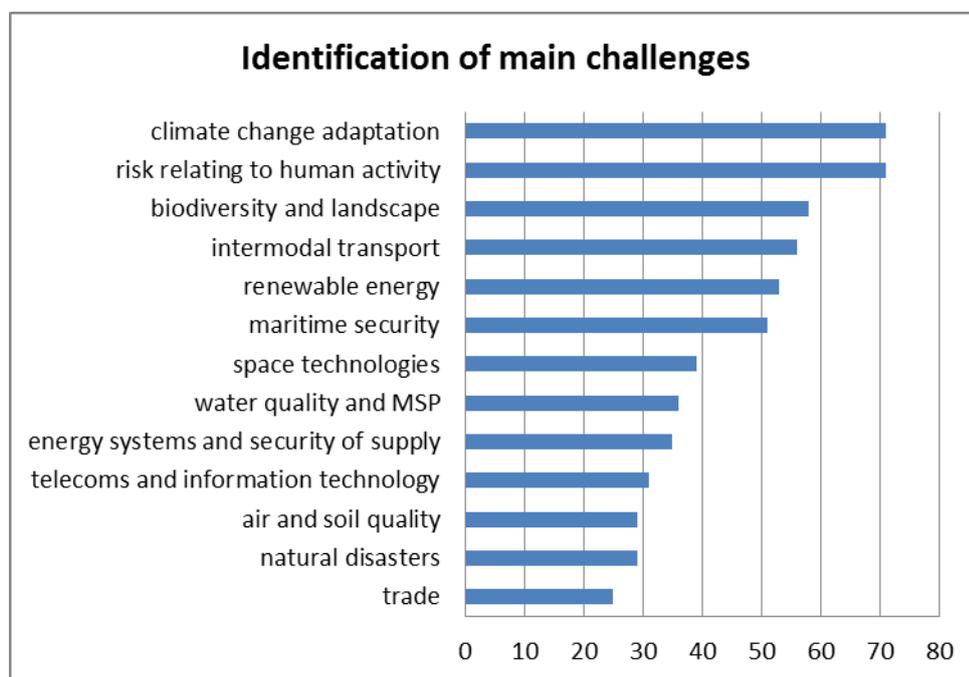


Figure 5: Percentage of respondents identifying the challenge indicated as 'major'

3.1.2. The opportunities for jobs and growth in the Arctic for the next 10 years

In terms of opportunities for jobs and growth, development of infrastructures and resource extraction activities were identified most often as main sources for jobs and growth in the European Arctic. While many other issues were put forward, the most mentioned suggestions related to:

- Infrastructure development
- Resource extraction (including mining, deep sea mining, offshore oil and gas extraction)
- Tourism
- Fisheries and aquaculture
- Renewable energy

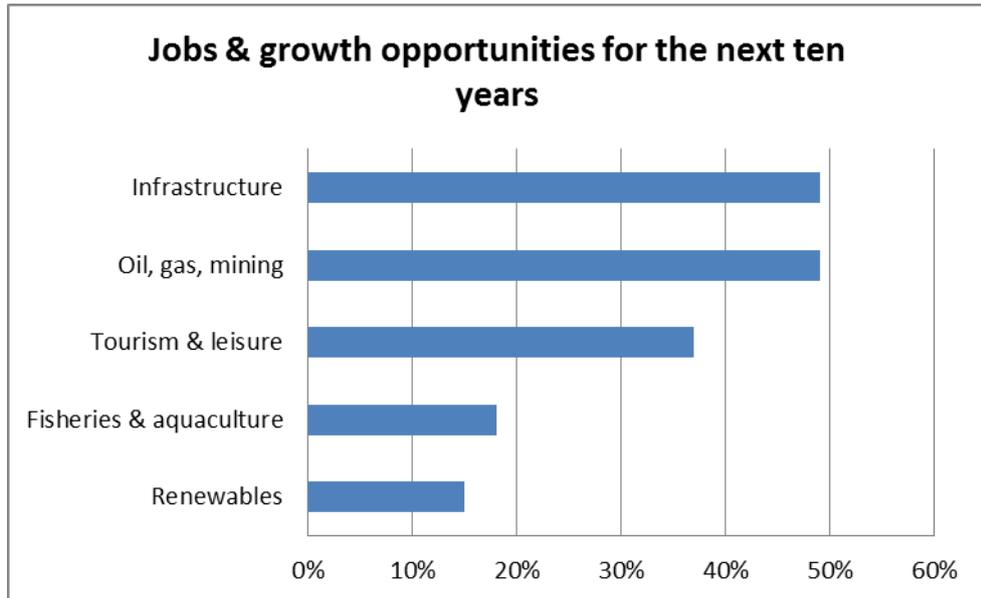


Figure 6: Opportunities for growth and jobs in the Arctic for the next 10 years (qualitative analysis)

