

**THE NORDIC REGIONS SHOW THE WAY:
SUSTAINABLE REGIONAL WELFARE, A SUSTAINABLE
ARCTIC AND GREEN GROWTH**

Nordic co-operation programme for regional development and planning 2013–2016

SUMMARY

The Nordic ministers with responsibility for regional development and planning hereby present their co-operation programme for 2013–2016.

Nordic co-operation is designed to generate greater knowledge and provide inspiration for the further development of regional policy perspectives and initiatives. The regional policy ministers hereby invite the ministers for Nordic co-operation, other relevant Nordic sectors and national and international institutions to provide input and:

- **contribute to regionally sustainable welfare development**
- **promote sustainable regional development in the Arctic**
- **stimulate green growth in all regions.**

During the programme period, the regional sector will:

- Create a joint platform for building knowledge about the welfare challenges triggered by demographic change. A major Nordic programme will be implemented, the objective of which is that local and regional authorities will develop innovative solutions to cope with challenges arising from demographic trends. Good examples will be disseminated and discussed, and will form the basis for the further development of policy and administration at national, regional and local level.
- Initiate a thematically broad and in-depth study of future developments in the Arctic, which will result in projected scenarios or snapshots of future conditions. The goal is to facilitate the work of the Nordic Council of Ministers' Arctic Co-operation Programme by collating, processing and analysing existing information (including perspectives from other Nordic and European initiatives), assessing the different predictions for development in the area, and drawing up new snapshots of the future that will be rich in perspective. This will make a significant contribution to the further development of the political debate and endow professional knowledge in the area with greater weight and a more holistic character.
- Contribute to the growth in business and employment in green industries. There is a need for more knowledge about the conditions for environmental entrepreneurship and innovation. New measures need to be tried out to promote green innovation, both regionally and locally. Good examples will be discussed and disseminated to other areas.
- Develop examples of sustainable urban patterns that serve as good models for different types of regions in the Nordic countries, and which might also inspire other countries in Europe.

The Council of Ministers for Trade, Energy and Regional Policies (MR-NER) has overall responsibility for Nordic co-operation on regional policy. The ministers take strategic decisions about the way in which Nordic regional policy co-operation operates. Meetings of the regional ministers provide opportunities for interesting political discussion and constitute an arena for developing new co-operation initiatives. The co-operation is managed by the Committee of Senior Officials for Regional Policy (EK-R), in close collaboration with the Nordic Council of Ministers' Secretariat.

Practical cross-border work has always been central to Nordic co-operation. **NORA** (Nordic Atlantic Co-operation) and **the West Nordic Fund** run development initiatives in the West Nordic Region. During the programme period, the activities of the West Nordic Fund will be analysed with a view to improving resource utilisation. In the other border areas, local and regional authorities have established **border committees**, which work on development initiatives across territorial borders. Border committees constitute the institutional infrastructure for local co-operation, and as such receive funding from the Nordic Council of Ministers. New funding criteria will be drawn up.

Nordregio, a Nordic Council of Ministers' institution, develops and disseminates relevant information to agencies involved in regional development and planning in the Nordic Region. Nordregio will be responsible for planning and implementing measures within the three priority areas, based on a mandate from EK-R. Nordregio accounts for most of the committee of officials' project funding, and contributes to EK-R in the form of advice, input and specific project proposals. The Nordic Council of Ministers wants Nordregio to focus even more on policy-relevant knowledge production and dissemination. This will be achieved in part through the further development of Nordregio's role as secretariat, advisor and communicator to EK-R.

The financial resources made available to Nordic regional policy co-operation will be prioritised in a manner that facilitates implementation of this programme. The Council of Ministers will seek co-operation with others in order to implement this ambitious programme in all its breadth. The ministers for the regions wish to contribute to close co-operation between interest groups in the NMR, national agencies and regional and local bodies.

