THE NORWEGIAN GOVERNMENT'S HIGH NORTH STRATEGY

NORWEGIAN MINISTRY
OF FOREIGN AFFAIRS

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CONTENTS

Foreword - 5
Summary - 7
Part 1 - A new dimension of Norwegian foreign policy - 13
- Stronger focus on energy and the environment - 13
- Regional forums - 14
- Conflicts of interest - 16
- Cooperation with Russia - 17
- Presence of the Norwegian Armed Forces - 19

Part 2 - Knowledge generation and competence building - 23
- Meeting the knowledge needs identified in the integrated management plan - 24
- Marine research - 26
- Petroleum research and development - 27
- Monitoring and notification for environmental, resource and emergency response purposes - 28
- Climate and polar research - 29
- Strengthening the knowledge infrastructure in the High North - 30
- International cooperation on education and research - 32
- Barents 2020 - 34

Part 3 - Issues relating to indigenous peoples - 37
Part 4 - People-to-people cooperation in the north - 41
- Culture and cultural cooperation - 42

Part 5 - The environment - 45
- Climate change and long-range transboundary pollution - 45
- Integrated management of the northern seas - 46
- Cooperation with Russia - 47
- Building up expertise in Tromsø - 48

Part 6 - The management and utilisation of marine resources - 51
- Resource management – a basis for value creation - 51
- Cooperation with Russia - 51
- Illegal, unregulated and unregistered (IUU) fishing - 52

Part 7 - Petroleum activities - 55
Part 8 - Maritime transport – safety and emergency response systems - 59
Part 9 - Business development - 63
- Resource-based business activity - 63
- Knowledge-based business activity - 65
- Infrastructure - 68
- Cross-border business activities - 70

Part 10 - Follow-up - 73

Foreword

One of the Government's most important priorities in the years ahead will be to take advantage of the opportunities in the High North.

It is in the High North that we are seeing the most rapid developments in our immediate neighbourhood.

- We will continue to build on our good neighbourly relations with Russia, which were resumed at the end of the Cold War.
- We will continue to exercise our responsibility for combating illegal fishing and managing the renewable fish resources for present and future generations.
- We will take advantage of the opportunities the Barents Sea presents as a new European energy province in accordance with the principles of sustainable development.
- We will take environmental and climate considerations into account in everything we do.
- We will improve living conditions, opportunities and the quality of life for all those who live in the High North, and we will exercise our particular responsibility for safeguarding indigenous peoples' rights.

All this will require us to give our best as a nation.

This is more than just foreign policy, and more than just domestic policy. It is a question of our ability to continue our tradition of responsible management of resources, predictable exercise of sovereignty and close cooperation with our neighbours, partners and allies. But it is also a question of a broad, long-term mobilisation of our own strengths and resources in the development of the entire northern part of our country. We are not talking about a project for the High North alone, but a project for the whole country and for the whole of northern Europe, with consequences for the whole continent.

There is growing recognition of the importance of the High North for Norway as a whole. New political working methods are taking shape. Sustainable development in the north is not just a regional policy aim; it is of strategic importance for the entire country. The focus has been mainly on marine resources, and the Norwegian High North tends to be primarily associated with the opportunities and challenges relating to the sea. But it is on land that people live their lives. The Government's policy is to take a broad approach to settlement, employment, value creation, education, culture and cross-border contact in the north.

The Government has had a sharp political focus on the challenges and opportunities in the High North ever since it came into power in October 2005. We have continued to build on the foundation laid out in the white paper *Opportunities and Challenges in the North* (Report No. 30 to the Storting (2004-2005)), which won broad support in the Storting (the Norwegian Parliament). We set a new foreign policy agenda for Norway's efforts to draw attention to the importance of the High North through broad contact with our neighbours, partners and allies. We put a spotlight on traditional policy areas and indicated that these too must be given a stronger High North perspective. And we invited the nation to join in a concerted effort in the north.

During the course of the past year, the High North has been placed firmly on the map of Europe. Decision makers in other countries have become aware that the High North has significance that extends far beyond Norway's borders. Take, for example, the living marine resources that are provided to European consumers from a unique and vulnerable natural environment. Or global climate change, which is becoming so clearly obvious in the Arctic. The High North also has international significance because of the Norwegian and Russian petroleum resources in the Barents Sea and future opportunities for transporting energy resources. In addition, the Norwegian-Russian cooperation in the High North has developed into an important channel for European dialogue.

The main purpose of the Government's High North strategy is to coordinate efforts in all fields relating to the development of the High North. We have mobilised the whole government apparatus in order to give our overall policy a clearer and more coherent High North focus. Ministries and government agencies have focused on further developing and intensifying efforts in their policy areas. The High North strategy outlines

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 *activity* , 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 ***knowledge*** 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

Summary

In its policy platform, the Government states that it considers the High North to be Norway's most important strategic priority area in the years ahead. In this strategy, we stake out the course for our High North policy, seeking to improve coordination and to maximise the effect of our efforts.

The overall objective of the Government's policy is to create sustainable growth and development in the High North. This requires a framework that will enable people in the region to build up viable local communities, where there are promising employment opportunities in the long term, good health care services and educational opportunities, and opportunities to enjoy varied natural surroundings and cultural events.

The High North policy also focuses on utilising opportunities for more extensive international cooperation on the use of natural resources, environmental management and research through closer contact with our neighbour Russia and our European and North American partners.

Norwegian interests in the High North will be safeguarded primarily by strengthening our presence and increasing the level of activity in a number of policy areas at both national and international level. These include education and research, environmental and resource management, safety and emergency response systems, energy, fisheries, tourism and other economic activities, health, culture and gender equality.

The main political priorities for the Government's High North strategy are as follows:

1 *We will exercise our authority in the High North in a credible, consistent and predictable way.*

By maintaining its presence, and exercising its sovereignty and authority, Norway is making it clear that it takes its international and national obligations seriously. Therefore, the presence of the armed forces, the police and the prosecuting authority continues to be of great importance. The presence of the armed forces is also vital for meeting national security needs and maintaining our crisis management capacity in the High North. The close cooperation between the Norwegian Coast Guard, the prosecuting authority and the police on resource management in the High North helps to prevent conflict, and maintain predictability and stability. This cooperation will therefore be fur-

ther developed. The Government also intends to continue its focus on Svalbard in accordance with the objectives of Norway's Svalbard policy.

2 *We will be at the forefront of international efforts to develop knowledge in and about the High North.*

Knowledge is at the core of the High North strategy, and is closely linked to environmental management, utilisation of resources and value creation. As a nation, we need more knowledge to fully seize the opportunities ahead and meet the challenges we are facing in the High North. Norway has internationally leading centres of excellence in the fields of petroleum, maritime transport, utilisation and management of marine resources, environmental protection, climate and polar research and research on indigenous peoples. The Government intends to strengthen the knowledge infrastructure in the region.

3 *We intend to be the best steward of the environment and natural resources in the High North*

We will promote value creation through sustainable use of resources while maintaining the structure, functioning and productivity of the ecosystems of the area. The Government will set strict environmental standards for all activities in the High North and will establish a framework to protect particularly valuable and vulnerable areas against negative impacts. The Government will also strengthen international cooperation to limit anthropogenic climate change and reduce environmental pressures in the High North. Norway intends to play a leading role in monitoring climate change, environmentally hazardous substances and the marine environment in the region.

Svalbard is to be maintained as one of the world's best managed wilderness areas. The strict environmental legislation and comprehensive protection measures will be continued and further developed to meet the challenges that will arise as economic activity expands. In the event of a conflict with other interests, environmental considerations will prevail.

The Government's fundamental premise is that the management of living marine resources is to be based on the rights and duties set out in Law of the Sea, and that it is to ensure the maximum sustainable yield from these resources. The integrated management plan for the Barents Sea–Lofoten will be a useful tool for clarifying the overall principles for the management of the resources in the High North.

4 *We will provide a suitable framework for further development of petroleum activities in the Barents Sea, and will seek to ensure that these activities boost competence in Norway in general and in North Norway in particular, and foster local and regional business development.*

The Snøhvit development shows how local spin-off effects can be created by petroleum activities in North Norway. The prospects for the petroleum industry in the north are good, and several new developments are being considered.