In line with the previous question, respondents highlighted the need for further **development of infrastructure**, such as road, rail, airports but also broadband internet, as a key element to face the long distances and to give a further boost to growth and jobs in the coming decade.

Oil, gas and mining came in second, seen by respondents as significant for the region, a majority emphasised that mining should take place in a safe and sustainable way.

Respondents also listed **tourism** as a way of bringing long-term benefits for small enterprises and local communities.

Fisheries and aquaculture were also listed, but was rated significantly higher by respondents from non-Arctic countries than from Arctic countries. Respondents also marked that the environmental and climate change challenges may stimulate demands for innovative energy technologies, including **renewables**.

3.1.3. Investment and research priorities needed to tackle the Arctic challenges in the next 10 years

The following four priorities were put forward:

- Infrastructures development
- Climate change adaptation and mitigation
- Sustainable use of natural resources
- Renewable energy and green technology

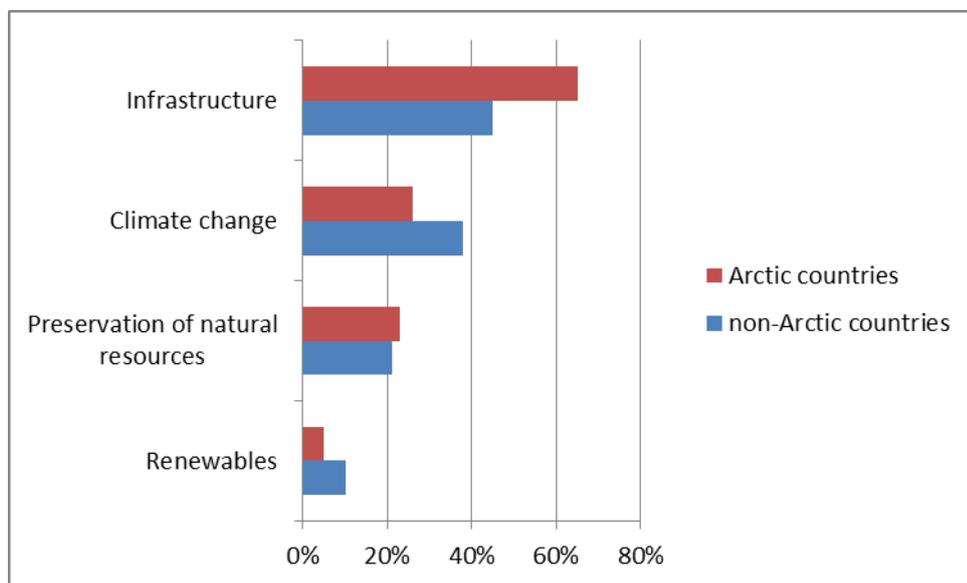
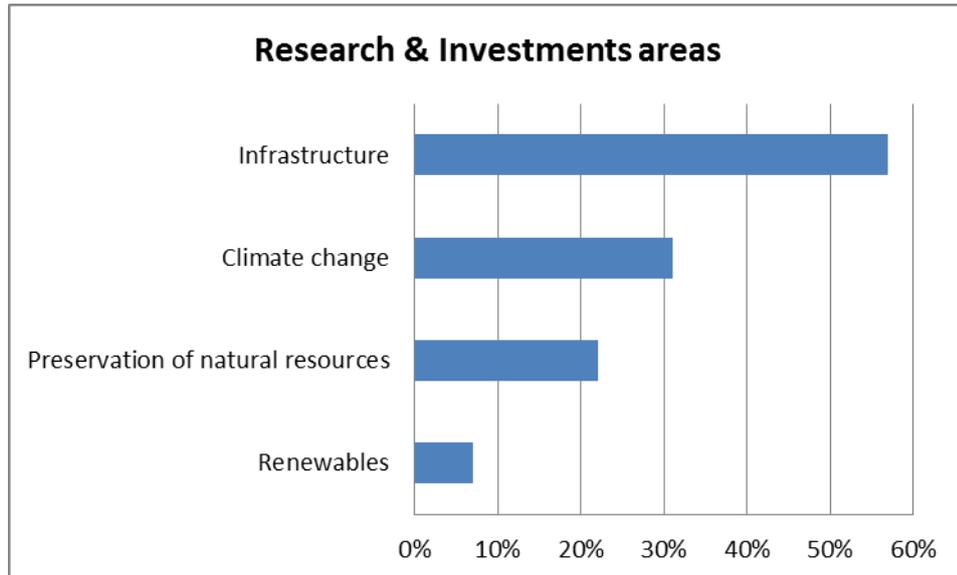