1. NORDIC REGIONS TO PRESENT POSITIVE SOLUTIONS TO NORDIC AND EUROPEAN CHALLENGES

The Nordic ministers with responsibility for regional development and planning hereby present their co-operation programme for 2013–2016. The programme outlines the prioritisation for joint Nordic resources. The co-operation focuses on themes of political interest in the individual countries, both within the regional sector and in relation to Nordic co-operation. The co-operation programme includes priority areas that also feature on the EU agenda.

All of the Nordic countries pursue the overarching regional policy objective of contributing to welfare and economic growth by exploiting the potential of all parts of the country. A further objective is to ensure that regional policy and planning contribute to sustainable development between cities and rural areas. Nordic co-operation on regional policy and planning is based on these overarching national objectives.

The basic principle of the programme is that many policy initiatives will be based on an understanding of local and regional conditions. Local and regional knowledge and dynamism must be combined with agencies and initiatives at national level in order to implement new solutions to common challenges. Via this programme, the Nordic regional ministers will invite the ministers for Nordic co-operation, other relevant Nordic sectors, and national and international institutions to work together in order to:

- contribute to regionally sustainable welfare development
- promote sustainable regional development in the Arctic
- stimulate green growth in all regions.

The overall objective of the co-operation programme is to inspire central, regional and local authorities in the Nordic Region with examples of good practice within the three priority areas. New models for solutions will add to professional knowledge and inspire dissemination and discussion of the models as the basis for the further development of regional policy perspectives and initiatives. The Nordic Region intends to inspire other European countries to think about the common challenges faced in at least one of these areas.

Through this co-operation programme, the regional sector will pave the way for the majority of the funds, administrative resources and political attention to be concentrated on these three priority areas.

2. GENERATING NORDIC SYNERGY

The conditions for achieving the above-mentioned targets and objectives are relatively similar in the Nordic countries – at least compared to many other European countries and regions. As a result, the countries – via work in the Nordic Council of Ministers – have for many years worked together to exchange experiences, thereby building a common knowledge base and promoting freedom of movement.

The work is focused on two types of activities:

- Cross-border co-operation
- Joint development of knowledge and exchanges of experience.

Cross-border regional co-operation is an important tool for creating functioning regions that

transcend national borders in the Nordic Region, and helps to offset the ways in which the border areas are disadvantaged by being peripheral regions in their own country. At the same time, differences in national regulations are an obstacle to cross-border mobility for the workforce and for businesses.

For several years, the border committees have worked to improve day-to-day integration via projects that pave the way for cultural, social and economic co-operation. The Nordic Council of Ministers has assumed an important role in the work to reduce formal obstacles to mobility created by various forms of regulation. The border committees in the Nordic Region contribute to this work and play an important role in work dealing with informal and perceived obstacles, such as cultural and language difficulties.

For several years, the regional sector has worked systematically with comparative analyses, in which the Nordic countries and regions are compared with each other and with other regions in Europe, including via the work done by Nordregio. Joint research projects have increased knowledge of the preconditions for regional development and planning. The Nordic countries have worked together to strengthen our interests vis-à-vis the EU's regional policy and competition policy.

Exchanges of experience, knowledge-generation and cross-border regional development are relevant and important to both the Nordic countries' and the EU's regional policy. Some examples follow below:

- *Nordic cross-border co-operation provided the basis for Interreg in the Nordic Region*, and co-operation on border regions became part of Nordic Council of Ministers' remit in the early 1970s. This co-operation in turn formed the basis for the Nordic countries' ability to efficiently exploit Interreg funding, which became available after Finland and Sweden joined the EU in 1995. This resulted in a manifold increase in the resources for cross-border co-operation involving the Faroe Islands, Greenland, Iceland and Norway.
- *Common understanding and co-ordination became new targets in EU regional policy*: During the 1994 negotiations between the EU and Finland, Norway and Sweden, it became clear that the Nordic countries focused on peripheral and sparsely populated regions, while the EU was more interested in economically backward regions with low per capita GDP and high unemployment. The Nordic countries established a common position in the negotiations based on good interrelationships and an overall understanding and knowledge of the countries' regional policies. This contributed greatly to the establishment of Target 6, regarding sub-Arctic regions with low population density, which later secured several billion kroner in EU funding for regional development in Finland and Sweden. During the negotiations, the rules governing state subsidies were also changed so that population density was included as a separate criterion.
- *Nordic–Scottish co-operation resulted in the development programme for the Northern Periphery*: In 1994, the Nordic countries (via the Council of Ministers) and Scotland identified several common strategic interests in relation to the EU, and a positive co-operation on policy development was initiated. The single most important outcome of this was the establishment of the Northern Periphery programme. This programme has provided over NOK 50 million per annum to development projects in Finland, the Faroe Islands, Greenland, Ireland, Iceland, Northern Ireland, Norway, Scotland and Sweden.
- *Nordic statistics and analyses have contributed to the sparsely populated regions being mentioned in the EU Treaty*: Nordregio has long developed statistics and analyses that have

provided a basis on which to compare developments in the regions and local authorities, both in the Nordic Region and, increasingly, across Europe. This work has provided a factual and quality-assured basis for discussion in multiple contexts. One example of this is that attention has been directed towards the most northerly parts of the Nordic Region, which in turn has contributed to sparsely populated regions being mentioned in the EU Treaty as a type of area to which special attention must be paid.

- – *The border regions have worked to reduce obstacles to cross-border freedom of movement:* Reducing the problems caused by a border between two countries requires long-term effort. In connection with the establishment of the Øresund Bridge, the Øresund Committee presented a thorough and comprehensive overview of approx. 90 obstacles. This in turn formed the basis for Denmark and Sweden to facilitate mobility for people and businesses. Several border regions have long worked to establish new transport solutions across national borders. Examples include the rail and air links between Sweden and Norway, and the Vasa–Umeå ferry route. The border database StatNord and the accessibility database Pin Point Norden are important tools in mobility work.

3. FOCUS AREAS FOR NORDIC REGIONAL POLICY CO-OPERATION 2013–2016

The core of this strategic programme is outlined below. On the basis of national and Nordic priorities, three areas have been identified on which it will be particularly useful to work together at Nordic level

3.1. REGIONALLY SUSTAINABLE WELFARE DEVELOPMENT

An important element in the Nordic countries' regional policy is ensuring that all regions have access to jobs, education and welfare services. The Nordic countries' regional policy agencies focus on challenges that may require an extra – or a different type – of effort to safeguard good living conditions in all parts of the country.

There is reason to expect that the regional policy elements of welfare policy will again become more important. This is partly due to the fact that most of the Nordic countries face significant demographic challenges:

- Stagnation or partial reduction of the workforce. The younger generations are not numerically large enough to fully replace those leaving the labour market.
- Major increase in the number of people aged 65 and over. The next 30 years will see this age group increase by 50-100 % in all of the Nordic countries.
- Post-war geographical centralisation has resulted in significant differences in the population structure between the growing urban areas and sparsely populated rural areas. This has brought about new regional imbalances in terms of access to and demand for labour.

The nature and scope of the challenges varies in and between the countries. Particularly large and complex challenges are faced by many of the Nordic Region's peripheral regions and local communities. These are often communities that face several demographic challenges simultaneously. For example, local labour can only cope with a modest increase in the need for care of the elderly. Migration of labour and expertise from other areas is needed. At the same time, a number of areas are struggling to be sufficiently attractive to such migrants. Sparsely populated areas also face challenges associated with delivering good-quality and easily accessible services, due to, among other things, long distances and high transport costs. The private sector also faces labour shortages in relation to particular skills.