The Government will seek to encourage operators of fields in the High North to establish qualification schemes for local and regional contractors. The authorities will play an active role in promoting local and regional spin-off effects of petroleum developments in the region. We will also start a project to establish the likely spin-off effects of petroleum activities in the High North on the basis of the experience gained so far.

5 *We intend the High North policy to play a role in safeguarding the livelihoods, traditions and cultures of indigenous peoples in the High North.*

Indigenous peoples are stewards of cultural values and have specialised knowledge of ways of making a living under difficult conditions in subarctic areas. These will be useful assets in the implementation of our High North policy, and the indigenous dimension is an integral part of the policy. Integrated resource management in the High North includes the protection of the natural resource base used by indigenous peoples for their economic activity, of their 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. 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.

6 *We will further develop people-to-people cooperation in the High North*

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.

7 *We will strengthen our cooperation with Russia*

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 engagement 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;

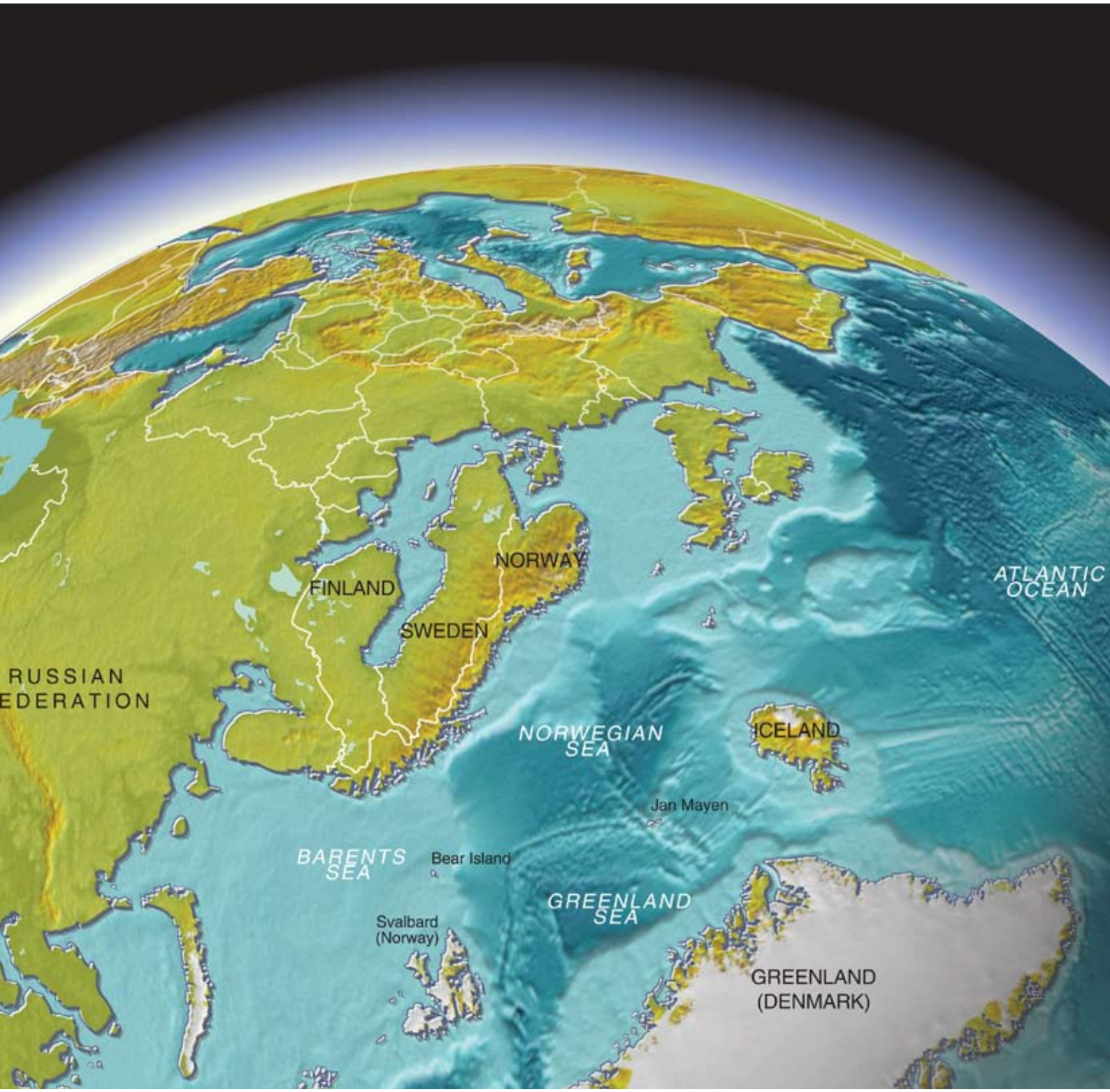
- promote bioprospecting activities and the development of new products derived from marine organisms;

- 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 a railway from Nikel to Kirkenes, and whether there is a commercial basis for setting up new flights within the High North;

- carry out a broad analysis of the existing transport infrastructure in the High North and future needs in connection with the preparation of the National Transport Plan 2010–2019.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ICELAND
Jan Mayen
BARENTS SEA
Bear Island
GREENLAND SEA
Svalbard (Norway)
GREENLAND (DENMARK)

PART 1
A new dimension of Norwegian foreign policy

Predictability and a long-term perspective are essential aspects of Norway's High North policy, which is an important part of our foreign policy. They have been the hallmarks of Norway's policy in the north for many decades.

From the Arctic Council meeting in Salekhard, Russia, 16 October 2006.

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 interrelated, in the context of our foreign policy vis-à-vis other countries and in international forums.

The High North is a broad concept both geographically and politically. In geographical terms, it covers the sea and land, including islands and archipelagos, stretching northwards from the southern boundary of Nordland county in Norway and eastwards from the Greenland Sea to the Barents Sea and the Pechora Sea. In political terms, it includes the administrative entities in Norway, Sweden, Finland and Russia that are part of the Barents Cooperation. Furthermore, Norway's High North policy overlaps with the Nordic cooperation, our relations with the US and Canada through the Arctic Council, and our relations with the EU through the Northern Dimension.

This means that many of the arenas in which Norwegian foreign policy is conducted will be influenced by the priority we are now giving to the High North.

Stronger focus on energy and the environment

There is growing interest in the High North as an arena of international cooperation. This is particularly due to developments in areas such as energy and the environment.

The resource potential in the north and the associated opportunities for cooperation have made energy a key dimension of the High North dialogues Norway has been conducting with the European Commission and with countries such as Germany, France, the US, Canada and our Nordic neighbours. The High North is emerging as a new petroleum province, and as much as a quarter of the world's undiscovered oil and gas resources may

→

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 US Geological Survey, 2000

2 Report No. 9 (1999-2000) to the Storting, *Svalbard*

dic cooperation bodies. In close cooperation with the Storting, these issues will be raised in the Nordic Council and the Nordic Council of Ministers. So far these forums have concentrated on the Baltic Sea Cooperation. It is, however, important that this perspective is supplemented with a stronger focus on the High North. In this connection the Government considers it important to continue the dialogue with each of the Nordic countries.

The Government also intends to step up its efforts to focus attention on its High North policy in European institutions such as the European Parliament. This will be done in close consultation with the Storting and Norwegian organisations that participate in these cooperation bodies, including the social partners.

We will also fully exploit the potential of the Barents Cooperation. This cooperation was a pioneering initiative when it was launched in 1993. It is still a unique forum for cooperation across old dividing lines in the north, with a strong people-to-people dimension, in which the indigenous peoples' interests play a key role. The Government intends to provide favourable conditions for the county authorities in North Norway, the Sámediggi (Sami Parliament), other public institutions, NGOs and private individuals to continue to strengthen the Barents Cooperation.

With a view to increasing the efficiency of the Barents Cooperation, Norway has taken the initiative for the establishment of an international secretariat in Kirkenes. The international secretariat is to be operational from 1 January 2008, and will be in addition to the national Barents Secretariat, also in Kirkenes. The Barents Institute was established in the same town to boost knowledge about cross-border and other regional issues. Knowledge about the indigenous peoples in the region will be developed, for example in cooperation with centres of expertise in Kautokeino.