Figure 7: Investment and research priorities in the European Arctic (qualitative analysis): percentage of respondents listed per Arctic and non-Arctic countries³

Overall, respondents ranked **infrastructure development**, mainly by public authorities and research organisations, as first on the list of investment priorities. This is a key priority to facilitate more cooperation between the countries and to support the further economic and social development of the region.

"There is a necessity of investment in infrastructure to ease the development of industries and increase mobilization of inhabitants and thus workforce" (Greenland Representation in Brussels)

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Investment and research to address **climate change** and its impacts came in second. However, respondents from Arctic countries appeared to give much more weight to infrastructure development than research on climate change.

"On the research side, the challenges are better understanding of Arctic climate and its impact on mid-latitudes, the role of freshwater in oceanographic processes, studies of marine biodiversity (notably sea-floor biodiversity) and ecosystem resilience to environmental change, alien/invasive species monitoring, improved capability to predict sea-ice distribution and status over weeks and days to better inform ship routing/timing plans" (British Antarctic Survey, UK)

Given the fact that there is little knowledge about the potential consequences of industrial activity on the fragile Arctic ecosystem and on the status and threats to the environment, respondents also put forward **environmental protection**.

"Concrete EU and international policy options to mitigate environmental risks in the Arctic must be assessed in more detail, including the establishment of a network of protected areas in the Arctic, precautionary measures to prevent future industrial-scale fisheries in previously unfished areas and precautionary legal instruments to prevent oil drilling in the Arctic, where an effective response to an oil spill is impossible" (Greenpeace European Unit, Belgium)

Only a small percentage of respondents identified **renewables** as a priority for investment.

"I am confident that the investment in renewable energy needs to be done now and that this will provide a long-term economic benefit for the indigenous population. The extraction of fossil fuels and gas will only have a short economic benefit and will lead to disastrous consequences for climate, population and ecosystems" (Individual, Belgium)

3.1.4. What projects that could be funded by the EU should take place over the next 10 years?

Respondents suggested a broad range of ideas for future EU projects. Nevertheless, in line with the previous replies, these were the most often mentioned topics:

- Infrastructure development
- Research and science
- Climate change
- Environmental protection and sustainability