Several regions face shortages of labour and unemployment at the same time due to the lack of balance between supply and demand. More flexible labour markets are to be encouraged, therefore, though initiatives for rapid retraining, better options for commuting, stronger incentives for older staff to keep working, and a weakening of traditional, gender-based career choices.

Greater concentration of the population in cities poses social and environmental challenges. However, at the same time, innovation in cities can contribute to growth in other parts of the country. The demographic trends also illustrate the need to analyse the cities and districts that complement each other and function as contiguous regions.

In recent years, migrants from abroad have helped to fill the need for manpower and competence in the private and public sectors. On average, the Nordic countries recorded a net migration of 5.1 per 1,000 inhabitants in the period 2006–2010. Large parts of Sweden and Norway and Åland experienced significantly larger net migration, while net immigration in Denmark and Finland was modest. The Faroe Islands, Greenland and certain local authorities in Iceland had, in relative terms, the highest net migration in the Nordic Region. Migrant labour will be able to help fill the growing need for manpower with relevant skills. Potentially, there is also the option of training new migrants

for jobs where demand is particularly high.

The combination of an increasingly smaller proportion of the population in the workforce and an increasing proportion of the population in need of care will create challenges for the Nordic countries. This is particularly evident in the peripheral regions. There will be an obvious regional aspect to this development, which will require new solutions. Through Nordic co-operation, we will exchange knowledge and experiences on ways to meet these challenges.

Strategy: innovative solutions for local and regional welfare development

The demographic challenges require efforts in a number of different policy areas: economic, business, the labour market, education and welfare, in the broad sense. Efforts should be co-ordinated across sectors and between levels of government and administration.

The regional sector within the Nordic Council of Ministers will create a joint Nordic platform for knowledge-building, which will serve as an arena for exchanges of experience about the challenges and opportunities that arise in the wake of demographic change. The regional sector will develop a major Nordic programme, the objective of which is that local and regional authorities develop innovative solutions to cope with challenges and exploit opportunities arising from demographic trends. Supported by the new knowledge platform, good examples will be disseminated and discussed, and will form the basis for further development of policy and administration at national, regional and local level in the Nordic countries.

Projects that are implemented via this programme will help to exploit the potential for the further development of public and private services, local communities' attractiveness and the mobilisation of manpower. The projects will support:

- greater innovation in service-providing enterprises: new technologies, new organisation and new ways of working
- increased immigration and greater inclusion: developing attractive local communities that qualify, recruit and retain workers with relevant skills for the public and private sectors
- better mobilisation of local manpower: more people in work, a higher percentage of full-time equivalents and more skills enhancement
- closer co-operation with the private sector: mobilising resources in organisations and among individuals
- new products and services: increasing innovation in order to create products and services tailored to specific groups of users of public welfare services.

Recognition that needs vary within and between different regions and local communities is an important prerequisite for good results.

Within Nordic regional policy co-operation, Nordregio has come a long way in terms of describing and analysing the demographic trends. A handbook has been published offering guidance at local and regional level on how to help solve the challenges resulting from demographic trends. Revised editions of the handbook will also include good examples of solutions, which will in turn be disseminated and discussed in the regions and communities.

3.2 SUSTAINABLE REGIONAL DEVELOPMENT IN THE ARCTIC

The main objective of the Nordic Council of Ministers' Arctic Co-operation Programme 2012–2013 is to provide sustainable development for the people of the Arctic, based on the challenges presented by globalisation and climate change. The programme points out that, on the one hand, climate change may mean the loss of traditional ways of living, settlement patterns, industries and

natural habitats. On the other hand, it will lead to new business and development opportunities, such as oil, gas and mineral extraction.

The Arctic is a huge geographical area in which many countries and organisations see great potential. Primarily, these are the countries that make up the Arctic Council, i.e. the Nordic countries, the USA, Canada and Russia. All eight of these countries have developed Arctic strategies. The EU has its own northern strategy and is increasingly active in these areas. The north-east Asian countries – China, Japan and South Korea – have also invested in the Arctic.