Norway will chair the Arctic Council from 2007 to 2009. We will use the chairmanship to gain support for our High North policy. We have drawn up an ambitious programme for our chairmanship, with particular emphasis on sustainable resource management and efforts to combat climate change. Through the Arctic Council we will also seek to increase international understanding of the urgency of addressing climate change.

In connection with Norway's chairmanship, an Arctic Council secretariat, which is planned to be operational from 1 January 2007, will be established in Tromsø. Sweden and Denmark have agreed that the secretariat should continue its work through their

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 is of particular interest in this connection.

Conflicts of interest

Our vision is that the Barents Sea should become a "sea of cooperation". Even during the tension of the Cold War, relations between the countries of the north were orderly and correct. Although there are sometimes differences of opinion on certain legal questions and points of international law, Norway has been commended for its stewardship in the north, and this is something we will continue to build on.

There is potential for closer cooperation in the High North, but there are also real conflicts of interest related to the utilisation of fisheries resources and future offshore petroleum resources.

There is excess capacity in the fishing fleet, both worldwide and in Norway's neighbouring areas. The world's recoverable energy resources have also diminished. As a result, it is becoming more challenging to ensure responsible resource management and the conservation of biodiversity and particularly vulnerable ecosystems. These factors together with economic interests are also putting increasing pressure on the Barents Sea.

Norwegian resource management combines active use of national regulatory authority with credible enforcement of legislation and international cooperation. Under current international law there is a wide range of instruments that Norway can apply in its efforts to develop knowledge- and performance-based resource management. In contrast to the situation in many other areas, the combination of effective coastal state management and extensive cooperation with other states has made it possible to rebuild important but vulnerable fish stocks such as cod and herring in northern waters.

We have a historic responsibility to continue this.

Norway takes a systematic, methodical approach to the opening of new areas for petroleum activities and for later awards of exploration and production licences, based on clear rules for the authorities, companies and other actors.

Our sound regulatory framework and predictable and effective management have ensured that impact assessments are drawn up, based on the precautionary principle, and the need to adhere to strict environmental standards. They have also ensured transparency and participation by international oil companies and contractors with broad experience and expertise in large and complex developments on the Norwegian continental shelf. We have thus created conditions conducive to long-term, large-scale investments, while at the same time maintaining full transparency and sound control processes, and facilitating coexistence between very different but important users of these sea areas.

Norway has submitted documentation to the Commission on the Limits of the Continental Shelf on the extent of its continental shelf, based on the provisions of the Law of the Sea and international cooperation. The same approach has been taken to the delimitation of the continental shelf and the fisheries zones in the area between Greenland and Svalbard, which has now been settled, and to the delimitation of the continental shelf in the Norwegian Sea. It is also being used in dealing with the unresolved questions related to the delimitation line between Norway and Russia in the Barents Sea.

The delimitation of the continental shelf and the 200-mile zones in the Barents Sea is an essential basis for the exploration and exploitation of petroleum deposits in the area of overlapping claims, which covers an area of 175 000 square kilometres. The principal purpose of a delimitation line is to determine which state has jurisdiction over an area for specific purposes. Agreement on a delimitation line will thus make it possible to establish the predictable framework that is necessary for economic and other actors, and also for cross-

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.

Representatives of the Norwegian and Russian Coastguards at a debriefing on board *KV Andenes* after the Barents Rescue 2006 exercise.

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.

In cooperation between Gazprom and Hydro, the rig *Deepsea Delta* drilled and tested well no. 7 in the Russian Stockman field in the autumn of 2006.

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 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, unreported and unregulated fishing.

The preparation and ongoing implementation of the integrated management plan for the Barents Sea–Lofoten area has given Norway valuable experience. We cannot expect a Norwegian plan to apply to the entire Barents Sea, but the principles and approaches set out in the plan may, in cooperation with Russia, be applied to the whole sea.

Our fisheries cooperation with the Soviet Union started as far back as 30 years ago, and has been instrumental in ensuring sustainable harvesting of the fish stocks in northern waters. Our

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

It is the Government's ambition than 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.

In this connection, it will be important to assess to what extent existing instruments can be applied. Once Norway has prepared a proposal, it intends to present it to the Russian authorities. It could then be further developed by a Norwegian-Russian working group established for this purpose.

Norway will advocate ambitious environmental goals in both countries and seek to promote the establishment of high health, safety and environmental standards for the petroleum activities in the whole of the Barents Sea. Cooperation on health, safety and environmental issues will be further developed together with the Russian authorities, the petroleum industry and the social partners in both countries. We will also build further on the existing cooperation with Russia on maritime safety, oil spill response and emergency and rescue services.

Norway intends to encourage stronger ties with Russia at all levels by reducing costs and simplifying the procedures involved. We have therefore negotiated a visa agreement with Russia. This agreement, which is expected to enter into force in the first half of 2007, will simplify visa procedures for many categories of Norwegians and Russians. It is particularly useful that the agreement will make it easier to obtain multiple-entry visas that are valid for longer periods of time.

Agreement has also been reached on extending the opening hours at the Storskog border crossing, and the Government will facilitate their speedy introduction. The Government will also carry out a broad review of existing rules and procedures with a view to facilitating border crossing between Norway and Russia at Storskog. In this connection the practice followed by other countries in the Schengen area, and particularly Finland, will be studied.

Presence of the Norwegian Armed Forces

The changes in the north are also affecting the role of the Norwegian Armed Forces. By strengthening capacity, the Government has made it possible for the Coast Guard vessels and the Orion aircraft to spend more time at sea and in the air, respectively.

Most of the security challenges in the High North are cross-sectoral, and require close cooperation between the civilian and military authorities. The armed forces have an important role to play, because they have a clearly-defined leadership structure and chain of command, and other capacities that can be put to use as required.

One of the primary tasks of the armed forces is to provide background information for national decision-making through up-to-date surveillance and intelligence. Given the challenges in the north, it is very important that Norwegian authorities have up-to-date information on the situation at their disposal at all times, both as regards natural resources and the environment and as regards civilian and military developments. Surveillance and intelligence will continue to be a key task for the armed forces in the north.

It is important to maintain the presence of the Norwegian Armed Forces in the High North both to enable Norway to exercise its sovereignty and authority and to ensure that it can maintain its role in resource management. The presence of the armed forces increases predictability and stability, and is decisive for our ability to respond to emergencies in the High North.

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 *Kursk* and *Elektron* 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
Knowledge generation and competence building

Knowledge is at the core of the High North policy, and is closely linked to environmental management, utilisation of resources and value creation. As a nation, we need more knowledge in order to fully seize the opportunities ahead and meet the challenges we are facing in the High North.

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 increased investments through several ministries' budgets. In 2006, the Research Council of Norway will allocate around NOK 350 million to research that is directly related to the High North. In addition, universities, university colleges, and research and management institutions receive funding from other sources, and research activities are also carried out in the business sector. For example, the Institute of Marine Research has an annual budget of nearly NOK 300 million for its activities in and about the High North. The Norwegian Polar Institute also administers large resources for knowledge generation in and about the High North.

The Government will use the existing institutions and instruments in its efforts to promote knowledge-generation.

The budget proposal for 2007 includes two major allocations that directly target the High North. One is a significant increase in funding for polar research in connection with Norway's participation in the International Polar Year. The other is the Barents 2020 programme.

The Research Council of Norway is a key player in the Government's efforts to increase focus on knowledge relating to the High North. Funds from almost all the ministries are channelled through the Research Council to a number of different High North research programmes and projects. The Research Council of Norway is responsible for maintaining an overview of these funds and how they are used. The Government will seek to strengthen High North research through the Research Council.

The Government sees a need to direct the overall system of education and research in North Norway more towards industrial needs. Coordination between the business sector and the research system in the region also needs to be enhanced. Research carried out and funded by industry in →

North Norway is approximately 30 per cent of the national per-capita average (2003). This is partly due to the predominance of industries based on natural resources with a traditionally low level of research, and partly due to the absence of blue-chip companies in the region.

The Research Council of Norway, together with Innovation Norway and the Industrial Development Corporation of Norway, is responsible for stimulating companies to increase their research effort and to enhance coordination with the research system. These institutions are expected to review industry-oriented funding instruments with a view to making them more closely targeted to the challenges we are facing in the High North. New approaches are needed in the international cooperation between the business sector and research communities. This is particularly relevant in the cooperation with Russia.