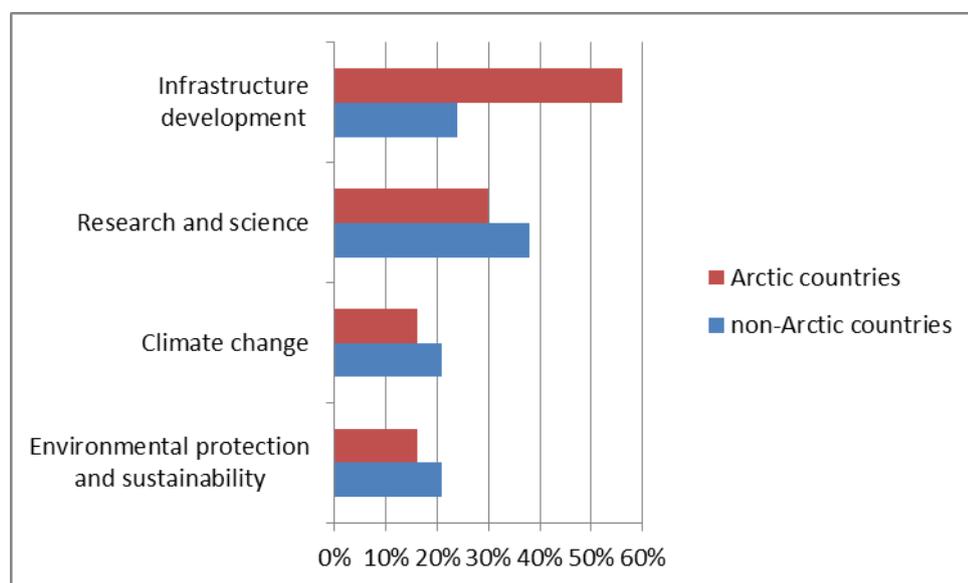
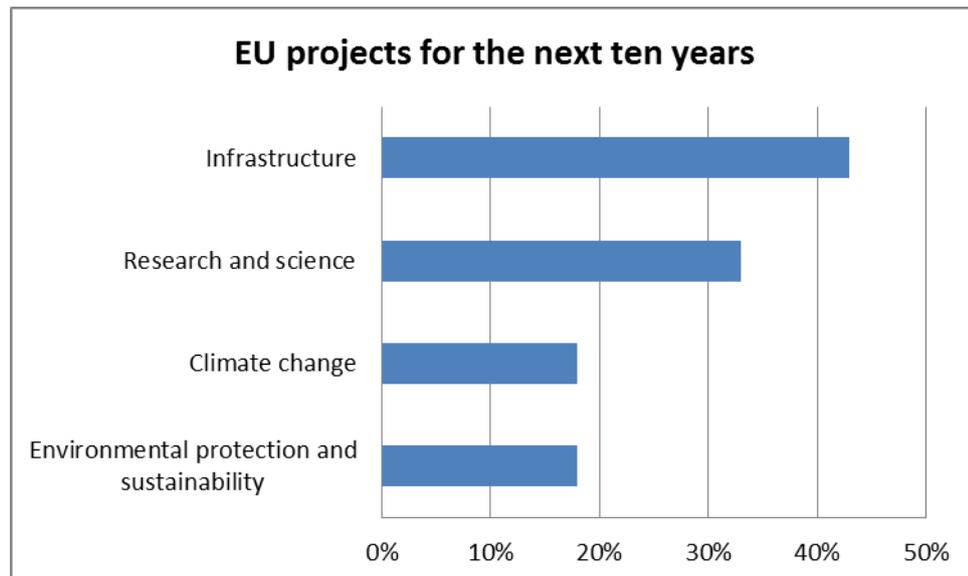


Figure 8: EU projects for the next ten years (qualitative analysis): percentage of respondents listed per Arctic and non-Arctic countries⁴

Among the priorities for future projects, respondents from Arctic countries emphasised the need to further **develop infrastructures** to allow better access to the region and increased mobility, whereas non-Arctic countries put research and science in first place.

Next to these two topics, respondents suggested that the EU should play a bigger role in financing projects to study **climate change** and its consequences and to improve **environmental protection** and **sustainable use of natural resources**.

EU research is identified by respondents as a key driver for the future sustainable development of the Arctic region.

⁴ For the purpose of this document, responses are labelled 'Arctic' if the respondent resides in Denmark, Finland, Greenland, Iceland, Norway or Sweden; otherwise they are labelled non-Arctic.

"The EU needs a dedicated Arctic research funding programme as one of the societal challenges in the Horizon 2020 programme. An EU research call for interdisciplinary projects addressing climate change consequences for the Arctic region would indeed provide a much needed science-based guide to a sustainable long-term development of the region" (Danish Agency for Science Technology and Innovation, Denmark)

3.1.5. Are there specific needs that EU funding instruments should take into account for the European Arctic?

From a qualitative analysis, the majority of respondents did not identify any specific needs that EU funding should take into consideration specifically for the European Arctic.