This interest is partly linked to expectations of substantially more efficient transport solutions through the North-East Passage. In summer 2011, the passage was used by bulk carriers. Forecasts suggest that the ice-free period will increase, and that more and more ships will use this route. Increased traffic through the North-East Passage will also provide new opportunities for port developments at suitable sites. At the same time, the North-East Passage may be an unsafe transport route that presents environmental challenges. There is, therefore, an obvious need for effective emergency-response solutions.

In the last decade, the temperature in the Arctic has risen twice as fast as the global average. Summer ice cover has decreased by approx. one third compared with the average for the period 1980–2000. Over 40 % of the annual rise in the global sea level is caused by the melting of the Greenland ice and glaciers in the Arctic. Warmer climate, changes in precipitation intensity (wetter or drier, depending on the area) and pollution can also affect the ability of nature in the Arctic to cope.

In terms of business development, this situation presents both great opportunities and serious environmental challenges:

- Fisheries and aquaculture: the Arctic Region is one of the world's largest fishing areas, and further exploitation requires sustainable resource management. At the same time, there are opportunities to catch and land new species.
- Oil and gas: it is believed that the Arctic continental shelf contains 13 % of total world oil reserves, and about 30 % of natural gas reserves. The Barents Sea and East Greenland are the two closest Arctic areas in or associated with the Nordic Region. At the same time, utilisation of the resources requires extensive knowledge of environmental impacts and initiatives to reduce the dangers.
- Minerals: strong growth is anticipated in the world markets for minerals used for industrial and health purposes. Major new ore and mineral extraction projects are underway in the northern parts of Finland, Norway and Sweden. However, the extraction process utilises large areas of land and leads to environmental problems associated with the use of natural habitats, pollution and waste. Ore and mineral extraction also provides increased opportunities for the transport industries and associated services on land and at sea, and also requires further port expansion. Today, the infrastructure is considered a bottleneck for the exploitation of resources in the North Calotte area.
- Tourism: an increasing proportion of the world's travellers see themselves more as explorers than tourists, and will be eager to experience the great challenges and joys of the Arctic. With the opening of North-East Passage cruises, tourism will grow significantly. Significant adjustments will be required to reduce negative impacts on the environment, and emergency-response services must be significantly improved.

Strategy: scenarios will be developed for sustainable regional development in the Arctic

There is a need for more knowledge and a better basis on which to predict future conditions, in order to be able to develop action programmes and initiatives.

The regional sector within the Council of Ministers will therefore take the initiative to conduct a thematically broad and in-depth study of future developments in the Arctic, in the form of scenarios or snapshots of the future. The goal is to facilitate the work of the Nordic Council of Ministers' Arctic Co-operation Programme by collating, processing and analysing existing information, assessing the different predictions for development in the area, and drawing up new snapshots of the future that will be rich in perspective. This will make a significant contribution to the further development of the political debate and endow professional knowledge in the area with greater weight and a more holistic character.

The visions of the future should include analyses in which technological, economic, social, cultural and environmental perspectives are seen in context, and in which regional preconditions and consequences of the exploitation of resources are central. This will provide a good basis for drawing up specific programmes and initiatives at regional, national, Nordic and European level.

The regional sector can mobilise statistical data, regional analyses and solid understanding of regional community development in general and in the Arctic in particular. As a basis for the future scenarios, the regional sector has already drawn up a great deal of relevant material, e.g. the Nordregio report "Megatrends" and the OECD report for NORA. We will use Nordic and national studies to draw up more comprehensive visions of the future.

3.3 GREEN GROWTH IN ALL REGIONS

The overriding goals of European and Nordic green growth initiatives are to restore growth after the financial crisis and to safeguard the interests of the global climate and environmental development. Investment and innovation will promote types of growth that generate new value and lead to more sustainable economic development. A particular priority is to stimulate the development of environmentally based business development in all industries, including energy production. Efforts to promote green growth are also an important part of the work to achieve environmental, climatic and regional policy objectives.