The Government wishes Norway to be at the forefront of international efforts to develop knowledge in and about the High North. Strengthening knowledge infrastructure in the High North and cooperation between institutions has been defined as a goal in its own right.

The university and university college system is well developed in the High North, and these institutions will play an important role in the priority that will now be given to competence building in the region. However, it is important to direct the education system in the north more towards industrial and technological needs in order to strengthen links with the private sector. Today the High North is home to important knowledge institutions, especially the University of Tromsø and the university colleges, for example those in Narvik (technology) and Bodø (economics). The Government considers that such educational opportunities should be increased in the High North, and will stimulate expansion in this area.

It is important that we build on the existing institutions and avoid spreading resources too thinly. Therefore the Government takes a positive view of the cooperation that is being developed between the Norwegian University of Science and Technology (Trondheim), the University of Stavanger, the University of Tromsø, Tromsø University College, Narvik University College and Finnmark University College in connection with development of the Snøhvit field off the coast of Finnmark. This is an example of how educational establishments, research institutions and companies can work together to develop courses of study that meet the needs of the local business sector. Another example can be found in the field of tourism, where the university colleges of Finnmark, Harstad and Bodø are cooperating with the University of Tromsø to develop a course of study up to doctorate level in this field.

The higher education institutions in the north initiated a review of institutional structure, cooperation and student recruitment, which resulted in the report *Universitas Borealis?,* published in April this year. This discusses various scenarios for the institutional structure of higher education in North Norway and for cooperation between institutions. The Government will enter into a dialogue with the institutions on the follow-up to this study.

The Government's main priorities for knowledge generation and competence development in and about the High North are described below.

Meeting the knowledge needs identified in the integrated management plan

The purpose of the white paper on an integrated management plan for the Barents Sea–Lofoten area (Report No. 8 (2005-2006) to the Storting) is to provide a framework

The Government wishes to strengthen the knowledge base needed for eco-system-based management of resources in the northern sea areas by meeting the knowledge needs identified in the integrated management plan for the Barents Sea–Lofoten area.

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 influence international cooperation and negotiations on environmental protection and the management of living marine resources in the region.

In drawing up the integrated management plan, which will be updated in 2010, it became clear that there are considerable gaps in our knowledge of ecosystem interactions and the impacts of human activity. It will therefore be necessary to strengthen research, monitoring and surveying in the management plan area in order to fill the knowledge gaps that have been identified. The Government will increase knowledge generation in the period up to 2010.

The main elements of the knowledge generation initiative will be:

The introduction of a coordinated monitoring system for the marine environment
Ecosystem-based management of resources requires continuous assessment of the state of the environment in relation to the environmental goals that have been set. The introduction of a coordinated monitoring system for the state of the marine environment, including pollution levels, will require further research to establish background levels for environmentally hazardous substances and continue the development of indicators.

Surveying the seabed and the seabed environment
The implementation of the MAREANO programme to develop a marine areal database for Norwegian waters will increase knowledge of physical, biological and chemical conditions on the seabed. MAREANO will be an important tool in establishing integrated ecosystem-based management regime and providing a framework for increased value creation.

■ The Government intends the whole of the Norwegian seabed from the Lofoten Islands to the Russian border, including the southern part of the Barents Sea, to be surveyed by 2010.

Surveying and monitoring seabird populations
The SEAPOP (Seabird Population Management and Petroleum Operations) programme is intended to improve knowledge of seabirds in Norway and provide a better basis for decisions in questions relating to the petroleum activities and their impacts on seabirds.

Surveys and research on environmentally hazardous substances
Knowledge about hazardous substances in the sea will be increased. In particular, systematic development of knowledge on the transport routes, levels and effects of environmentally hazardous substances is needed. →

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.

Geological surveys
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
Long-term management-related 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. These prognoses will be particularly important for assessing the likely impacts of climate change on the northern seas. For example, changes in the migration patterns of important fish species may have significance for the management of fisheries in the future.

The Government will strengthen marine research with particular emphasis on the farming of cod and other new species, and marine bioprospecting (i.e. searching for valuable biochemical and genetic resources from living organisms). This research will strengthen the knowledge base for both management and commercialisation.

■ The Government will promote increased efforts in data collection and the development of models that can be used to forecast the effects of changes in the marine ecosystems in the High North.

Fish farming
Efforts to expand fish farming to include new species have in recent years focused on cod, and this is one of the Government's priority areas. Large-scale cod farming will have to take place along the coast of North Norway, where the necessary natural conditions and expertise are to be found.

The Norwegian Institute of Fisheries and Aquaculture Research in Tromsø is already giving priority to cod farming. Brood stock facilities elsewhere in North Norway will form an important part of the infrastructure for this research effort. Promising results have been achieved in cod farming, but much basic research needs to be done before large-scale cod farming is commercially viable.

There is an urgent need for knowledge on the environmental effects of all types of fish-farming and sea-ranching activities as a basis for taking effective steps to minimise such effects. This is particularly the case with cod farming.

■ The Government will improve knowledge and expertise in this area so that we are able to deal with problems such as pressure on wild fish stocks, cod diseases, developing vaccines, feed, and ensuring normal development from larvae to harvestable fish.

Marine biosprospecting
Marine bioprospecting is the search for valuable biochemical and genetic resources from living organisms. Rapid advances are being made in marine biotechnology, including bioprospecting. The northern seas contain interesting organisms that are adapted to the cold environment. Better knowledge about marine biodiversity and technological expertise are needed with a view to realising the potential for value creation within marine biotechnology offered by these abundant natural resources. Significant research is being carried out in the High North and an industry is beginning to take form. These efforts require expertise and resources, including entrepreneurship and venture capital.

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 MAREANO 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 further development of expertise and technology that will enable petroleum exploration and production in the High North to be carried out in a responsible and efficient way.

The considerable technological developments in recent decades have increased the efficiency of petroleum activities on the Norwegian continental shelf and reduced their environmental impact. Technological advances are primarily made in connection with the development of new fields, as is currently being illustrated by two major, highly advanced development projects: Snøhvit and Ormen Lange.

Petroleum-related research and development is another important area for the Government. Priority will be given to research aimed at meeting the technological and environmental challenges in the High North.

These projects are good examples of how Norway's oil and gas expertise is being successfully developed in cooperation between companies, research centres and higher education institutions. →

Today, Norwegian expertise is in demand and is highly competitive in the international arena.

OG21 (Oil and Gas in the 21st Century) is a research and development task force, made up of representatives of oil companies, contractors, research institutions and universities. OG21 gives advice on private and public sector petroleum research, and has drawn up strategies for a number of areas of technology, including an emphasis on developing new solutions for the Arctic.

There is broad agreement within the Norwegian petroleum cluster that the challenges in the High North can be met through further development of the knowledge and expertise gained in the North Sea and the Norwegian Sea. However, the expansion of petroleum activities in the High North will present particular challenges that will have to be met through the development of new knowledge and skills.

The Government will strengthen geological surveying in the High North.

The public sector spends around NOK 400 million a year on petroleum-related research. Most of the research effort is directed towards research problems relating to the whole continental shelf, including the Barents Sea.

■ A greater research effort must be directed towards specific issues relating to the High North.

However, in addition to the increased efforts on the part of the authorities, the oil companies will also have to step up their research and development efforts in cooperation with the centres of excellence. This will create considerable opportunities for the research and knowledge institutions in the High North.

■ The Government will strengthen knowledge about oil spill response operations in Arctic areas, particularly as regards oil spills in ice and response measures in the dark.

This expertise will be developed through field studies in the marginal ice zone in the Barents Sea, the development of chemical beach-cleaning methods, the generation of knowledge about the use of chemical dispersants in cold conditions, and the assessment of various vessel sensors that can detect oil in the dark. The Government will consider providing partial funding for these efforts through the Barents 2020 programme.

Geological surveys

One of the Petroleum Directorate's tasks is to carry out surveys of the resources on the Norwegian continental shelf. This includes collecting seismic data and shallow drilling to provide the Norwegian authorities with the best possible insight into the geology and potential resources of the continental shelf. It is in Norway's interest to carry out geological surveys in northern waters. Sound knowledge about the potential for resources is an important part of the basis for political decisions on petroleum operations in the High North.