33% of respondents replied to this question. They identified two key needs:

- More cooperation and involvement of local and indigenous peoples
- Better coordination of EU funding and instruments

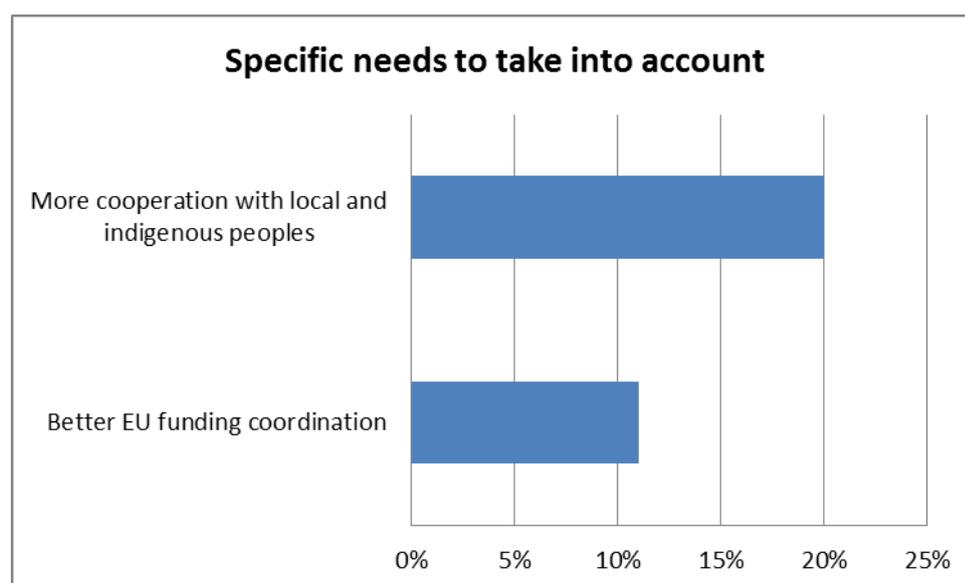


Figure 9: Specific needs for EU funding instruments (qualitative analysis): percentage of respondents listed per Arctic and non-Arctic countries⁵

Respondents indicated that the lack of administrative and human resources, combined with the long distances and the low level of connectivity, usually do not allow an optimal **participation and representation of local and indigenous peoples**.

"Cold climate, sparse population, challenging connectivity and long distance from the markets are such permanent handicaps which give a

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reason for the permanent special allocation of financing in the Cohesion Policy" (Regional Council of Lapland, Finland)

"Indigenous institutions are often small and vulnerable, and might not hold the same capacity to run heavy application processes and huge projects in competition with larger institutions." (Saami Council, Finland)

Furthermore, respondents indicated that, despite the good results of existing programmes, more effort should be made to **improve the sharing of information, networking and raising awareness about Arctic issues.**

"Simplification, better coordination and synergy of different financing instruments are still needed. Number of different programmes and programme areas should be re-evaluated" (Public authority of Oulu city, Finland)

3.2. Cooperation

This section asked respondents about their views on the nature and depth of cooperation currently taking place in the European Arctic and for the future.

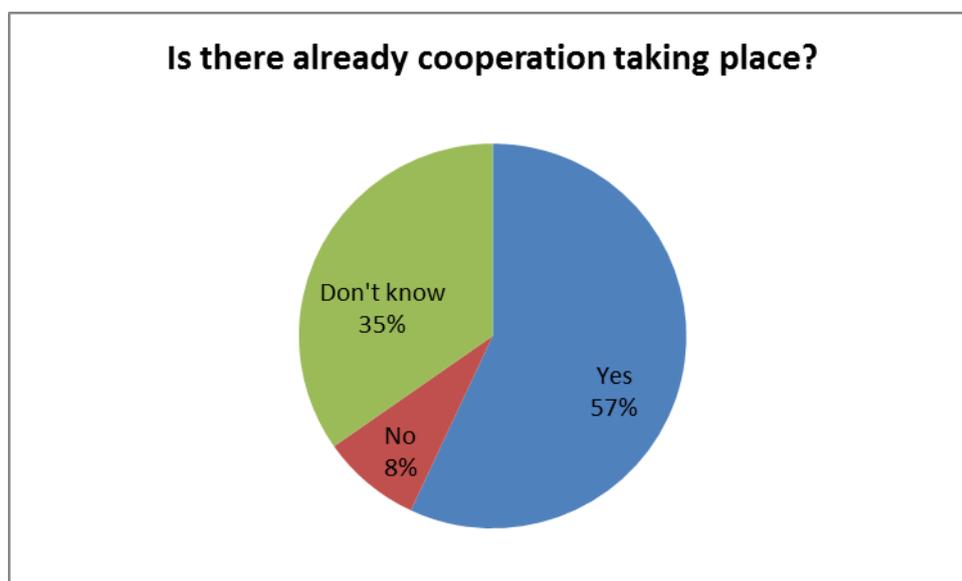


Figure 10: Existing coordination to better align EU funding instruments: percentage of respondents answering the question on existing cooperation

