

THE NORWEGIAN GOVERNMENT'S HIGH NORTH STRATEGY



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a framework for action, which the Government will strive to fill in the coming years. It is not a catalogue of measures, although it does mark the launch of a number of forward-looking efforts.

The strategy sets out two potential new measures for Norway's cooperation with Russia: firstly, the Government is proposing an exchange programme for Russian students, and secondly it will consider a proposal for an economic and industrial cooperation zone, which would include both Norwegian and Russian territory in the High North. The High North grant and exchange scheme will encourage students and researchers conduct part of their studies and research work at North-Norwegian institutions. The cooperation zone would serve as a laboratory for practical Norwegian-Russian business cooperation in the north.

An inter-ministerial committee, headed by the Minister of Foreign Affairs, has coordinated the work on the strategy. Additional expertise has been provided by an external committee of experts chaired by the Rector of the University of Tromsø, Jarle Aarbakke, who has drawn on the knowledge and experience to be found in the High North. We have also maintained close contact with a large number of groups and institutions in the High North, and with regional authorities and the Sámidiggi (the Sami Parliament).

A long-term perspective and predictability are important features of Norway's High North policy.

They will be at the core of our efforts over the next few years. As we increase our activities, Norway's policy in the High North will continue to be consistent.

The key words for the strategy are presence, activity and knowledge

It is our ambition to ensure a presence in the High North both through maintaining settlements and through being present in the areas under Norway's jurisdiction including Svalbard, our sea areas, coastline, and settlements and towns on land.

It is our ambition to be at the top of the league in key areas of science, from fisheries and other industries to tourism and newer endeavours such as marine bioprospecting, i.e. searching for valuable biochemical and genetic resources from living marine organisms.

And it is our ambition to be a leader in science in all these areas. Knowledge is at the core of our High-North efforts: building people's knowledge and experience so that we can show the way, utilise existing opportunities, discover new ones, and attract other countries that want to take part, invest and share knowledge. Our focus on knowledge will include further developing our capacity to safeguard Norway's foreign policy interests in the High North.

Our High North policy has given rise to optimism and high expectations. A number of initiatives have been taken in recent years that are

based on a real will to develop the opportunities in the High North. Most of these initiatives have originated in the north, but there is also growing interest from other parts of the country and from our neighbouring countries.

This strategy sets out the framework for our efforts in the High North. The Government will act as prime mover and facilitator, and has already invested considerable resources in major programmes in the north, including research and efforts to implement the integrated management plan for the Barents Sea-Lofoten area. But a modern partnership has room for a wider range of actors: from the public and private sectors as well as other Norwegian and international partners.

The Government will follow up the strategy in coming budgets and through carefully targeted measures. We are inviting others to take part in fruitful partnerships, so that a wide range of actors gain ownership and a sense of responsibility and are able to take advantage of existing and new opportunities.

Therefore this strategy is also an invitation to everyone with an interest in the High North.

Oslo/Tromsø December 1 2006



Jens Stoltenberg

sea-water and salmon fisheries. The Government will develop existing and new forms of economic activity as a basis for Sami settlement patterns and to safeguard the Sami culture. We will also promote capacity and competence building in Sami institutions, and these institutions will be encouraged to take active part in international cooperation.

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People-to-people cooperation is an important part of Norway's High North policy. Health, education, culture, sport, child and youth work and volunteer activities are key components. Opportunities for people to come together to take part in joint activities in these areas foster mutual understanding and trust which again foster stability and development in the High North. The Government will seek to ensure that the Barents Cooperation continues to play an important role in creating meeting places and networks for people in the High North.

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In the context of our High North policy, it is vital to maintain close bilateral relations with Russia, which is both a neighbour and the country with which we share the Barents Sea. A number of the challenges in the High North in areas such as the environment and resource management can only be solved with Russia's engage-

ment and Norwegian-Russian cooperation. Russia is undergoing rapid economic development. The changes that are taking place in the country's economy, society and politics do not affect the objectives of Norway's policy, but developments will be followed closely and instruments adapted accordingly. The Government's policy towards Russia is based on pragmatism, interests and cooperation.

In following up the main priorities of the High North strategy, the Government will:

- further develop the active dialogue with neighbours, partners and allies on High North issues;

- raise the profile of Norway's High North policy in regional and international forums and ensure that this is done in a coordinated manner;

- further develop petroleum activities in the Barents Sea area through an active licensing policy that takes into account the need to follow up exploration results and the need to open up new areas for exploration ; the Government will also encourage geological surveys in the High North;

- draw up a proposal for an economic and industrial cooperation zone, which would include both Norwegian and Russian territory in the border areas of the High North;

- identify further measures to facilitate border crossing between Norway and Russia;

- examine the need for a new, ice-class research vessel with a view to increasing the year-round Norwegian presence in northern waters;

- strengthen knowledge building and research in and about the High North through the Research Council of Norway;

- increase maritime safety in the waters around Svalbard is to be increased by such means as applying the Harbour Act and introducing a mandatory system requiring the employment of local people with thorough knowledge of the waters around Svalbard to pilot vessels sailing in these waters;

- strengthen cooperation with the authorities in Russia and other countries in the fight against illegal, unregulated and unreported fishing in the Barents Sea;

- build up efforts to implement the integrated management plan for the Barents Sea–Lofoten area through surveys and monitoring of the marine environment, and on research on the ecosystems and how they are affected by human activities;

- intensify surveying, monitoring and research efforts relating to climate change and environmentally hazardous substances in the High North;

- continue Norway's engagement in efforts to ensure nuclear safety and emergency preparedness in the High North;

increase research and development efforts to develop environmental technology for and in the High North;

initiate more knowledge-generation and development projects within the framework of the Barents 2020 programme;

establish a grant scheme for studies at North Norwegian institutions, , which will be funded via the Barents 2020 allocation;

develop closer cultural cooperation in the High North, especially with Russia;

consider measures to increase the recruitment of competent and qualified labour to the High North from other countries;

promote bioprospecting activities and the development of new products derived from marine organisms;

provide a suitable framework for a greater research effort on farming cod and other marine species of interest;

consider supporting efforts to start up goods traffic along the Northern East–West Freight Corridor, which is an initiative to provide a transport solution from Central Asia to North America through the port of Narvik;

consider whether there is reason for the Government to assess new transport solutions such as

PART 1

Norway will continue to take a consistent approach that is readily recognisable for our neighbours, partners and allies. We have shown firmness in exercising our sovereignty and in fulfilling our responsibility to control resource use, but also openness in seeking solutions in response to new developments through cooperation. This pattern is being continued with the introduction of the High North as a new dimension of our foreign policy.