Regional policy and planning initiatives make an important contribution to the above goals. These areas contain two perspectives that have been – and should be – central to Nordic co-operation:

- Promoting green innovation and entrepreneurship in all regions
- Developing positive models for sustainable urban regions.

In addition, the main objective within this area is to develop, communicate, discuss, initiate and evaluate good examples that can provide input to the renewal of political thinking and action. The priority area is also relevant to current EU priorities, and probably also to the prioritisation of EU structural funds for the period 2014–2020.

The basic perspective is that the preconditions for different types of green growth will vary greatly between different regions. The regional sector will work to identify different regions' potential for making contributions to climate-, energy- and environmental goals. This potential will be utilised as effectively as possible via regionally and locally adapted policy. The regional sector wishes to conduct activities in this priority area in close collaboration with the Nordic Council of Ministers' business and industry and energy sectors.

Strategy: promoting green innovation and entrepreneurship in all regions

Studies cited in the report of the Nordic prime ministers' working group on green growth show that it is possible to create 1.4 million new jobs in Europe, provided that the target of a 20 % share of

renewable energy is reached by 2020. The Nordic Region has some important advantages in terms of technological innovation for green solutions. The countries already have expertise in green technology, partly thanks to their systematic focus on the environment and sustainable development over many years.

The regional sector's goal is to contribute to growth in green businesses and jobs for both men and women. There is a need for more knowledge about the conditions for environmental entrepreneurship and innovation. New measures need to be tried out to promote green innovation regionally and locally. Good examples will be discussed and disseminated to other areas. In order to implement this, the initiative will be taken for more systematic learning and knowledge transfer.

It is also important to have a regional perspective, as the resources are at present unevenly distributed between regions, and renewable energy needs to be produced, and also sometimes consumed, locally. Regional and local authorities are closer to consumers and businesses. They are therefore better equipped than national and European agencies to translate policy into practice. Moreover, local and regional authorities are involved in planning and decision-making processes.

An OECD analysis shows that sparsely populated areas have the potential for green growth. This particularly applies to renewable energy, in the form of wind power and biomass. Other examples include the development of green tourism and environmentally friendly food production. At the same time, it must be taken into account that, for example, renewable energy can clash with the goal of unspoiled nature and targets for the development of tourism.

Strategy: develop positive models for sustainable urban regions

There is reason to expect that high birth rates and immigration from abroad will continue to drive population growth in major Nordic cities, and that this development will put pressure on infrastructure and land use. Planning solutions to meet these challenges must reflect the fact that business development, physical planning and environmental and climate concerns are all seen within the same context. It is also necessary to see the development of cities and local authorities within commuting distance of each other in the context of developing sustainable urban patterns. In doing so, environmentally effective transport solutions and the development of energy-friendly forms of transport must be evaluated in greater depth. Large cities make up particularly complex regions. Environmental, economic development and social challenges must be viewed in a holistic perspective, and this requires better planning processes and greater knowledge.

The regional sector's goal is to contribute to the development of planning tools for developing cities, in which business development, physical planning and climate and environmental considerations are seen in context. Examples also need to be developed of sustainable urban patterns that serve as good models for different types of regions in the Nordic countries, and which might also inspire other countries in Europe.

In developing such models, several important points must be clarified: How can development and growth in urban regions be facilitated at the same time as account is taken of the overarching goals of sustainability and climate change? How can a contribution be made to business development and growth in urban regions without using more land, energy and other resources than necessary?

The Nordic countries use similar planning and management systems and face many of the same challenges. The Council of Ministers will continue to develop the knowledge-generation and exchanges of experience initiated under the auspices of the working group on the Nordic city regions and Nordregio. In this work, the regional sector also wishes to source input from the informal network of planning authorities in the Nordic countries and from relevant activities by other Nordic stakeholders.