A majority of respondents (57%) agreed that coordination for sharing cross-border or transnational priorities for investment for better aligning EU funding is already taking place. Less than 10% disagreed.

Respondents were asked to rate the quality of cooperation between regional authorities in the European Arctic on a scale from 1 to 10. On average, respondents rated the cooperation 5.9/10. The median is 6. Public authorities rated the Arctic cooperation somewhat higher on average: 6.5/10.

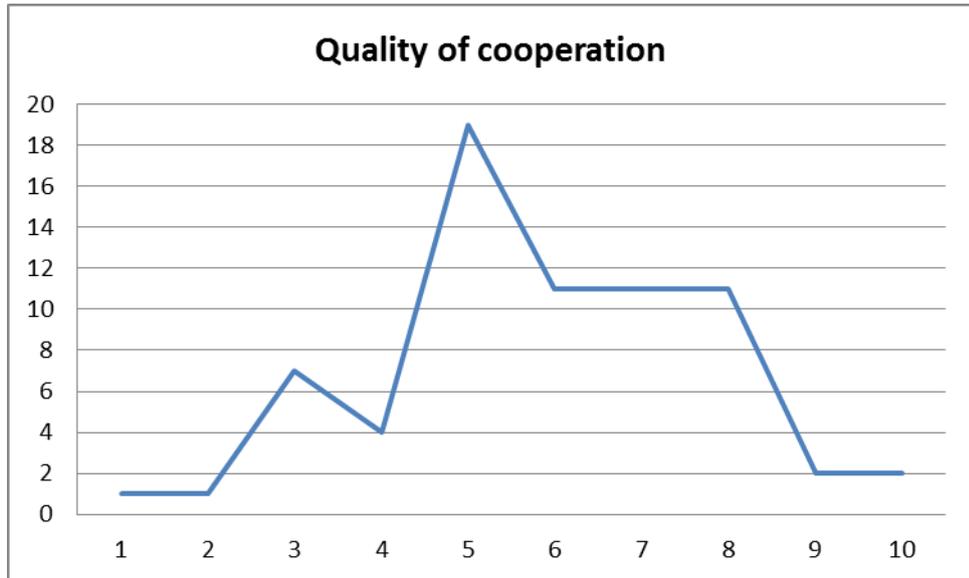


Figure 11: Rating of quality of cooperation between regional authorities in the European Arctic

The vast majority of respondents (85%) think there is scope for improving regional cooperation in the European Arctic. 13% has no opinion and only one respondent stated there is no scope for further improvement in cooperation.

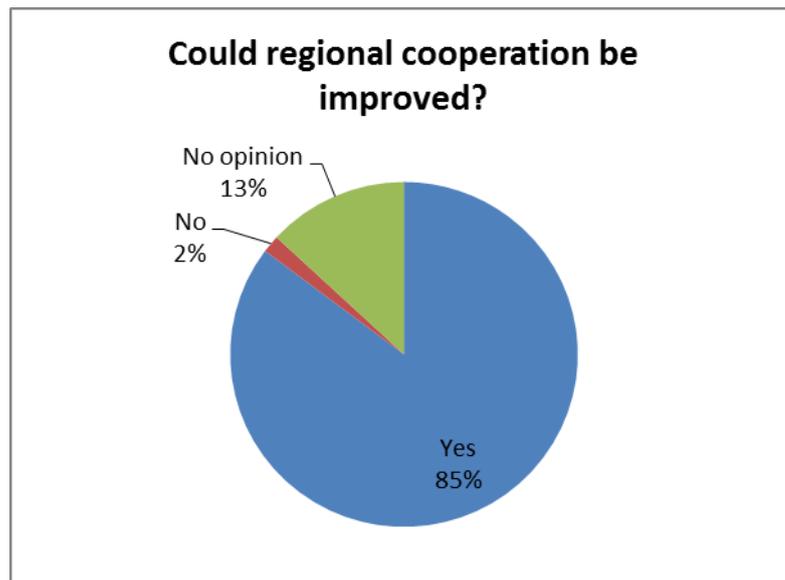


Figure 12: Percentage of respondents on whether regional cooperation in the European Arctic could be improved

As to the question of how regional cooperation could be improved, the answer most often given was to put in place a shared long term strategic planning and analysis structure, closely followed by better exchange of best practice and a structure for joint long term financial planning.