This new dimension includes increased activity and a stronger strategic focus on maintaining longstanding Norwegian interests, developing cooperation with Russia, and gaining acceptance for the importance of sound resource management and efforts to protect the environment and address climate change. The focus on the High North will make it easier to see these issues, and how they are

be located in Arctic areas.¹ According to the Norwegian Petroleum Directorate, more than two thirds of the undiscovered resources on the Norwegian continental shelf are located in the Norwegian Sea and the Barents Sea.

The focus of Norwegian energy policy is thus continuing its historical shift towards the north. At the same time, energy issues are acquiring a foreign policy dimension as energy supply and security become increasingly important in international relations. In many countries, energy is becoming more clearly defined as a part of security policy.

The main lines of Norway's petroleum policy are well established. However, we must be aware of and respond to the increased importance of energy issues as we implement our foreign and security policy. So that our relations with other countries better reflect the prominent role energy has acquired, the Ministry of Foreign Affairs, in close cooperation with the Ministry of Petroleum and Energy, will therefore strengthen its capacity to handle energy issues.

The High North is increasingly being seen as a barometer of global climate change. The temperature rise is about twice as fast in the Arctic as in the rest of the world, and this will have major consequences for people living in the north. Moreover, environmentally hazardous substances from other parts of the northern hemisphere

end up in the High North. The increasing awareness of climate change and pollution is creating a need for closer international monitoring of the Arctic environment.

The problem of climate change is at the top of the environmental policy agenda. Climate issues must, however, also be reflected in foreign and development policy because it is clear that climate change will have an impact on the security of countries and people all over the world. The Ministry of Foreign Affairs and the Ministry of the Environment will intensify their cooperation to ensure that Norway fulfils its commitments under the Kyoto Protocol and plays an active role in efforts to achieve a more ambitious climate agreement for the period after 2012.

Svalbard is therefore gaining importance as an international environmental and climate research platform. It provides unique opportunities for a wide range of experts to build up knowledge of climate change and the environment, and raise awareness of this major global problem. It is vital for Norway to maintain the important role of this meeting place.

The Government considers it important to continue its efforts in Svalbard in line with Norway's policy on Svalbard: consistent and firm enforcement of sovereignty, proper compliance with the Spitsbergen Treaty and control to ensure compliance with the treaty, maintenance of peace and stability in the area, the protection of its distinctive wilderness character

and maintenance of Norwegian settlements on the archipelago.²

Developments in the High North have become more dynamic as a result of the stronger international focus on energy and the environment. The static Cold War situation has been replaced by a vision of broad international cooperation.

These changes have figured prominently in the High North dialogues Norway has been conducting with key Western countries. The purpose of the dialogues is to explain Norway's interests and positions in order to gain acceptance for our views of the opportunities and challenges in the High North, and to identify new areas and forms of cooperation.

The first phase of general briefings has now been completed. In the next phase, the idea is to explore in greater detail the issues of most common interest, with a view to identifying specific cooperation projects that can give the dialogues more substance.

Regional forums

The Government intends its High North strategy to direct more attention towards Norway's interests and to ensure better coordination of how they are presented in different forums. We consider regional forums particularly valuable in this connection.

Norway will give High North issues a higher profile in Nor-

¹ T. Fe. 1995. p. 100.

chairmanship periods, i.e. until the end of 2013.

We have had good experience of inviting decision-makers from other countries to the High North. This will be stepped up in the years to come, with priority being given to guests from the US, Canada and Russia. Due to its research infrastructure, particularly in the field of climate research, Svalbard

border cooperation schemes in the petroleum sector.

The issue of the delimitation of the continental shelf and zones in the Barents Sea can only be resolved through political agreement between Norway and Russia. Agreement on a delimitation line would release considerable potential for cooperation between Norway and Russia in the petroleum sector.

There are differing views on the geographical scope of the Spitsbergen Treaty. Norway's position has always been that the treaty, in accordance with its wording, only applies to the archipelago and the territorial waters. With potential economic interests in mind, other states have claimed that the treaty also applies to maritime areas outside the territorial waters. This was one of the reasons why Norway decided in 1977 until further notice to establish a fisheries protection zone rather than a full economic zone. One of the purposes was to ensure the protection and sound management of the living resources.

The Norwegian management regime in the Fisheries Protection Zone has generally been complied with in practice. However, Norway's right to regulate fishing and exercise jurisdiction over the continental shelf in this area is not undisputed. For example, Spain, Iceland and Russia have disputed this right with reference to the provisions of the Spitsbergen Treaty.



Norway's position is clear and has a firm basis in international law: as a coastal state we have the right to unilaterally establish maritime zones around Svalbard, and an obligation to prevent over-exploitation of the fisheries resources.



Norway will continue to fulfil its responsibility in a transparent and predictable way. We expect other actors to comply with national and international rules and regulations. The High North is at the top of our foreign policy agenda, and we will seek the support of our allies and partners to ensure that Norway is able to address the real challenges we are facing in the High North.

Cooperation with Russia

Russia is both our neighbour and the country with which we share the Barents Sea, and consequently our relations with Russia form the central bilateral dimension of Norway's High North policy.

will be followed closely and measures adapted accordingly. We will maintain a candid dialogue with Russia and will be clear about Norway's views on human rights, the principles of the rule of law and political rights.

Norway's policy towards Russia is based on pragmatism, interests and cooperation.

We can only ensure sustainable use of resources and sound environmental management in the Barents Sea with Russia's engagement and Norwegian-Russian cooperation. The Government therefore intends to strengthen cooperation with Russia on ecosystem-based management of the whole Barents Sea, both in the Joint Norwegian-Russian Commission on Environmental Protection and in the Joint Norwegian-Russian Fisheries Commission. This cooperation includes measures to combat illegal, unre-

Today we are dealing with a different Russia from the one that emerged in the international arena in the first few years after the dissolution of the Soviet Union. Russia is currently undergoing rapid economic development, due in particular to large revenues from the energy sector and also to a number of reforms.

After decades of authoritarian rule and isolationism, Russia is now finding its place in the European cooperation between democratic states. As a neighbouring country, Norway welcomes this development.

It is, however, still unclear how Russia will develop in a number of areas of interest to the surrounding world. This applies particularly to key issues such as the rule of law, freedom of expression and human rights. The changes that are taking place in the country's economy, society and politics do not affect the objectives of Norway's policy, but developments

joint management of living marine resources is based on nearly a century of Norwegian-Russian marine research cooperation.

It is the Government's ambition that Norway should develop close cooperation with Russia on sound exploitation of the petroleum resources in the Barents Sea. Both the former and present Norwegian Government accepted President Putin's invitation to forge a strategic partnership between Norway and Russia in the north. Part of our efforts related to the High North will be aimed at giving substance to this partnership – or vision.

