

## Arctic Funding beyond 2020

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Building sustainable Arctic future depends on strong transnational and regional cooperation. Various EU funding schemes have been actively utilised to tackle acute Arctic problems. The programmes of 2014–2020 are soon ending. With the modernisation of EU Cohesion policy new EU funding programmes 2021–2027 will introduce new approaches. How it will affect future Arctic projects and cross-border cooperation? What's beyond 2020?

Arctic, Northern Europe and Barents Cross-Border cooperation initiatives with no doubt are of high importance for sustainable future building in the Arctic regions. International, EU and local project funding has played always a big role in Arctic cooperation and regional development in general. In the light of approaching new programming period for the EU funding the actors and stakeholders of the region are expecting new regulatory framework of the Arctic related funding programmes. Arctic Project Clustering Event was the place where most recent updates on the progress of EU funding programming were revealed.

Arctic Project Clustering event held in Rovaniemi, Finland on 6–7<sup>th</sup> November gathered more than 100 participants representing local, regional and international authorities as well local and international businesses, university representatives and independent actors dealing with the project consulting provision. Main aim of already 2<sup>nd</sup> Arctic project clustering event was to gather the stakeholders, specialists, experts, project activists for networking, sharing experiences, and starting building new clusters and developing synergies between existing projects. This type of forum is very important for project actors especially to have an interaction with different funding programmes related to the Arctic cooperation as well as to interact with similar or likeminded colleagues from different projects funded by different programmes and share the issues, challenges and good practices.

## Joint EU Arctic Communication

Current EU Funding programmes represented in the event were Northern Periphery and Arctic Programme, Interreg Nord programme, Interreg Botnia-Atlantica, Kolarctic CBC and Karelia CBC programmes. Five cross-border-cooperation (CBC) programmes have established an “Arctic Cooperation” network some years ago and have already conducted one clustering event in Sweden in 2017. Even the programmes may have different priorities, tasks and geographical coverage for eligibility of the project actions, there are plenty of potential synergies and good practices to be shared among the programme actors as well as funded projects. Sharing these practices can benefit everyone active in the CBC. In addition to traditional presentations by the programmes, probably the most valuable part of the event was the parallel networking sessions on various topics. One of them was dedicated to the business and SMEs in the Arctic. During the session participants were able to learn that in various projects dedicated to the provision of support for SME’s, micro or start up companies there are similar challenges, such as the problem to engage small companies into project activities. The problem is that companies that are of small size are too busy with the daily operational activities, small and micro companies do not have really time for additional development and business activities, such as project events that include, trainings, seminars, benchmarking visits and similar. It was also a great platform to build new partnerships and possibility to develop new project ideas.

During the presentation of joint EU Arctic Communication it was explained the standpoint of the clustering importance. European Arctic is suffering from underinvestment and there is a need to enhance collaboration and coordination between different EU funding programmes. Arctic Stakeholder Forum for that reason was considered as a solution to strengthen synergies between the programmes. Project funded by “arctic” programmes may apply for funding to create inter-project clusters and finance project collaboration between projects funded by different programmes. The funding is available under the Northern Periphery and the Arctic programme. In the table in can be seen how the objectives and priorities overlap or connect in various programmes.

Nord	Botnia-Atlantica	Kolarctic	Karelia	NPA
Research and Innovation	Innovation			Innovation
Entrepreneurship	Entrepreneurship	Business and SME Development	Business and SME development	Entrepreneurship
Culture and Environment	Environment	Environmental protection, climate change adaptation and mitigation	Environmental protection, climate change adaptation and mitigation	Energy
	Transport	Accessibility, sustainable and climate-proof transport and communication networks and systems	Promotion of local culture and preservation of historical heritage	
Common Labour Market		Promotion of border management and border security, mobility and migration management	Border management and border security	Sustainability

**Table 1.: Priorities of the Arctic Programmes. Reference:** <https://kolarctic.info/wp-content/uploads/2018/11/arctic-cluster-cooperation-across-programmes.pdf>

## EU funding post 2020

Probably the most awaited part of the event was the presentation covering the issues of the future programming by the European Commission. It is already known that current EU funding schemes are undergoing changes. Bernhard Schausberger from Interact office in Austria introduced to the provision of EU budgeting for regional development and cohesion policy beyond 2020. (Schausberger B. 2018). European Commission has proposed to modernise Cohesion Policy, the EU's main investment policy and one of its most concrete expressions of solidarity and therefore the format of new funding programmes will be changed and will differ from current programmes as we know them (European Commission, 2018). However, the speaker confirmed that we are still living in the phase of many uncertainties and there is not yet available a “crystal ball” to answer all the questions. Therefore it was referred that we are talking yet about the draft of the policy.

Main features of new programmes will include reduced budget for entire EU Cohesion Policy. The stakeholders will have to invest more themselves as the programme's co-financing rate will be reduced to 70%. Maritime cooperation is especially emphasized in new programme. It is proposed by the Commission to combine transnational and cross-border cooperation programmes based on Sea Basins and related strategies. Programming will focus on North Sea, Baltic Sea, Atlantic Ocean, Arctic Ocean, Black Sea, Mediterranean sea, Adriatic basin areas. Simultaneously strong emphasis remains on overseas regions and cooperation with the neighbouring countries and regions. Future programmes will strongly support smart specialisation networking and an effort for modernising industries.

The key objectives were also revealed. According to the presentation by Mr Schausberger under the ERDF programme projects will focus on so called programme Objectives including:

1. Smarter Europe that includes Research, innovation, ICT, competitiveness of SMEs
2. Greener Europe focuses on energy transition, green & blue investment, circular economy, climate adaptation, risk prevention
3. A more connected Europe includes transport, ICT (sustainable, intelligent - including regional, local, cross-border cooperation)
4. A more social Europe
5. A Europe closer to citizens

In terms of Interreg programme we can expect objectives focusing on institution and capacity building; removal of administrative and legal obstacles; support to democracy-building and Civil Society Organisations. Safer and more secure Europe objective will have an external dimension focusing on border crossing management and migration management, including the protection of migrants.

The feedback regarding huge complexity of projects' administration has reached European authorities and it is taken into account in the new programming period. The audience was informed that currently there is serious change taking place regarding the financial management of the projects with the introduced new term and method called Simplified Cost Options (SCOs). The projects in the future will build their budgets by using flat rates, lump sums, standard units ensuring the implementation of the planned project activities to reach the objectives.

Russia cooperation has been always a relevant regional cooperation component for the actors in Finland and Barents region. Therefore, it was additionally good to hear the point of view of Igor Kapyrin from the Ministry of Foreign Affairs of the Russian Federation, who has also a role as a partner in Kolarctic and Karelia CBC Programmes. He introduced the strategy of Russia in regards to the so called arctic Zone in Russia and mentioned that today Russia is returning to the Arctic. Among other the most emphasis is given to such strategic development subjects as infrastructure development in the Arctic, environmental issues and international cooperation promotion, economic cooperation, while also strengthening the military security in the region. In the closure Mr. Kapyrin stressed that Russian Federation is currently co-funding CBC programmes with the EC (such as KolarcticCBC and Karelia CBC) and intends to do so also in the future regardless what new CBC programme schemes will be in the future introduced by the European Commission.

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