■ The Government will promote efforts to strengthen geological surveys in the High North in the years ahead.

Monitoring and notification for environmental, resource and emergency response purposes

The Government will take the initiative to improve coordination between the various monitoring and research actors, with a view to establishing an integrated monitoring and notification system for the High North for the most important environmental and resource indicators, and to ensure the collection of long time series of data for research purposes. Close cooperation with other Arctic nations will be essential. The system should provide other users with access to information about: the seabed (e.g. through MAREANO); the water masses (including data on ecosystems); the sea surface (e.g. maritime transport); the atmosphere (e.g. pollution and climate change); and meteorological observations. These efforts should also be seen in connection with the implementation of the integrated management plan,

The Government will seek to provide an integrated civilian monitoring and notification system for the most important environmental and resource indicators in the High North.

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 *Barents Online*, 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

Climate

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 change that is already taking place and that can be expected to take place in other parts of the world at a later stage.

Environmentally hazardous substances

The Arctic region is in general an important area for monitoring →

The Government will promote efforts to develop knowledge about climate change and the challenges it is creating in the High North.

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 presence, spread and impacts of environmentally hazardous substances in the region.

Polar research
Norway has long traditions as a polar nation and strong centres of excellence within this field. The International Polar Year (IPY) is a worldwide focus on polar research that will extend from 1 March 2007 to 1 March 2009. More than 50 000 researchers from at least 60 countries will take part.

■ Norway will play a leading role in the International Polar Year. The Government is therefore giving high priority to the IPY, and has proposed an allocation of NOK 80 million in the budget for 2007.

In connection with the IPY, Norway will strengthen its polar research efforts and build up its international network. Most of the Norwegian IPY projects will 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.

Indigenous peoples
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.

The Government will further develop the Indigenous People's Research Network.

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 interests of indigenous peoples in the High North.

Strengthening the knowledge infrastructure in the High North
Svalbard as a research platform
Svalbard is an important arena for international cooperation on higher education and research. Its situation in the High Arctic provides excellent opportunities for scientific studies, climate research and monitoring the marine and terrestrial environment and the atmosphere. In recent years, Norway has made substantial investments in the research infrastructure in Svalbard. Education and research, in addition to coal mining and tourism, are the main Norwegian activities in Svalbard.

■ The infrastructure that has been built up in Svalbard should be utilised more efficiently in the future, by both Norwegian and international researchers and students, and the Government will take steps to facilitate this. The aim is to strengthen cooperation and coordination between the various institutions in Svalbard. The research activities and infrastructure will therefore be assessed with such improvements in view.

Research vessels
Some of the Norwegian research vessels are getting old, and it may be appropriate to invest in new ones. One possible solution would be to invest in a new, larger ice-class vessel to replace the two we have at present. A new ice-class vessel would increase the year-round Norwegian presence in northern waters and strengthen

The research vessel *G.O.Sars*. The Government will consider the need for a new ice-class vessel for use in the High North.

The Government will strengthen education and research in Svalbard.

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 consider the need for a major new ice-class research vessel for use in the High North.

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

The Norwegian Meteorological Institute

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 Government will maintain Norway's presence on the islands of Jan Mayen, Bjørnøya and Hopen.

The cooperation between Bodø University College and MGIMO University in Moscow could serve as a model for joint Norwegian-Russian doctors and masters degree programmes.

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 research, particularly in the field of health, with the participation of a number of institutions in both countries. The Government will take the initiative vis-à-vis the Russian authorities for schemes that can ensure better coordination of our joint efforts. This will make it possible to take a more integrated approach to bilateral cooperation on knowledge generation and competence building.

■ The Government will examine the possibility of establishing joint Norwegian-Russian doctors and masters degree programmes. The cooperation between Bodø University College and the Moscow State Institute of International Relations (MGIMO University) could serve as a model.

■ The Government will consider increasing the number of Russian students in the quota programme, which provides opportunities to study at Norwegian institutions, and will consider establishing a new grant scheme for Russian students, based on the same pattern as the quota programme, through the Norwegian State Educational Loan Fund. This will promote educational cooperation between Norwegian and Russian institutions. Targeting these efforts towards masters and doctors degree students will also be considered.

■ The Government will establish a special grant scheme for studies at educational institutions in North Norway, to be financed via Barents 2020. NOK 3 million a year will be allocated for the period 2007-2009. The scheme will focus on studies in the fields of tourism, fisheries, petroleum, indigenous peoples and business economics.

■ The Government will renew and strengthen its cooperation programme with Russia on education and research.

■ 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 strengthen international education and research cooperation in and about the High North, particularly its cooperation with Russia.

■ 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
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

The Government will encourage further development of the University of the Arctic.

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 of the marine environment that can be followed up through specific projects, and in cooperation with other countries. The report presented to the Minister of Foreign Affairs on Barents 2020 has identified key issues and possible projects relating to the development of petroleum technology.

■ Among the projects that will be considered in connection with Barents 2020 are "Barents Online", cooperation with Russia, in particular Northwestern Russia, on health, environment and safety, business development and innovation, and a project on oil activities and oil spill response operations in ice. The Government will also consider financing a study of the opportunities and framework conditions for business development in Sami areas. ■

PART 3
Issues relating to indigenous peoples

Indigenous peoples possess an important body of knowledge on nature, the climate, the environment and traditional practices. They are stewards of cultural values and have specialised knowledge of ways of making a living under marginal conditions in subarctic conditions. These are resources that the Government wishes to utilise in its High North policy.

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 settlement 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's policy is intended to safeguard the livelihoods, traditions and culture of indigenous peoples in the High North. The indigenous dimension is an integral part of the High North policy.

■ The Government will seek to promote the development of common standards concerning indigenous peoples, to apply to all economic activity in the High North.

■ Cooperation on the situation of indigenous peoples is a natural and important part of Norway's cooperation with Russia.

■ The Government will present a white paper on the main principles of Norwegian Sami policy in the autumn of 2007, which will discuss further the indigenous dimension of the High North policy.

Indigenous peoples must have opportunities to build up their own capacity and competence so that they are able to exert real influence and participate fully in the general development of society, particularly in the High North.

■ The Government will contribute to capacity building in research relating to indigenous peoples in Sami educational and research institutions. ■

Storgata
Стургата

PART 4
People-to-people cooperation in the north

The cooperation in the Barents region is characterised by broad popular participation, which makes it unique in an international context.

The harsh climate and the long distances are two challenges that particularly affect living conditions for the people in the High North. The population of the region is declining, particularly on the Russian side of the border. The population in the northernmost counties of Norway has also fallen over the last ten years, and the birth rate is low. However, there are signs that the tide is beginning to turn in North Norway. The rate of population decrease is slowing and employment is increasing, despite the fact that the ratio of women to men is still low in this part of the country. In order to ensure progress in the High North, new opportunities need to be created for women, and young people must be offered incentives to settle and start families in the region. The Government will also implement measures to encourage more people to move to North Norway.

The Government will seek to facilitate the continued efforts of the local authorities in North Norway, the Sámidiggi (Sami Parliament), other public institutions, non-governmental organisations and private persons to strengthen cross-border cooperation in the north.

Children and young people
Ensuring good living conditions for young people in the north is not just a question of providing employment and health services; good cultural services and opportunities to participate in the development of society are also vital. The Government will foster the development of entrepreneurship among young people in the High North. Importance will also be attached to measures to encourage children and young people to take part in organisations, which will help to strengthen civil society and democracy in the region. The Government is contributing to such efforts through the Barents Cooperation and measures such as the Barents Youth Cooperation Office in Murmansk, which was set up to provide information and guidance for youth groups, organisations and networks that are working with cross-border youth projects in the Barents region. This support will be continued. In addition, priority will be given to cooperation through the Barents Regional Working Group on Youth Issues.

Health
In helping to improve public health in Northwestern Russia, we are also reducing the risk of disease on the Norwegian side of the bor- →

From "Girls on the Bridge" by the Samovar Theatre at the Barents Spectacle culture and arts festival in 2006 – a cooperation project between artists from the Barents region and the Caucasus.

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.

Sport
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.