In this connection the Government intends to draw up a proposal for an economic and industrial cooperation zone which would include both Norwegian and Russian territory in the border areas of the High North. The zone would help to promote Norwegian-Russian onshore cooperation relating to the prospective petroleum activities in the Barents Sea.

By taking action on breaches of the rules designed to protect natural resources, Norway is making it clear that international and national obligations are to be taken seriously. Infringements of Norwegian fisheries legislation will therefore be acted upon in a credible, consistent and predictable way. With this in view, the already close cooperation between the Norwegian Coast Guard, the prosecuting authority and the police will be further developed. The cooperation between the Norwegian Coast guard and the Russian Coast Guard will also be further developed in order to ensure optimal coordination of the fisheries control in the Barents Sea.

The Army's activities are to a large extent concentrated in North Norway, and nearly all training of

national servicemen now takes place there. The Army has key units in Troms, which will continue to play an important role in the future, and South Varanger Garrison in Finnmark is another high priority unit.

For many years we have been cooperating closely with allied countries on military activities in the north, mainly in the form of joint exercises and training. These are valuable because they make our allies familiar with the conditions in the north, and ensure greater general coordination in allied operations. The Government will seek to maintain our allies' and partners' interest in the north, and will encourage increased participation in military exercises and training in the region.

Defence cooperation between Norway and Russia is also building mutual trust and increasing our capacity for joint problem-solving. The and incidents demonstrated how valuable established contact between regional military authorities is when emergencies or delicate situations arise. We will make active efforts to intensify our defence-related dialogue with Russia.

PART 2



We must take a long-term approach to knowledge generation. Norway must build a broad knowledge base. The Government's focus on education is therefore central. Education, competence and knowledge will provide the key to realising the opportunities in the High North. It is important that the population in the north has good educational opportunities at all levels. This means that we must focus on improving the quality of education from the first years of school and upwards, and seek to prevent young people from discontinuing upper secondary education.

Norway as a nation must carry out surveying, monitoring and research activities that can ensure sustainable utilisation of natural resources. Cross-cutting knowledge is to be developed in cooperation between the public authorities, the business sector, knowledge institutions in civil society and educational and research institutions. Knowledge and expertise about the High North is to be built up in the region at the same time as close connections are maintained with centres of excellence in other parts of the country. We must also cooperate with centres of expertise outside Norway, particularly in Russia.

We have a good starting point, and we have good prospects for success. We have a well developed knowledge infrastructure over the whole of the country, including the north. We have leading centres of excellence at international level within important areas such as petroleum production, maritime transport, utilisation and management of marine resources, environmental protection, climate issues, polar and space research, and research on the Sami and other indigenous peoples. Considerable funding is already being provided for knowledge generation in and about the High North through the national research system.

Efforts to strengthen knowledge in and about the High North will require 349.8892 TmcJETsf9.5 0 0 .5 2nuas

North Norway is approximately 30
per cent of the national per-capita

for the sustainable use of natural resources while maintaining the structure, functioning and productivity of the ecosystems of the area. A sound and well-documented knowledge base is essential if this goal is to be reached, and if Norway is to win credibility and become the best steward for the High North. It is also essential for Norway's opportunity to influ-

This would make it possible to set reduction targets and to consider measures to combat such pollution at both national and international level. The establishment of an environmental specimen bank will be considered.

Seismic data coverage for the areas off the Lofoten Islands is low at present, and the quality of the seismic data that has been collected is in general moderate to poor. In its integrated management plan, the Government has announced that surveys will be carried out to improve knowledge about the areas off Nordland VII, Troms II and the Eggakanten area off Troms.

The government budget for 2007 proposes an allocation of NOK 70 million for seismic surveys of Nordland VII and Troms II, so that this work, which will take several years, can be started. The seismic surveys will provide a better basis for decision-making when the integrated management plan is revised in 2010.

Marine research

The integrated management plan's approach is to ensure that impacts and pressures on all components of marine ecosystems are assessed before harvesting strategies are drawn up. This requires data and models that make it possible to produce prognoses over several years. TheseFngir.5 0 1

The first products are already on the market: enzymes from by-products, omega 3 products and gelatine from fish skin. Possible future products include anti-bacterial agents, genetic superglue and super enzymes.

A centre for research-based innovation within this area is being established in Tromsø. The MAR-EANO programme will provide valuable information for marine bioprospecting in the High North.

The Government will promote commercially and environmentally sustainable development of marine biotechnology in the High North. This will involve strengthening knowledge generation in the field, as well as increasing the technological, industrial and marketing expertise needed to realise the opportunities for value creation offered by marine bioprospecting. Framework conditions and legislation are currently being developed to govern commercial and intellectual property rights to the genetic resources in the sea and on the seabed.

Petroleum research and development

The Government's focus on the High North will promote the fur-

including its focus on monitoring the state of ecosystems.

These monitoring efforts should form the basis for one of the elements in an publicly available web-based information service on the environment and resources in the Barents Sea or in a larger part of the High North. Various projects, including the recently completed pilot project , will be relevant in establishing such a system. These projects will be considered more closely by the Management Forum responsible for the implementation of the integrated management plan and may be included in the research and development efforts under Barents 2020.

Climate and polar research

It is believed that the effects of global warming will be greatest and will first be felt in the Arctic. One of the tasks in the years ahead

will therefore be forecasting the impacts of climate change in our part of the Arctic region.

In the long term, climate change may make it necessary to develop new national strategies for the management of the High North. It is therefore important to generate knowledge that can be used in prognoses. Long-term monitoring and research efforts will be essential in this connection. A stronger knowledge base will also give greater room for action with regard to utilisation of the resources in the High North.

The Arctic Climate Impact Assessment (ACIA) has documented alarming climate change in the Arctic, where the temperature rise is about twice as fast as in the rest of the world. During Norway's chairmanship of the Arctic Council, the Government will give priority to dialogue on climate change with the other Member States, and will actively promote

the implementation of the ACIA recommendations.

Norway will carry out a separate study of the impacts of anthropogenic climate change on the environment and natural resources in the High North (NorACIA), which should be completed during the course of 2009.

The Government will furthermore ensure the dissemination of new knowledge in a way that raises awareness of climate change at national and international level. Norway and other Arctic countries have an important responsibility here, as the Arctic can provide a unique insight into the climate


involve Russia and other leading polar countries. Efforts in connection with the IPY will also lead to better utilisation of Norway's polar research infrastructure.

long-range transport of environmentally hazardous substances, including both regional and global pollutants. Various physical, chemical and biological factors, including the cold climate, tend to result in high levels of environmentally hazardous substances in species at the top of food chains in the High North. The Government therefore attaches importance to improving knowledge of the pres-

The indigenous dimension in the development of knowledge relating to the High North is important. We will give priority to the indigenous perspective in relation to climate change and adaptation measures in the Arctic Council. The Indigenous People's Research Network will also be strengthened and expanded. The network links academic institutions in Norway and other countries that study issues of particular relevance for indigenous peoples, and helps to ensure high quality education and research in this field at various institutions.