4 PLAYERS IN THE CO-OPERATION

Regional policy co-operation involves the Nordic decision-making bodies and institutions, the border regions, and a large number of organisations from all of the Nordic countries.

4.1 THE COUNCIL OF MINISTERS – ARENA FOR POLITICAL DISCUSSIONS AND CO-OPERATION INITIATIVES

The regional ministers, along with the ministers for energy and industry, form the Nordic Council of Ministers for Business, Energy & Regional Policy (MR-NER). The ministers normally meet once a year,

and take strategic decisions about the way in which Nordic regional policy co-operation operates. Meetings of the regional ministers provide opportunities for interesting political discussion and constitute an arena for developing new co-operation initiatives.

4.2 THE COMMITTEE OF SENIOR OFFICIALS – ARENA FOR PROFESSIONAL DISCUSSION

The Committee of Senior Officials for Regional Policy (EK-R) has professional and administrative responsibility for the regional sector's activities, in close co-operation with the Nordic Council of Ministers' Secretariat. The chairmanship of EK-R rotates between the countries. The Presidency sets the agenda and facilitates close co-operation in the various arenas.

EK-R is a forum for professional discussion and exchanges of experience as a basis for policy development in each country. EK-R follows up on the implementation of the co-operation programme and collates the results of the programme activities.

In the programme period 2009–2012, EK-R established working groups to improve co-operation on policy development, knowledge development and exchanges of experience in the following areas:

- The role of Nordic city regions in regional policy
- Village development viewed from a broad perspective
- Globalisation and cross-border co-operation
- Third-generation regional policy.

The working groups have functioned as intended. They have contributed to the concrete and useful exchange of experiences, and have helped to enhance Nordic perspectives into the policy area. For the programme period 2013–2016, new working groups will therefore be established for each of the three priority areas.

A working group has followed up regional policy issues discussed in the EU, and has discussed EU/EEA-related issues such as support for the countries' work with regulations and national positions. This co-operation will be continued.

4.3 BORDER REGIONS – INFRASTRUCTURE FOR PRACTICAL CO-OPERATION

Practical cross-border co-operation has always been central to regional policy co-operation. The border-regional and local development co-operation in the Nordic Region consists of several elements:

- The Nordic institution NORA (Nordic Atlantic Co-operation), which works in the Faroe Islands, Greenland, Iceland, Northern Norway and Western Norway.
- Funding for border committees working in the border areas between Denmark, Finland, Norway and Sweden.
- Work to support the integration process is done via StatNord, in which the Nordic countries' statistical authorities participate by producing and analysing cross-border statistics.
- The West Nordic Fund, which primarily provides loans to companies in the Faroe Islands and Greenland. The Council of Ministers appoints auditors and decides on changes to the statutes.

Many of the border regions have long traditions of co-operation in ARKO and the North Calotte that date back to 1967. The aims of Nordic support for the border regions are:

- to exploit opportunities and reduce barriers created by the existence of national borders within a functionally coherent region
- to support development, innovation and growth in a sustainability perspective.

NORA and the border committees work to develop competitiveness among businesses in the border regions, identify and break down obstacles to mobility, develop sustainable and climate-friendly environment and energy solutions, and develop infrastructure/communications.

Since Finland and Sweden joined the EU in 1995, resources for cross-border co-operation have multiplied several times over. The establishment of the Nordic border regions and the support from the Council of Ministers was crucial for the geographic delimitation and organisation of the EU's participation in cross-border co-operation in the Nordic Region. Nordic co-operation therefore contributed to the investment of substantially more resources than previously. In 2010, Council of Ministers' funding amounted to approx. 6 % of turnover in the border committees. However, there are large variations between committees.