Volunteer activities
In cooperation with various voluntary organisations, the Government has supported a pilot model for volunteer centres in Russia, primarily with a view to recruiting and organising local volunteers. The model was tried out in two municipalities to begin with, and now there are eight volunteer centres in operation in Northwestern Russia.

- The Government will promote contact between Russian and Norwegian volunteer centres.

Culture and cultural cooperation
The Government will strengthen cultural cooperation with Russia in the north, and aims to draw up a specific strategy for this purpose. Cultural contact promotes understanding and communication. Cultural activities create meeting places and networks, build trust and can often lead to cooperation in other areas. In the Foreign Ministry's part of the Government's budget proposal for 2007, NOK 10 million is earmarked for cultural and information measures in the High North, with focus on cooperation with Russia.

The Government will promote closer cooperation within music, dance, literature, theatre, film and museum activities. With this in view, we will:

- promote exchange programmes for music ensembles, choirs and dance groups;
- consider developing a programme for visits to and between museums in the High North;
- promote the translation of contemporary works of literature to relevant languages in the region, and the role of libraries as meeting places;
- promote theatre exchanges and festivals;
- further develop and strengthen film activities in North Norway.

Sami culture
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.

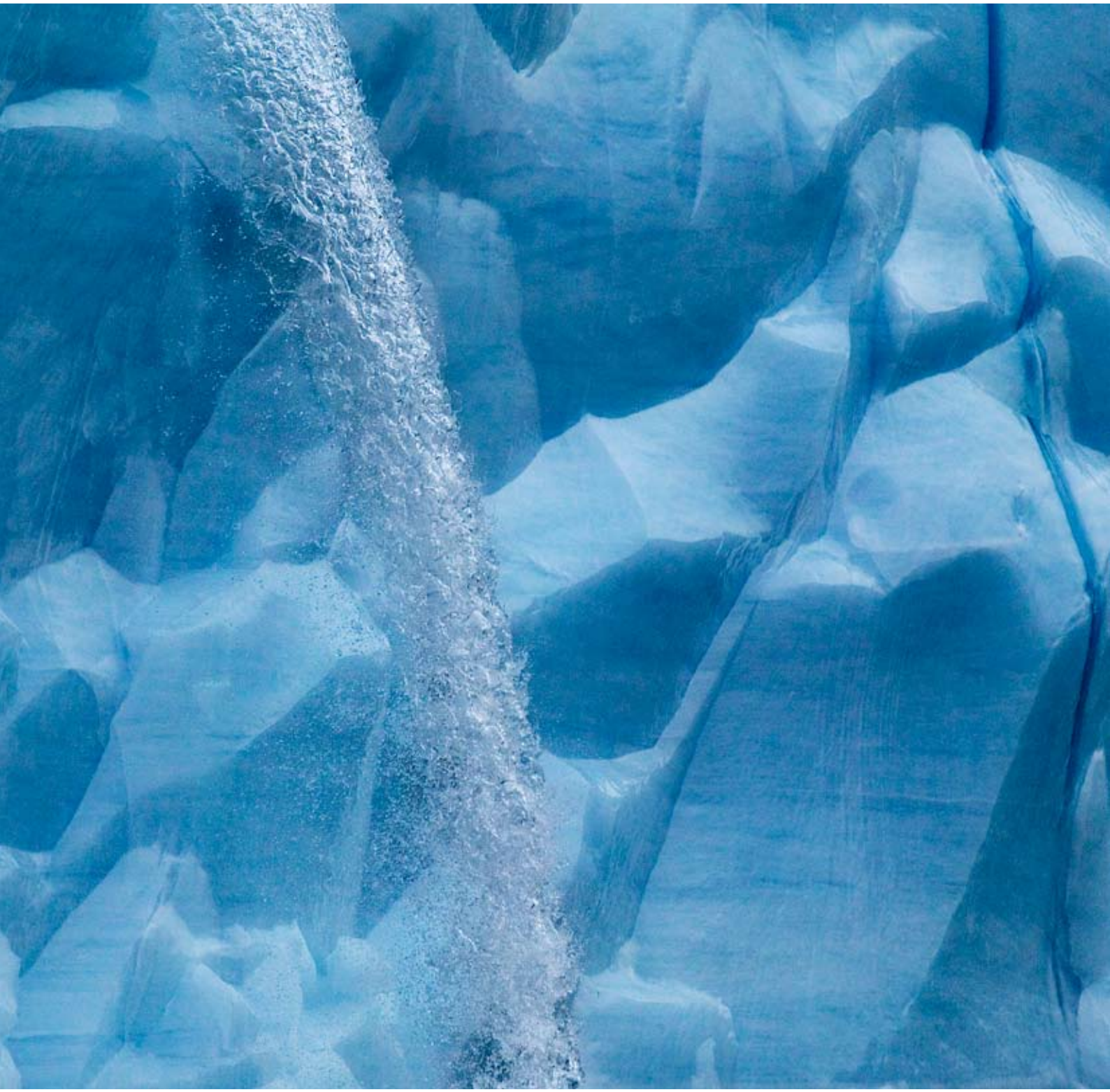
■ The Government will help to further develop the cooperation between Sami radio stations in the High North and will support the establishment of a joint radio channel once the digital radio transmission network has been fully established in the Nordic countries. The Government will also seek to promote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

Film cooperation
Film is one of the most popular cultural genres today, and is 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. ■

NRK, Sámi Radio



PART 5
The environment

The last large wilderness-like areas in our part of the world are to be found in the High North. The natural environment and cultural heritage of the region together make up a unique heritage that must be protected for future generations. This is why the environment and natural resources in the north must be protected against pollution and over-harvesting. It is also important to prevent developments from causing damage to the environment, and to prevent wear and tear and disturbance from increased traffic.

Norway intends to be a leading nation as regards environmental policy and will play a long-term and credible role as a steward of the natural and cultural heritage in the High North. This means that we must be at the forefront of efforts to monitor the climate, pollutants and the marine environment in the High North.

The Government will set high environmental standards for all activities and establish a framework to protect particularly valuable and vulnerable areas against negative environmental pressures and impacts. The Government will also strengthen international cooperation to mitigate climate change and reduce environmental pressures and impacts in the High North. The development of environmental technology will be important in this context.

There is growing pressure on the natural and cultural environment as a result of more intensive use of areas on land and at sea and of living resources, the development of infrastructure, growing industrial activity and rising transport volumes associated for example with the petroleum industry. Motor traffic in vulnerable natural environments is also a growing problem.

It is therefore necessary to protect the natural and cultural environment and remaining wilderness-like areas in North Norway and Svalbard, and to raise awareness of the value of this unique heritage and its importance for welfare and value creation. The outstanding natural and cultural heritage is of growing interest for the expanding tourist industry, which offers new opportunities for development in the north. More knowledge is also needed about the effects of use, particularly more intensive use of vulnerable areas and of areas of particular cultural importance to indigenous peoples.

The Government will lay down a clear environmental framework for all public- and private-sector activities in the High North. Steps will also be taken to maintain the environmental value of the region for future generations and to halt the loss of biodiversity by 2010. In this connection, the Government will propose a new Act on the protection of the natural environment, landscape and biological diversity in the course of 2007.

Svalbard will be maintained as one of the world's best managed wilderness areas. The strict environmental legislation and comprehensive protection regime will be continued and further developed to meet the challenges that expanding economic activity on and around the archipelago poses. In the event of a conflict between environmental targets and other interests, environmental considerations are to prevail.

The northern seas will be maintained as some of the cleanest, richest and most productive marine areas in the world. An integrated, ecosystem-based management regime will be established as set out in the management plan for the Barents Sea–Lofoten area and the plan for marine protected areas will be implemented as one means of achieving this aim.

Climate change and long-range transboundary pollution

Transboundary environmental problems are a serious concern in the High North, and can only be dealt with through close, binding cooperation with other countries. Dealing with these problems requires coordinated efforts in a variety of forums, including the Arctic Council and the Nordic Council of Ministers.

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 will be more severely affected by storms and high waves. Our opportunities for harvesting marine resources will be affected by a rise in the temperature of the Barents Sea. The distribution of both marine and terrestrial ecosystems will change; some species will shift their distribution to areas where they find the temperature and conditions they are adapted to, while others will be at risk of extinction. Higher temperatures will also reduce the extent of the sea ice and open up opportunities for new maritime transport routes eastwards.