Many of the challenges facing reindeer husbandry are common to all the countries in the High North. The International Centre for Reindeer Husbandry was established in Kautokeino in the autumn of 2005 for the exchange of information between reindeer herders, researchers and administrators in the various countries, and to promote cooperation between these countries.

The Government will strengthen exchange and cooperation of this type with a view to promoting



the development of interdisciplinary knowledge in the High North.

A new research vessel would have to meet a number of research and management requirements, relating to fields such as the environment, climate, fisheries and the petroleum industry. It should be possible to use the vessel for year-round marine research in the polar areas and as an expedition vessel for both Arctic and Antarctic expeditions. It should have the equipment necessary for studies in oceanography, geology and marine biology and meteorological observations. It should also be equipped for teaching purposes. A ship of this kind would strengthen Norway's position as a pioneer of

knowledge development in the High North.

The Government will examine the need for Norwegian research vessels for use in the High North.

The Norwegian Meteorological Institute operates three weather stations in the Arctic, on the islands of Bjørnøya, Hopen and Jan Mayen. These stations fulfil important tasks in addition to their meteorological functions. On Bjørnøya and Hopen, the Institute is the only organisation that employs permanent staff, and thus ensures a Norwegian presence on the islands. The stations

also play a part in the emergency response services for the Norwegian fisheries zone and for oil and gas activities in the Barents Sea. There is activity on Jan Mayen in connection with the operation of the LORAN-C radio navigation station and Telenor's coastal radio service, in addition to the activities of the Norwegian Meteorological Institute. If/when the LORAN-C station on Jan Mayen is closed down, the Institute will be virtually the only organisation with a permanent presence on the island.

The Government's intention of maintaining a Norwegian presence on Bjørnøya, Hopen and Jan Mayen thus requires the Norwegian Meteorological Institute to maintain its level of activity on

the islands. The Government will initiate a review of the basis for a continued Norwegian presence on the islands and will consider what types of activity and infrastructure should be maintained on them in the future.

International cooperation on education and research

The other Arctic Council Member States – the Nordic countries, Russia, the US and Canada – and key EU countries are some of our most important cooperation partners.

The Government also wishes to establish closer cooperation with other countries, including Japan, India and China. Exchanges of pupils, students and researchers will play a central part in the cooperation with all these countries.

However, Russia is in a special position as cooperation partner in the High North. A broad cooperation with Russia has developed over the years on education and

The Government considers it important to continue and further develop the cooperation that has been established between schools in Northwestern Russia and Finnmark county. Troms county will now be included in this cooperation, and the number of schools taking part will be increased. The cooperation includes exchanges of pupils and teachers. It fosters cross-border friendship and understanding, and mutual learning.

Learning about each other's languages and learning the languages themselves has also been an important part of this cooperation, and these efforts will be strengthened in the years to come. The use of IT facilitates contact over the border, and joint websites and teaching aids are being developed. The school system in Russia has valuable expertise in science teaching and the use of art and culture in schools, which Norway can learn from. Norwegian schools, on the other hand, have a stronger tradition of adapting teaching for pupils with special needs, and we can also provide expertise in pupil participation and democracy.

It is important that pupils on both sides of the border gain knowledge and understanding of environmental problems both in their region and at global level. The cooperation gives high priority to this area.

Cooperation in the health sector and efforts to improve public health in the High North are based on exchange of information and transfer of expertise. Important areas for future efforts are

strengthening knowledge about public health, preventive medicine, epidemiology and the development of telemedicine.

Expertise in public health is to be strengthened in Russia through Norwegian and Nordic support for a masters degree programme. Knowledge about the effects of environmentally hazardous substances on the health of mothers and children in the High North is also to be improved.



The Government will promote efforts to strengthen research in the fields of social sciences and the humanities in the High North.

The objective is to increase knowledge about macroeconomic and political relations and living conditions in the region. Key topics will be differences in welfare standards between Norway and Northwestern Russia, migration, the livelihoods of indigenous peoples and features of the climate and natural conditions that are specific to the region. Basic research on the history, society and culture will be necessary for studies of these issues. The gender perspective should be in focus in this connection. Increased efforts within this area will require further

development of the relevant educational and research networks in the High North and increased cooperation with institutions in the rest of the country.

Cooperation between Norwegian research institutions that are studying the High North from the perspective of sociology, law and natural sciences should be strengthened in order to ensure national coordination and knowledge development. It is also important to strengthen expertise on key foreign policy aspects of developments in the High North. The possibility is being considered of establishing a special High North programme under the Research Council of Norway, with particular focus on the links between geopolitics and the energy sector.

The University of the Arctic is a network of higher education institutions around the North Pole. Its activities include coordinating the mobility programme north2north, running the Bachelor of Circumpolar Studies course and various field courses. Within this network, the Sami University College runs a project on reindeer husbandry targeted towards Russian indigenous peoples.

The Government will support efforts to strengthen cooperation between knowledge institutions in the circumpolar region through



increased exchange of teachers and the establishment of a masters degree programme.

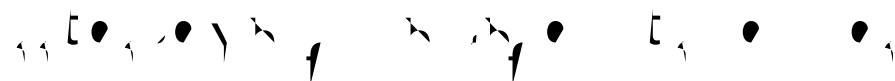
Barents 2020

In the autumn of 2005, the Government launched Barents 2020. This is a new arena for cooperation on knowledge generation between Norwegian and foreign centres of knowledge, business interests and public bodies, and provides its own grant scheme. With its focus on generating knowledge in and about the High North and cross-border activities, Barents 2020 is a new instrument of Norway's High North policy.

An allocation of NOK 20 million has been proposed for Barents 2020 in the budget for 2007.

The concrete tasks that are to be solved under the Barents 2020 umbrella will be assigned on an ongoing basis and will be based on this strategy and input to the Government from the committee of experts on the High North and the Research Council of Norway. The integrated management plan has identified important challenges relating to the management

PART 3



Integrated resource management in the High North includes the protection of the natural resource base for indigenous peoples' economic activity, of their cultural heritage and traditional knowledge, and of reindeer husbandry areas. It also includes protection of the environment along the coast and of traditional sea-water and salmon fisheries.