The border committees bring together local and regional stakeholders who contribute ideas, networks and financial resources to cross-border regional co-operation. The Council of Ministers will emphasise the importance of local and regional support for the work. The Council of Ministers wishes to continue to contribute to the existence of local co-operation bodies in which cross-border co-operation is rooted, planned and implemented. The border committees make up the institutional infrastructure for local co-operation, and it is on this basis that the Council of Ministers still wishes to support them financially. New funding criteria will be drawn up during the new programme period.

The Nordic Council of Ministers will continue to pave the way for systematic and continuous exchange of experience and knowledge between the border regions. The Council of Ministers' Secretariat will play a key role in this work.

Within the budget frameworks for cross-border regional co-operation, the Council of Ministers will contribute to the running of the joint Nordic cross-border regional statistics database StatNord.

The Nordic Council of Ministers will initiate a review of the West Nordic Fund, with a view towards deriving greater benefit from the fund's resources.

NORA, the West Nordic Fund, the North Calotte Council and other relevant border committees will be invited to participate in the work to develop regional visions for the future of sustainable economic development in the Arctic.

4.4 NORDREGIO – KNOWLEDGE HUB

Nordregio was established by the Nordic Council of Ministers in 1997 and now employs 30 people. It is headed by a board, and enters into framework agreements with the Council of Ministers that control both the institution and the professional content of its work. The Nordic Council of Ministers has in recent years commissioned about 50 % of Nordregio's business.

Nordregio, a Nordic Council of Ministers' R&D institution, develops and disseminates relevant information to agencies involved in regional development and planning in the Nordic Region. Nordregio strives to be the leading centre for research and targeted development in its field in Europe. Nordregio, in close co-operation with the Committee of Senior Officials, will be one of the most important players in the implementation of this co-operation programme. The work on the priority areas will utilise Nordregio's European network.

Nordregio has in recent years accounted for much of the Committee of Senior Officials' project funding, and contributes to EK-R in the form of advice, input and specific project proposals. The Nordic Council of Ministers wants Nordregio to focus even more on policy-relevant knowledge production and dissemination. A further development of Nordregio's role as working-group secretariat, advisor and communicator to the EK-R will contribute to this.

4.5 NORDIC COUNCIL OF MINISTERS' SECRETARIAT – SUPPORTING PLAYER IN THE IMPLEMENTATION OF THE PROGRAMME

The Nordic Council of Ministers' Secretariat in Copenhagen, in collaboration with the annual Presidency, is responsible for the preparation of cases to be discussed at meetings of the Council of Ministers and Committee of Senior Officials.

The Secretariat is a professional support function for the countries, and also has responsibility for financial management and co-ordination with other sectors of the Nordic Council of Ministers. The Secretariat can also take new initiatives and present cases to the Presidency/Committee of Senior Officials.

4.6 WORKING WITH OTHER STAKEHOLDERS

The regional policy co-operation has close links to other parts of Nordic co-operation, particularly in relation to the big joint initiatives in, for example, globalisation, sustainable development, green growth and welfare.

For many years, the Nordic Region has benefited from well-developed partnerships with organisations that cover other geographical areas. Through the cross-border regional co-operation, good contacts have been established with Scotland, the Baltic states, North-West Russia and the Barents Region. Organisations like the Arctic Council, the Council of Europe and the OECD are important for the development of the northern region of Europe. The EU has drawn up a Baltic Sea Strategy and a policy for the Northern Dimension. The Baltic Sea Region in particular has a large number of relevant organisations. During the next programme period, the regional sector will continue to seek to supplement this co-operation by adding analyses of developments in our part of the world.

5 FINANCIAL CONSEQUENCES

The financial resources made available to Nordic regional policy co-operation will be prioritised in a manner that facilitates implementation of this programme. The Council of Ministers will seek co-operation with others in order to implement this ambitious programme in all its breadth.

The ministers for the regions wish to contribute to close co-operation between interest groups in the NMR, national agencies and regional and local bodies.