Harnessing the potential of the just green transition and securing the stability of the European Arctic

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Following the EU elections in June 2024, a new European Parliament and College of Commissioners will shape the future EU priorities for the years ahead. In that perspective, the Members Regions of the Arctic Working Group of the CPMR Baltic Sea Commission stress the following messages to EU leaders:

- **The Arctic is part of the European Union** and therefore the situation in the Arctic demands full attention from the EU.

- **The EU has played an important role in supporting sustainable development, innovation and the green transition** through various policies, initiatives, fundings and partnerships in the European Arctic.

- In light of the strategic importance of the European Arctic, as a driver of the green transition and a place of rising geopolitical tensions, **Arctic issues should be acknowledged and reinforced in the next EU agenda**. The stability of the European Arctic is important for Europe as a whole. **The Arctic dimension must be better considered in various EU policies and programmes**, ranging from transport connectivity, energy, research and innovation and industrial development. The Arctic must be fully integrated in the revised EUSBSR Action Plan that serves as a framework of macroregional cooperation in the Baltic Sea Region, which the European Arctic is a part of.

- **The cooperation opportunities between Arctic stakeholders** must be further developed and safeguarded in the next EU budget.

- **The most urgent challenge to address in the Arctic and in the rest of Europe is climate change**. The energy transition and the societal transformation in the European Arctic must be responsible and inclusive and should consider all dimensions of sustainability.

- The various interests in the Arctic require a **holistic, collaborative, and participatory approach in decision-making**. **Regional and local authorities must be involved and consulted** in all decisions that affect the communities they represent, according to the subsidiarity principle.

- **It is important to increase awareness about the Arctic as a place where people live, study and work**. The BSC Arctic Working Group calls for the re-establishment of a dedicated platform of dialogue and stakeholder engagement on Arctic issues within the European Parliament, such as the Arctic Friendship Group and the SEArica Intergroup, as well as the EU Arctic Forum and the Indigenous Peoples’ Dialogue.

- **Investments in people** must be a priority for the development of the Arctic to create sustainable, resilient and attractive communities.
1. Supporting climate mitigation and adaptation in the European Arctic

- The impacts of climate change are particularly pronounced in the Arctic, threatening the unique biodiversity and endangered species. Temperatures in the Arctic are rising twice as fast compared to the rest of the world. The causes are often linked to actions taking place outside the Arctic region. The consequences of this warming of the Arctic have effects globally.

➔ The BSC Arctic Working Group calls on the EU, as a global leader in the fight against climate change, to take continuous action to reduce GHG and CO$_2$ emissions in Europe and around the world.

2. Supporting a green, just, and fair transition of the European Arctic

2.1. A strategic area for the realisation of the Green Deal’s carbon neutrality goals

- People in the European Arctic lead the green and global transition, pioneering in fossil-free energy solutions and innovative clean technologies. The European Arctic extracts and refines many of the critical raw materials that are essential for the decarbonisation of Europe and the green and digital transitions. The European Arctic contributes to lowering the EU’s dependency on imports from single country suppliers of critical materials.

- The European Arctic has become a place of sustainable tourism. Initiatives focusing on eco-friendly accommodation, responsible tour operations and promoting local cultures have been implemented to support goals of sustainable growth. The tourism industry is also vital for a differentiated labour market and a more resilient local economy.

- The local stakeholders of the Arctic lead by example with ambitious targets to significantly reduce their carbon emissions. Investments in energy efficiency, sustainable transportation and fossil-free industries have played a crucial role in advancing the Green Deal’s targets.

➔ The BSC Arctic Working Group calls on the EU institutions to continue providing support to the European Arctic through various policies, initiatives, and funding opportunities. The BSC Arctic Working Group calls for adapted EU legislation considering Arctic conditions. Cohesion Policy is of uttermost importance for the development of the European Arctic.

2.2. The European Arctic’s development remains fragile due to structural challenges

- The lack of transport infrastructure capacity and transport connections remains a severe challenge. Better connectivity is key to tackle the structural challenge with long distances, enable the green transition, and strengthen the attractiveness of the European Arctic as a place to live.

- The demographic challenge remains an issue for a comprehensive development of the European Arctic and the continuous realisation of the green industrialisation. Attracting and retaining people, especially young people, is a key priority.

- The lack of administrative capacity among municipalities and local communities is a major challenge that holds back strategic development efforts.

➔ The BSC Arctic Working Group highlights to EU representatives:

- The need to enhance EU investment in transport infrastructure capacity and improve transport connections, such as east-west infrastructure route. A strong CEF III is needed in the future.

- The necessity to invest in people and human capital, as well as research and innovation through programmes such as ESF+, Culture Europe, and Horizon Europe.

- The need for a strong and ambitious Cohesion Policy post-2027 that will continue to support development and enable diversification of the economy and business structure in the Arctic.
2.3. The green transition must be just and inclusive
- The green transition poses a risk of divisions in Arctic societies and territories. The new industrial projects in the European Arctic need to generate benefits to the local communities affected by the new green industrialisation.
- Various interests and developments must be balanced to combine traditional livelihoods, cultures, homes, new green technology, and transition in the Arctic region. For instance, new large-scale wind farms are key for fossil-free electricity production and are a part of the solution but will need to take into consideration the potential impacts on the people affected.

→ The BSC Arctic Working Group calls for a balanced, responsible and sustainable development of the Arctic’s green transition. Collaboration, dialogue and inclusion of local and regional authorities in any policy development and decision making is crucial. No territory and people must be left behind.

3. Safeguarding stability and security of supply in the European Arctic

3.1. A new security situation in the European Arctic
- The basis of the European Union is the maintenance of peace and stability in Europe. Democracy, the rule of law and fundamental and human rights are the basis of all activities in the Union. The European Arctic has become a geopolitical hotspot and faces a new security situation due to Russia’s war in Ukraine. The rising tensions have social, territorial, economic and military implications for the European Arctic. The accession of Finland and Sweden into NATO increases the focus on security and cross-border cooperation in the region.

→ The BSC Arctic Working Group calls on the EU to keep full attention on the development of the European Arctic and ensure stability in this area. The EU must increase its capacity to act as global actor to preserve the stability of the European Arctic and the interests of European citizens living in the Arctic.

3.2. The security of supply in the Arctic is crucial for the realisation of the EU Green Deal
- Critical raw materials and fossil-free steel are fundamental for the decarbonisation and the realisation of the EU Green Deal. The European Arctic contributes significantly to European energy security, economic security, and the defence industry. The industrial links and the security of supply must be further developed and protected by the EU through clear strategic plans.

→ The BSC Arctic Working Group calls for further investments in all transport infrastructures to better connect the European Arctic with the rest of Europe and Norway to ensure security of supply and also military mobility.

3.3. Cooperation and dialogue to enable stability in the European Arctic
- The geopolitical situation, combined with the joint challenges as described above, require increased interregional cooperation. The EU has a key role to create conditions for enhanced multi-level and cross-sectoral cooperation. The facilitation mechanisms and the funding schemes of the EU should be further developed in the upcoming EU budget post-27.
- Cooperation between Sweden, Finland and Norway must continue to be strengthened.

→ The BSC Arctic Working Group calls on the EU to have a strong European Territorial Cooperation, to further foster interregional cooperation in the European Arctic. The EUSBSR is an important framework of macroregional cooperation where European Arctic issues must be addressed, since the European Arctic is part of the Baltic Sea Region.