There has been some uncertainty about how the land and natural resources in Finnmark should be administered and about the scope of collective and individual rights of use and ownership on state-owned land. Pursuant to the Finnmark Act, government-owned land has been taken over by a new local entity, Finnmarkdseiendommen, and a commission is to be established to investigate rights to land and water in Finnmark as well as a special court to settle disputes concerning such rights. This also forms the basis for clarifying the rights of indigenous peoples to the land in Finnmark.

The Government will develop existing and new forms of economic activity as a basis for settle-

ment patterns and to safeguard Sami culture.

The Government has appointed a committee to review the rights of the Sami and others to fish in the sea off Finnmark.

The Government will intensify efforts to safeguard reindeer husbandry areas, for example through the proposed amendments to the Reindeer Husbandry Act.

The Sami Rights Commission is currently examining the use and management of land and natural resources in areas used by the Sami people outside Finnmark county.

The Arctic Climate Impact Assessment (ACIA) documents how indigenous peoples have adapted to earlier climate change. The climate change currently taking place may have major impacts on the way of life of indigenous peoples, and priority will be given to knowledge-building in this field, in cooperation with other countries in the High North.

The Government is inviting representatives of indigenous peoples



to take part in close cooperation on the development of a national adaptation strategy. The Government will seek to give high priority to the knowledge and observations of indigenous peoples in its efforts to follow up the ACIA recommendations.

Increased internationalisation offers new opportunities, but also increases the pressure on the cultures and livelihoods of indigenous peoples. If indigenous communities are to survive these processes of global change, it is vital that their rights are safeguarded in the utilisation and management of the environment and resources in the High North.

The Government wishes the indigenous peoples in the High North to have a strong position and to play a key role in their own development. It will therefore involve indigenous peoples in High North issues and will maintain regular contact with the Sámediggi (Sami Parliament).

The Government will seek to increase opportunities for trade

between indigenous peoples and with other relevant partners in the High North.

The Government will seek to promote the development of common standards concerning indigenous peoples, to apply to all eco-

der. In the years ahead, the Government will therefore continue its cooperation with Russia in the health sector, with focus on developing expertise on public health, preventing infectious diseases and improving the general health of vulnerable groups, such as children, young people and inmates in Russian prisons.

Sports cooperation in the High North is now well established. Sports are subject to common rules regardless of linguistic or cultural differences. Cross-border sports cooperation is thus an important opportunity for increasing people-to-people contact and cultural understanding. Within the Barents region, there is ongoing cooperation between sports organisations in Norway, Sweden, Finland and Russia. The Norwegian Olympic Committee and Confederation of Sports has established a special committee to organise Norway's sports cooperation efforts in this region.

The Government will work to facilitate the further development of people-to-people cooperation under the auspices of the sports organisations in the High North.

In cooperation with various voluntary organisations, the Government has supported a pilot

Practitioners of Sami culture and the Sami population as a whole have a natural place in the broader cultural cross-border cooperation in the north.

Sámi Radio is a division of the Norwegian Broadcasting Corporation (NRK). Sami radio stations have also been established in Finland and Sweden; and in 2003, a Sami radio station was set up in Russia, currently in the form of a pilot project.

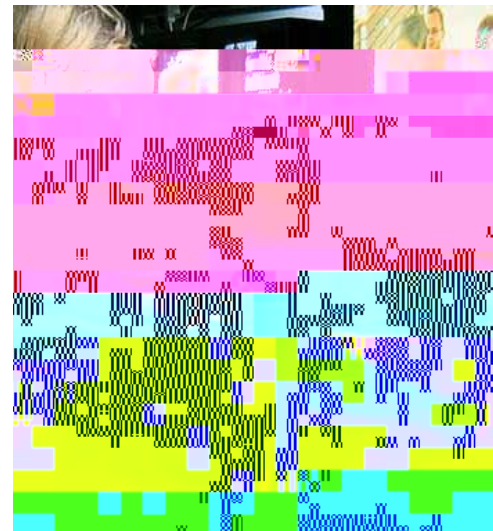
The Government will help to further develop the cooperation between Sami radio stations in the High North and will support the establishment of a joint radio channel once the digital radio transmission network has been fully established in the Nordic countries. The Government will also seek to promote the establishment of a permanent Sami radio station in Northwestern Russia in cooperation with the Russian authorities.

Film is one of the most popular cultural genres today, and is a form of expression that deals directly with contemporary issues. Children and young people are major consumers of film and audiovisual productions. Cinemas and film festivals are natural meeting places for people of different cultures, linguistic groups and ages.

There are several important film festivals in the north: the Tromsø International Film Festival is a central meeting place for film enthusiasts in the High

North, and supports and inspires cross-border film activities in the region. The Nordic Youth Film Festival (NUFF), which is held once a year in Tromsø, brings together young film-makers from the Nordic countries. The festival also cooperates with youth groups from Russia. The annual Sami film festival in Kautokeino presents the latest indigenous films from all over the world.

The Government will promote film cooperation in the High North by creating meeting places for film enthusiasts, film makers and the whole film industry.



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Levels of environmentally hazardous substances in certain species of birds and mammals in the High North are alarmingly high. The Arctic Monitoring and Assessment Programme (AMAP) has carried out extensive surveys of pollutants in plants, animals and people in the Arctic. Better knowledge of their occurrence in the High North will be of great strategic importance in further international efforts to reduce the use and releases of such substances.

International solutions are needed to control inputs of environmentally hazardous substances to the High North through long-range transport.

Internationally, the Government will work towards a legally binding global instrument on mercury and possibly other metals.

The reports from the Arctic Climate Impact Assessment (ACIA) document alarming changes in the Arctic climate. The temperature in the region is rising about twice as fast as in the rest of the world. This will have impacts on the livelihoods of people who live in the region.

Coastal communities Cog10(t)10(uh)10(t)10()10(tg0(h)0(t)10(h)10(e)10()10(r)-2(e)10(g)10(i)10(oh)10(t)10hl3yw)10(v)10

the Barents Sea–Lofoten area. The gaps that have been identified in our knowledge will be filled by systematically building up knowledge of the area, for example through surveys of the marine environment, seabirds and pollutants.

The management plan also focuses on the prevention of acute pollution from maritime transport and petroleum activities. There are certain parts of the management plan area where the environment and natural resources have been identified as particularly valuable and vulnerable. The Government has established that activity in these areas requires special caution, but also that precautionary measures

The Government considers it important to take an international approach to the nuclear safety problems in Northwestern Russia, but as a neighbouring country, Norway must also play a major independent role.

Norway will therefore continue to play a part in resolving the nuclear safety problems in Northwestern Russia until the most important tasks have been completed. Norway will also reinforce its efforts to promote the use of alternative energy sources in the region.