■ During its chairmanship of the Arctic Council, Norway will give priority to close dialogue with the other member states on climate issues and seek to ensure active follow-up of the ACIA reports.

The Government will also follow up the ministerial declaration on adapting to climate change adopted by the Nordic ministers of the environment in Longyearbyen in August 2006, for example by improving knowledge of the impacts of climate change on the marine environment and its consequences for the natural and cultural environment. The Norwegian chairmanship will also provide an opportunity for Norway to follow up the Nordic strategy for the Arctic climate and environmental pollutants.

The Government will ensure that Norway meets its commitments under the Kyoto Protocol and plays an active role in efforts to achieve a more ambitious global climate agreement for the period after 2012.

■ As a basis for its further work on climate issues, the Government will intensify monitoring of climate change and knowledge generation on the impacts of climate change in the High North.

Integrated management of the northern seas

In spring 2006, the Government presented a white paper on integrated management of the marine environment of the Barents Sea and the sea areas off the Lofoten Islands (Report No. 8 (2005-2006) to the Storting). This describes Norway's management plan for the area, which is intended to provide a framework for the sustainable use of natural resources and goods derived from the Barents Sea–Lofoten area and at the same time maintain the structure, functioning and productivity of the ecosystems of the area. The plan clarifies the overall framework for both existing and new activities in these waters.

In the plan, the Government has set ambitious goals for management of the Barents Sea–Lofoten area. These goals are intended to ensure that the state of the environment is maintained where it is good and is improved where problems have been identified.

■ To ensure that the goals are achieved, measures will be implemented to ensure sustainable harvesting and high environmental quality through ecosystem-based management.

Ecosystem-based management must be based on regular assessments of trends in ecosystems in relation to the environmental goals that have been established.

■ The Government will therefore introduce a systematic and integrated monitoring system for

From the industrial town of Nikkel on the Kola peninsula.

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 must be adapted to the characteristic features of each area, such as why it is vulnerable and how vulnerable it is.

The management plan is to be updated for the first time in 2010.

Cooperation with Russia

The Government will strengthen its broad-based environmental cooperation with Russia. Cooperation on the marine environment will be given high priority. Other important fields of cooperation are environmental protection in areas near the Norwegian-Russian border and building up competence particularly in relation to polluting industries.

■ The Government will use the principle of integrated, ecosystem-based management as a basis for its cooperation and dialogue with Russia and other countries in the High North, and is prepared to provide substantial funding to ensure environmental monitoring of the entire Barents Sea in cooperation with Russia.

In Northwestern Russia, there are still problems related to environmental damage from industrial and military activity. Heavy industry on the Kola Peninsula is still the most important source of pollution in eastern parts of Finnmark, and inputs from various sources in Russia are contributing to the high levels of environmentally hazardous substances in the High North.

Although the levels of radioactivity from human activity are generally low in the High North, the many nuclear facilities in Northwestern Russia still represent a substantial security risk and pollution hazard. They include facilities that are still operating as well as others that have been closed down. Power generation from the old reactors at the Kola and Leningrad nuclear power plants is of particular concern to Norway. It is essential to give high priority to nuclear emergency response arrangements so that the population, business interests and the environment can be protected against radioactive pollution.

Pollutants are transported northwards to the Arctic by air, ocean currents and rivers. Here a polar bear is being tested for heavy metals.

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 department, will play a key role in this work. ■

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PART 6
The management and utilisation of marine resources

Large parts of the Norwegian Sea and the Barents Sea are under Norwegian fisheries jurisdiction. The most important Northeast Atlantic fish stocks spend part or all of their life cycle in our sea waters. The harvesting of marine resources depends on the overall functioning of the ecosystems and thus requires extensive knowledge of all the elements of these ecosystems and of ecosystem structure and functioning.

Resource management – a basis for value creation
A marine environment that is clean and rich in resources, sustainable, ecosystem-based management with a long-term perspective, and systematic generation of knowledge form an essential basis for the utilisation of living marine resources and hence also for realising the value potential in the High North. The proximity to top quality fresh raw materials in the northern sea areas gives Norway a competitive advantage that the Government considers important to utilise.

The Government's goal is to make the Norwegian Sea and the Barents Sea some of the best managed sea areas in the world. Management of the living marine resources is to be based on the rights and duties that follow from the Law of the Sea, and the principle of optimal utilisation of these resources within a sustainable framework. The integrated management plan for the Barents Sea–Lofoten area clarifies the overall principles that will apply to management of Norwegian sea areas.

Norway plays an important role in the International Council for the Exploration of the Sea (ICES), and we base our fisheries management and out management cooperation with other countries on recommendations from ICES.

■ To achieve a sound fisheries management regime, it is necessary to develop a common understanding based on the best possible scientific knowledge. Norway will therefore give priority to marine research in the High North.

Cooperation with Russia
Norway and Russia share the main responsibility for sustainable management of the environment and the resources in the Barents Sea. The habitats of important stocks of fish, seabirds and marine mammals include both Norwegian and Russian areas. Management and commercial activities thus have cross-border impacts on the environment and resources.

Norway and Russia have been cooperating on marine research for almost 100 years, and have for 30 years also been cooperating efficiently on fisheries manage- →

Fisheries control in the northern areas will be stepped up.

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.

The Government is currently drafting legislation on marine resources, which will ensure an up-to-date management regime covering all utilisation of living marine resources and genetic material derived from them.

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 extensive fisheries control in the northern sea areas. The cooperation between the Norwegian Coast Guard and the Russian Regional Coast Guard will be further developed to ensure that control of fisheries in the Barents Sea is coordinated as closely as possible. The police and prosecuting authority will consistently take action whenever illegal fishing is detected, in cooperation with the law enforcement bodies in Russia.

The Russian authorities have for several years imposed unreasonable restrictions on research cruises by Norwegian marine research vessels in the Russian economic zone. Inadequate coverage of the distribution areas of fish stocks means that TACs are set using incomplete scientific data. The best possible decision base for setting TACs can only be achieved if researchers from both countries have access to the whole of the Barents Sea. Norwegian marine scientists should be able to work in the Russian zone under the same conditions as those that apply to Russian scientists in the Norwegian zone.

It is increasingly being found that applications from other countries for consent to carry out research cruises in Norwegian waters include activities that go beyond research and are more designed to serve commercial interests. The regulation of such activities has become particularly important due to the interest in bioprospecting targeting cold-water corals and sponges on the Norwegian continental shelf .

Marine bioprospecting must be regulated in a way that allows Norwegian institutions to further develop their knowledge and expertise on marine genetic resources and safeguards Norway's rights and a share of any ensuing financial gain.

■ The Government will draw up new rules on marine bioprospecting in the seas under Norwegian jurisdiction, for example in connection with the drafting of new legislation on marine resources and on the protection of the natural environment, landscape and biological diversity. ■

Norwegian inspection of the catch on board a foreign vessel.

PART 7
Petroleum activities

There will be considerable development activities in connection with petroleum operations in the southern Barents Sea in the next few years. This may be of major significance for competence-building and for local and regional business development in the future.

The Government's aim is that Norway will be the best steward of resources in the High North, with oil and gas operations that meet very stringent environmental standards, and with continual knowledge generation, research and development in the petroleum sector.

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 particularly valuable and vulnerable areas are ensured satisfactory protection.

There is now considerable interest and optimism regarding petroleum activities in the southern Barents Sea. More and more companies want to participate actively in this area, which may become an important petroleum province in the future. This can have important spin-off effects on local and regional business development.

The development of the Snøhvit field off the coast of Finnmark is the first milestone in the establishment of petroleum operations in the southern Barents Sea. The future prospects are good, and several new developments are being considered. The development of Goliat, the oil zone in the Snøhvit field and the building of a second gas processing unit on the island of Melkøya off Hammerfest could lead to development activities in the area well beyond 2015, and could involve investments of over NOK 50 billion.

The Government will encourage operators of fields in the High North to establish qualification schemes for local and regional contractors in connection with these developments. Petroleum activities on the scale that we are now glimpsing the contours of will be an important stimulus for growth in the counties of Finnmark and Troms, and will provide a considerable number of jobs in the region. This will again make demands on the education system. The Government will therefore strengthen higher education capacity in this part of the country.