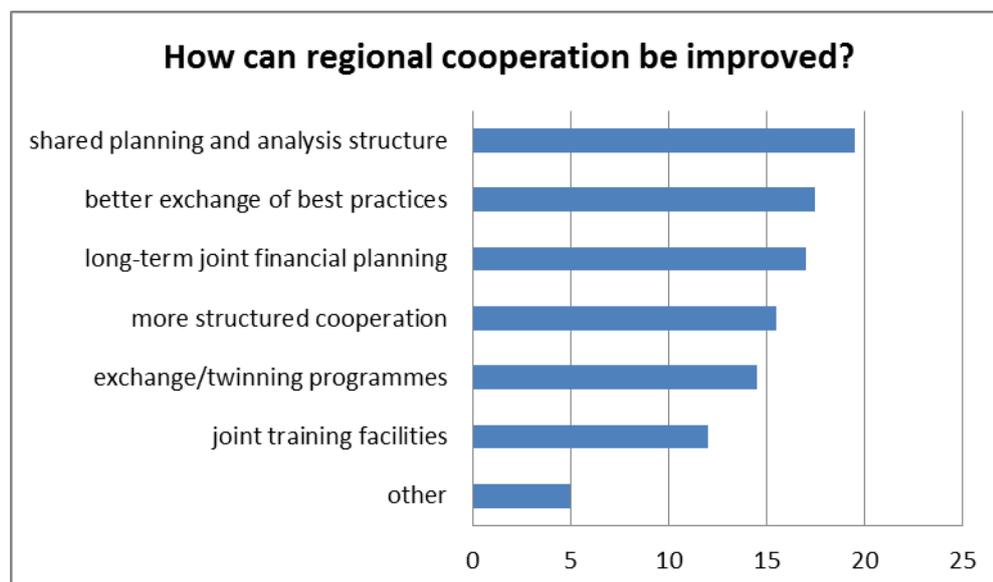


Figure 13: Percentage of replies on suitable options to improve regional cooperation

10 respondents provided other or additional information. Among the suggestions, the importance of the availability of data and the need for more data sharing was emphasised.

4. SWOT ANALYSIS

On the basis of the contributions received, the European Commission has identified the following strengths, weaknesses, opportunities and threats that could help guide the development of EU Arctic policy and EU funding in the region over the next ten years.

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> - Interest in the Arctic region is increasing at European and global level - Significant indications of unexplored natural resources - Public authorities and research institutes are keen on investing in Arctic issues 	<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> - Insufficient involvement of indigenous people and local populations in decision making - Lack of connectivity and infrastructure - Need for better coordination of EU funding
<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> - Horizon 2020 is an important tool to drive the EU's Arctic policy - There is a need for infrastructure development, better connectivity and green technology 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> - Human activity in the Arctic is likely to intensify due to climate change. If these activities are not handled responsibly, they could have damaging consequences for the environment. - Geopolitical situation - Climate change effects

5. CONCLUSIONS AND NEXT STEPS

The Commission would first of all like to thank respondents for their contributions. The results of this consultation exercise feed into the policy process within the Commission and the European External Action Service that will be taking place in 2015 in order to respond to the Council's request "to provide proposals for the further development of an integrated and coherent Arctic policy".⁶ A next step will be the organisation of a series of workshops over the course of 2015 to explore in-depth some of the issues raised by respondents. All interested parties are invited to visit the DG Maritime Affairs and Fisheries website⁷ regularly to keep themselves informed of developments and of the dates and venue of the workshops.

⁶ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/142554.pdf

⁷ http://ec.europa.eu/maritimeaffairs/index_en.htm