Building up expertise in Tromsø

The Government will take steps to build up expertise on climate issues and environmentally hazardous substances in the Arctic at

institutions in Tromsø, particularly with a view to follow-up of the integrated management plan for the Barents Sea-Lofoten area and environmental monitoring in the High North. The Norwegian Polar Institute will head the Management Forum that is to be responsible for the coordination and overall implementation of the scientific aspects of the integrated management plan and the Institute of Marine Research, including its Tromsø departmentM110w(in t1 Tf9.5 0 0 8

ment with the overall objective of ensuring sustainable harvesting of the fish stocks in the High North. Russia's engagement and Norwegian-Russian cooperation are of crucial importance in ensuring sustainable utilisation of resources in the Barents Sea.

The Government will strengthen cooperation with Russia on ecosystem-based management of the whole Barents Sea. The Government will also strengthen the cooperation between regional fisheries organisations. Funds will be earmarked for these efforts under the budget allocation for project cooperation with Russia.

The Joint Norwegian-Russian Fisheries Commission is a cornerstone in the management of the High North. The Commission sets total allowable catches (TACs) for shared fish stocks for the whole of their distribution areas, and splits them between Norway, Russia

and third countries. The Commission is now giving greater priority to more long-term management strategies. This is in line with the recommendations of marine scientists, and ensures greater predictability for the fisheries than annual management decisions.

Illegal, unregulated and unregistered (IUU) fishing

The main obstacle to achieving sustainable fisheries in the Barents Sea is illegal, unregulated and unregistered (IUU) fishing. IUU fishing is against everyone's interests, and Norway has engaged in broad efforts to bring it to a halt.

Norway is developing new legislation that will make it possible to take more action against IUU fishing. This will include the legal authority to deny vessels that have been involved in illegal fishing the right to call at ports or use port services.



On 15 November 2006, following an initiative by Norway, the North East Atlantic Fisheries Commission (NEAFC) agreed on a new port state control system for the region. This is a historic decision in relation to control of the fisheries in our part of the world. Once it has been implemented, the control system will close all European ports to landings of illegally caught fish. The EU, Iceland, the Faeroes, Greenland and Russia are behind the control system.

The Government will seek to strengthen cooperation on fisheries management in international forums, particularly in the Joint Norwegian-Russian Fisheries Commission and the North East Atlantic Fisheries Commission (NEAFC). Norway will be a driving force in efforts to ensure that any decisions that are made are implemented and enforced.

The Government will continue cooperation with the authorities in Russia and other countries in the fight against IUU fishing. Efforts to prevent illegal catches being landed in foreign ports will be intensified. Furthermore, measures will be implemented to deny the vessels involved access to Norwegian ports and port services. We will also seek to establish tracing systems that can disclose sales of illegally caught fish.

The Government will make it possible for the Norwegian Coast Guard to carry out more

The resources in the Barents Sea are strategically well positioned in relation to the rapidly growing transatlantic liquefied natural gas (LNG) market, and could also make an important contribution to meeting the growing demand for pipeline gas in Europe. It is also likely that the Barents Sea will become increasingly important in the global energy supply context due to the political will in many countries to reduce dependency on supplies from the Middle East. The resources in the Barents Sea could provide long-term secure energy supply to the markets in Europe and the US within an environmentally sustainable framework. In its integrated management plan for the Barents Sea–Lofoten area, the Government has established a predictable framework governing where in the Barents Sea, and under what conditions, petroleum activities can be carried out. Large areas have been made available, at the same time as par-

the plan. The exploration of these blocks will provide information on larger areas. This will be important in the long-term exploration of the Barents Sea.

The Government will follow an active licensing policy that takes into account the need to follow up exploration results and the need to open up new areas for exploration. The expansion of petroleum activities eastwards in the Barents Sea would have a positive effect on the development of eastern Finnmark. Considerable resources have been proven in the Russian part of the

Barents Sea, and future Russian petroleum activities could be an important market for Norwegian industry.

Given its geographical position, Finnmark could benefit from positive ripple effects from the development of the Russian part of the Barents Sea as well as the Norwegian part. The Government will cooperate actively with Russia in the petroleum field to encourage such benefits.



Increasing economic activity in the High North is making reliable monitoring of maritime transport increasingly important.

In the spring of 2006, Norway submitted a proposal to the International Maritime Organization (IMO) for the establishment of a ships' routing and traffic separation scheme outside Norway's territorial waters between Vardø and Røst (i.e. from eastern Finnmark to the southern tip of the Lofoten Islands). The scheme, which is expected to be finally approved by IMO in December 2006, will be a milestone in Norway's efforts to improve safety at sea and oil spill response. Ships' routing and traffic separation are necessary to meet the challenges associated with increasing oil transport along the coast of North Norway. According to the proposal, all tank-

mainland. A mandatory system requiring the employment of local people with thorough knowledge of the waters around Svalbard to pilot vessels sailing in these waters will also be established. On 9 July 2006 the Government submitted a draft maritime safety

PART 9



In line with its policy platform, the Government intends to further develop industry and promote new industrial activity in North Norway, as in other parts of the country.

North Norway has a considerable energy-intensive industry that benefits from, or has benefited from, long-term electricity contracts with prices determined by the authorities. The Government has launched a broad review aimed at identifying optimal solutions to improve the electricity supply situation and provide industry with stable, long-term electricity contracts at competitive prices.



The potential for value creation in the High North should be realised within a predictable framework and in line with the principles of sustainable development. The integrated management plan for the Barents Sea–Lofoten area is an important part of this framework. The Government will also facilitate further development of the cross-border economic cooperation with our neighbouring countries in the north.

North Norway continues to be the part of the country that is given highest priority in the allocation of regional policy development funds for direct business support and general business development.

The reintroduction of the differentiated employers' contribution provides the business sector in the north with particularly favourable opportunities to develop both knowledge-based and labour-intensive business activities. This scheme replaces the sector-based schemes that were introduced to compensate for the changes to the employers' contribution scheme in 2004.

The Government is allocating considerable funds to business development and innovation

in North Norway as part of its regional policy. In the government budget for 2007, a total of NOK 483.6 million is earmarked for the three counties in North Norway and to Innovation Norway for this purpose.

In addition, there are national programmes and a compensation scheme for employers' contribution. In the light of the opportunities and challenges arising from the oil and gas activities in North Norway, the Government intends to review these programmes and measures in 2007 to assess whether they can promote innovation in the business sector in North Norway more effectively.

Efforts will be made to ensure that a robust Norwegian settlement is maintained in Longyearbyen. We will continue to develop a sustainable community in Svalbard, taking into account considerations of environmental management, research, advanced technology, coal mining and tourism in such a way as to ensure that the archipelago is preserved as one of the world's best managed wilderness areas.

Resource-based business activity

The Government's strategy is that the natural resources in the High North should be further developed and utilised in a sustainable way that increases value creation in Norway as a whole as well as in the region.

In a European context, North Norway has vast wind energy potential. This is particularly the case in

The fisheries are, and will continue to be, one of the cornerstones of business activity and settlement, and thus of Norwegian presence, in the north. The northern sea

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Finnmark county. At present, there are two wind farms in Finnmark with a combined capacity of 80 MW. In addition, prior notification and applications for the construction of facilities totalling 600 MW have been submitted, and further projects are at the planning stage. However, the current transmission capacity will only allow for an increase of about 120 MW. A possible extension of Snøhvit's train II could increase local electricity consumption by a few hundred megawatts.

In October 2006 the Government presented a new support scheme for renewable electricity, under which wind power producers will receive NOK 0.08 per produced kilowatt-hour for 15 years from 2008.

north, as this can help to secure settlement and robust local communities. Measures in this area will primarily be drawn up in connection with the annual agricultural settlements. The further development of the agricultural sector in Arctic areas based on regional advantages would strengthen food production and value creation, and would also promote innovation and greater diversity.

Being one of the world's richest areas in terms of mineral deposits, northern Scandinavia is attracting considerable international interest. Northern Sweden and northern Finland have recently seen a marked increase in mineral exploration and extraction. The mineral sector is important for business development in North Norway as well, both locally and regionally. There are favourable conditions for more extensive Norwegian-Swedish cooperation in this sector.

The Government is currently drafting a new act on the acquisition and exploitation of mineral resources. It is important that the exploration and exploitation of mineral resources is conducted within a well-regulated framework to ensure that local communities benefit from ripple effects in the form of value creation and employment. The Government wishes to strengthen societal control to ensure that resources are utilised in a responsible manner that takes both environmental and indigenous peoples' concerns into account. In drafting this legislation, importance is being attached to sector expertise, public control and safety and clean-up.

Knowledge-based business activity

It is the Government's strategy to facilitate the further development of a knowledge-based business sector in the High North, with particular focus

on seizing the opportunities in the resource-based sectors. A strong knowledge base



As regards Norwegian industry's participation in petroleum activities in Russia, the Government will support the work that is being done by contractor networks and business associations to improve local companies' capacity to pre-qualify for complex tendering processes.

The authorities will encourage partnerships between established local companies and larger, competitive oil and gas companies, for example through the Federation of Norwegian Industries, INTSOK and Innovation Norway.



development of the Snøhvit field is an example of the local ripple effects that the petroleum activities can create in North Norway. Companies from North Norway have signed contracts worth more than NOK 3 billion, of which 2.2 billion has gone to companies from Hammerfest and Alta.



Russian companies have expressed an interest in using Norwegian services and/or infrastructure in North Norway in connection with the transport of oil and condensate products. This is a new type of activity that has considerable economic potential for the actors involved, and that may have considerable positive ripple effects for the coastal communities in the north. This is, however, contingent on activities being conducted in an environmentally sound manner and in compliance with applicable environmental and safety legislation.

It is the Government's goal to ensure that the ripple effects of increased petroleum activities in the Barents Sea benefit business development in North Norway. Therefore, the Government intends to launch a project to identify ripple effects based on the experience gained so far.

There is considerable space-related activity in North Norway and Svalbard. This is playing an increasingly important role in business development in the High



North. The activities span from scientific education and research to the production of goods and services by advanced technology companies.

Through cooperation with actors like the Norwegian Space Centre, the Government will promote further development of the space industry in the north and of space-related services in Tromsø, at Andøya and in Svalbard.

Efforts in this area include participation in the development of space-related infrastructure similar to the Galileo programme. Such infrastructure is also becoming increasingly important for other Norwegian business activities, for example the utilisation of resources like fisheries, oil and gas, and for environmental monitoring and management.

There are many companies that possess a high level of expertise in maritime transport and logistics in Norway or under Norwegian control. The maritime sector is among our most international sectors, and it has a broad interface with the service sector. Container transport of industrial goods and raw materials still has a dominant position, but the development is towards increasingly specialised ships designed to carry one specific type of cargo.

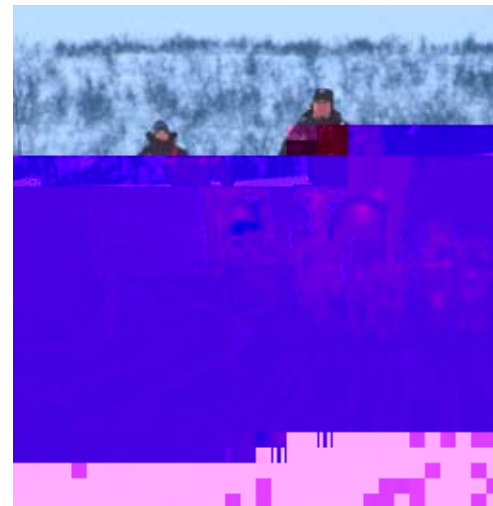
It is the Government's aim that Norwegian shipping and Norwegian maritime industries should participate actively in economic activities in the High North. Norwegian ships and offshore vessels are

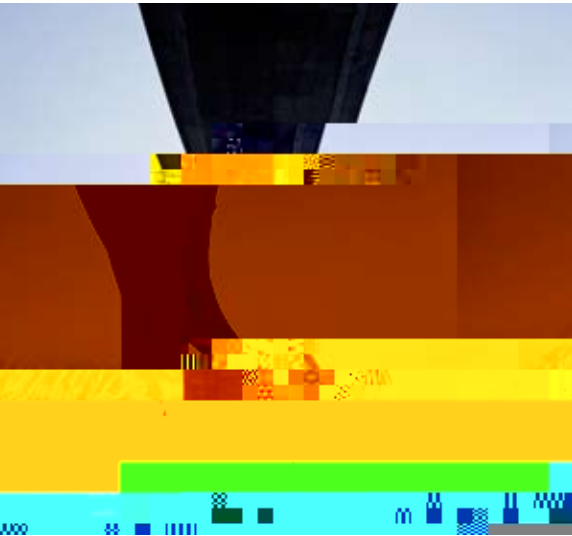
among the world's most advanced and are therefore well suited to operate in northern waters.



Norway will work actively in the EU and IMO to ensure that maritime transport in the north is environmentally friendly and safe. We will also look into whether current international rules for the construction and operation of ships in Arctic areas are adequate, or whether Norway should take the initiative to change the rules.

Tourism is to an increasing degree providing employment and value creation in the High North, but there is still room for further growth in this sector. The authorities will therefore continue their efforts to promote North Norway and Svalbard as tourist destinations. It is, however, important to ensure that the natural and cultural heritage, on which the tourism is largely based, is safeguarded.





Finnsnes

The Government will provide a favourable framework for the development of culture-based tourism in North Norway.

North Norway and Svalbard will be promoted as attractive destinations in the colder seasons as well. The purpose is to increase activity in the tourism sector during periods when there is a lot of surplus capacity and the level of activity is generally low. In cooperation with public and private actors, Innovation Norway has launched a three-year marketing campaign in selected markets abroad to promote Finnmark in particular as a winter tourist destination.

The Government will develop a national tourism strategy, built on closeness to nature and culture. It will be in line with the efforts to promote green tourism and will seek to develop the role of the tourism sector as a regional industry.

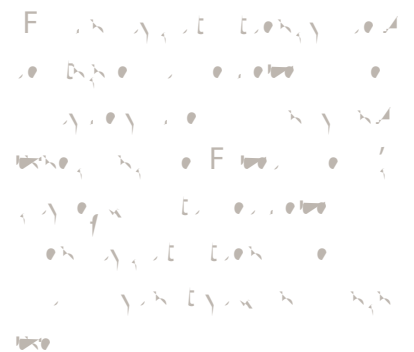
Access to seed capital may be crucial for companies with considerable potential for development and value creation. The Government has therefore established two rural seed capital funds in North Norway with a total of more than NOK 510 million, of which the Government has contributed NOK 350 million. Through public-private

cooperation, the funds, which are located in Tromsø and Bodø, are intended to ensure that companies in the whole of North Norway have better access to risk capital.

Infrastructure

At the end of 2008 or beginning of 2009, the Government is planning to present a white paper on the National Transport Plan for the period 2010–2019. During the preparation of the plan, the Government will discuss infrastructure needs in the High North with the Nordland, Troms and Finnmark county authorities, with a view to reducing distance costs for individuals and businesses. The county authorities will first be asked to share their views on how a transport policy for the High North should be designed, and subsequently invited to discuss infrastructure projects and particularly important measures. The transport infrastructure in North Norway must provide for good communication north–south and east–west.

A well-developed road network will increase the efficiency of the business sector in the region. For the period 2006–2015, there are plans for several large construction projects (in Helgeland, Ofoten and



Alta) on the trunk roads as well as measures to improve the standard, maintenance and operation of other national roads. Preventive measures against avalanches and snowdrifts are also intended to improve transport conditions.

The Nordland railway line plays an important role in freight transport. In order to maintain this important role, priority will be given to measures that increase speed and capacity and improve punctuality.

The Government will ensure good transport services along the coast from Bergen to Kirkenes. In this connection, implementation of the agreement between the authorities and Hurtigruten Group regarding public purchase of coastal steamer services between these two points in the period 2005-2012 is important. The agreement ensures a direct, daily, year-round passenger trans-

port service between Bergen and Kirkenes, and freight transport between Tromsø and Kirkenes. In the budget proposal for 2007 we have therefore proposed introducing a net wage scheme for employees on the vessels that provide the services on this route. The coastal steamer service is also important for the development of the tourist sector in the north.

It is important to secure North Norway direct access to major international markets, since this will open up new opportunities for industrial and business development.

The Government supports the initiative to establish an international transport corridor through the port of Narvik.

The corridor, known as the North East West Freight Corridor, consists of a rail link between Central Asia and Narvik and a sea connec-



tion from Narvik to North America. The port of Narvik would be connected by rail with the Russian railway network via the Ofoten railway and the Swedish and Finnish railway networks. In line with its policy platform, the Government will support the development of Narvik's port facilities and railway terminal as freight volumes increase. If these volumes grow significantly, it will be necessary to build efficient, modern port and railway terminal facilities. Initially, only minor modifications to the existing infrastructure would be needed to handle smaller volumes. Should the need for increased capacity on the Ofoten railway line become necessary,

the Government would look into this at a later stage.

The Government intends to reduce the maximum fares on the air connections in Finnmark and northern Troms and to improve connections between east()4(a)0 impr

Another project that could have great impact on transport in the High North is the Northern Maritime Corridor (NMC) project under the Interreg programme. Norway, Russia and six other countries are participating in the project.

In the years to come, the Government will develop this project through cooperation aimed at linking the ports in the corridor and developing them into logistics hubs. In Moscow, the NMC is regarded as part of the Northern Sea Route from Murmansk in the west to the Russian Pacific coast in the east. In Brussels the NMC is regarded as an important transport link between Europe and Northwestern Russia and as one of the EU's "Motorways of the Sea".

Air transport, which ensures quick transport of goods and passengers, is becoming increasingly important in the High North. The Ministry of Transport and Communications provides support for regional air connections. A large number of these tendered air services serve routes in the High North.

Russian membership of the WTO and subsequent membership of the OECD is important in order to create a transparent and predictable framework for economic activity. It is an aim to initiate negotiations on a free trade agreement between EFTA and Russia once Russia has become a member of the WTO. Such an agreement could help to increase bilateral trade between Norway and Russia.

The Government will consider the possibilities of establishing an economic and industrial cooperation zone that would include both Norwegian and Russian territory in the border area in the north. Norway intends to develop a proposal with a view to presenting it to the Russian authorities. The proposal could then be further developed by a Norwegian-Russian working group established for this purpose. In the development of the proposal it will be important to assess to what degree existing measures can be used. At the same time, the Government will continue its efforts to facilitate increased business cooperation by means of other measures.

In order to stimulate increased investment from North Norway across the border, Innovation Norway's regional office in Vadsø is stepping up its activities focused on Northwestern Russia. In August 2006, an Innovation Norway representative took up work at the consulate general in Murmansk.

SIVA's (Industrial Development Corporation of Norway) engagement in Murmansk and Arkhangelsk is an important contribution to the economic ties between Norway and Russia in the north. An innovation centre and a business incubator are being established to promote economic relations and improve Norwegian companies' opportunities for positioning

themselves in the region. SIVA's activities will focus particularly on the Norwegian equipment industry and subcontractors.

The technological expertise and experience Norway has gained from building a strong petroleum cluster is likely to be useful in our cooperation with Russia. The transfer of expertise between contractors and oil companies on the Norwegian continental shelf can also be of benefit to foreign partners. The same applies to efforts to establish industry associations and supplier networks. Increased transfer of expertise between Norwegian and Russian companies could also make it easier for Norwegian companies

The Government's High North strategy will be followed up as follows:

The Government will launch an open Internet consultation on the strategy with 15 January, 2007 as the deadline for input. Submitted comments will be published throughout the process so that they can also be discussed.

The strategy will form the basis for the Government's further High-North-related efforts. These