It is also important to ensure sufficient exploration activities so that additional reserves can be proven and produced. Attention must be directed both to the relatively mature areas near Snøhvit and Goliat and to the immature areas in other parts of the southern Barents Sea. Blocks were awarded in the 19th licensing round at the same time as the publication of the integrated management plan, and the conditions are in line with →

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. ■

The Government will pursue an active licensing policy, following up on exploration results and responding to the need for further areas for exploration.

PART 8
Maritime transport – safety and emergency response systems

It is in Norway's interest, and also the responsibility of any coastal state, to ensure high standards for safety at sea, search and rescue services, and oil spill response in order to protect the riches of the sea. Increased activity on both the Norwegian and the Russian side of the border in the High North will lead to an increase in the volume of maritime transport and add to the environmental pressure.

The cruise ship *Hanseatic* ran aground in Murchisonfjorden in Svalbard in July 1997.

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' routeing 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' routeing 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 tankers and cargo vessels with a gross tonnage of more than 5000 that are engaged in international trade will be routed further out from the coast, to about 30 nautical miles from land.

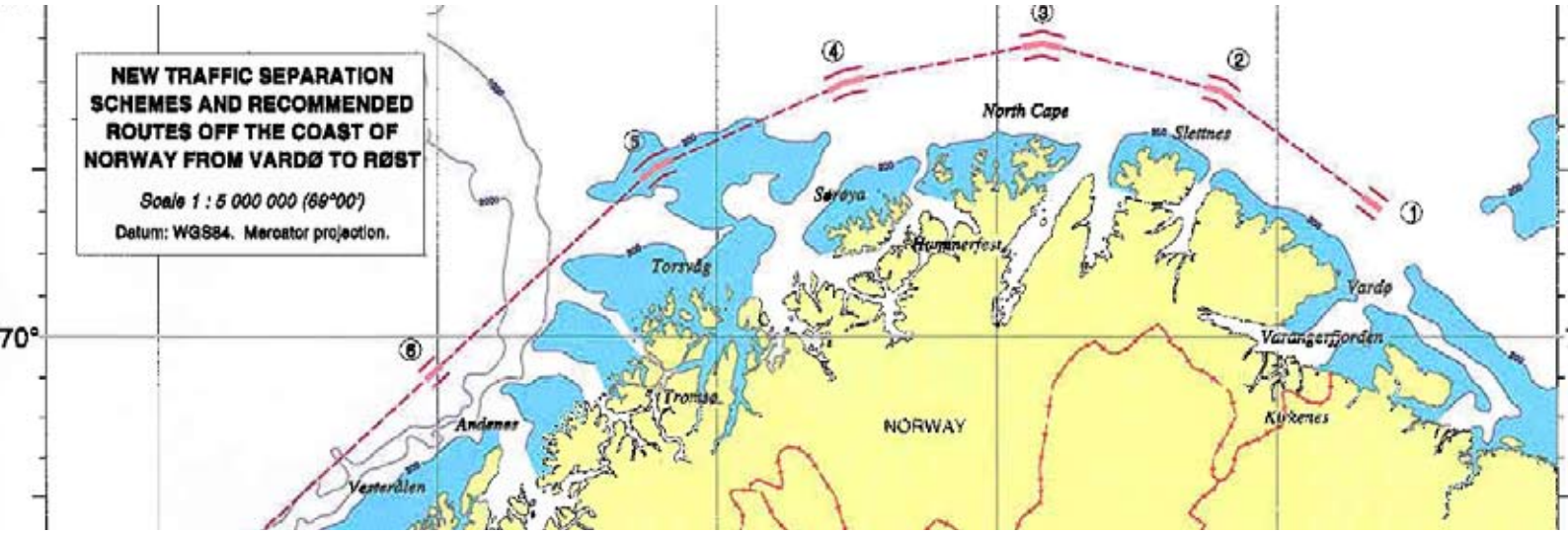
Shipping following the routeing system will be within the coverage area of the Norwegian Coastal Administration's chain of AIS (Automatic Identification System) stations, which means that it will be possible to monitor traffic from the vessel traffic service centre in Vardø. The establishment of the scheme will improve maritime safety and mean that assistance can be provided more rapidly if a vessel is in difficulties.

■ The Government will improve maritime safety in the waters around Svalbard.

We will strengthen maritime safety in the waters around Svalbard, for example by extending the scope of the Harbour Act and establishing a mandatory system requiring the employment of local people with thorough knowledge of the waters around Svalbard to pilot vessels sailing in these waters.

The scope of the Harbour Act will be extended to include Svalbard so that fairways can be regulated in the same way and according to the same rules as on the →

In early December 2006, IMO approved Norway's proposal for the establishment of a ships' routeing and traffic separation scheme along the coast of North Norway.



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 act to the Storting and proposed that the act should be applicable in Norwegian territorial waters around Svalbard and Jan Mayen. This would pave the way for strengthened port state control of foreign vessels in the archipelago.

■ The Government will consider establishing a satellite-based AIS system as a supplement to the existing land-based AIS system along the entire coast of mainland Norway.

A satellite-based system would not provide continuously updated traffic information, but would cover Norway's entire sea territory and other areas of interest in the north. This would be particularly useful in the Norwegian Economic Zone, the Fisheries Protection Zone around Svalbard, the fisheries zone around Jan Mayen, the Banana Hole , the Loophole and the eastern Barents Sea. A satellite-based AIS system would help Norway to exercise its sovereignty and monitor resources more effectively. It would also be a supplementary tool for monitoring tanker traffic and releases of pollutants and would help to make search and rescue operations more effective.

We aim to be leaders in the field of safety at sea, rescue services and oil spill response in the north.

Norway and Russia have developed close and effective cooperation on maritime safety and oil spill response in the north. This

cooperation has led to the decision to jointly establish the Barents VTMIS (Vessel Traffic Management and Information System). These measures, combined with the new vessel traffic service centre in Vardø, will help to improve the monitoring and control of maritime traffic in the north.

Increased activity in the Barents Sea is creating a need to step up search and rescue services correspondingly. Round-the-clock readiness was introduced at the SAR helicopter base at Banak in 2006. In its 2007 budget, the Government proposes allocating NOK 16.5 million in order to make it possible to introduce round-the-clock readiness at the SAR helicopter base at Bodø as well in the second half of 2007. The Government also intends to cooperate closely with other countries in the region on search and rescue services and emergency response within the framework of the Barents Cooperation.

Measures and infrastructure to improve maritime safety, oil spill response and search and rescue services will provide a framework for safe, environmentally sound and efficient transport corridors in the High North. This will be necessary to ensure a good transport system, particularly for petroleum products, to the markets. Thus, Norway is playing an active role in creating a framework for the use of large sea areas, and also maintaining a presence in these areas.

Because of the strategic position of Jan Mayen in the western part of the Arctic Ocean, the installations on the island are an important part of Norway's infrastructure. They are also important in connection with the development of safe and efficient transport corridors in the High North. In addition, Jan Mayen is used as a depot for aircraft fuel. The Government has decided to maintain the operative status of the LORAN-C radio navigation station until the end of 2009. This has a bearing on the level of activity on Jan Mayen, since one of the four Norwegian stations is located on the island. The Government considers it important to maintain activity and settlement on the island.

Increased activity means new opportunities for Norwegian shipping, but also new challenges related to safety and emergency preparedness. Priority must be given to accident prevention.

Increased activity in the High North, both on land and at sea, requires high-quality meteorological services. It is therefore necessary to develop and improve the meteorological observation system in the High North. ■

PART 9
Business development

A well-functioning labour market and business sector are essential in order to ensure economic development and prosperity in the north. It is important for the northern parts of country to develop a diversified business sector that it is less vulnerable to cyclical and structural changes in individual markets.

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 Government intends to pursue a proactive and future-oriented business policy in the north by making use of North Norway's comparative advantages and focusing on sectors where the region is particularly competitive, like the marine and maritime sectors, environmental technology, energy and tourism.

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 Government will implement measures aimed at compensating for the seasonality of the fisheries in the north. North Norway's proximity to the fisheries is an advantage that should be exploited.

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.

The Government is drafting a new act on the acquisition and exploitation of mineral resources, which will pave the way for sound utilisation of mineral deposits in the north.

■ 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.

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 areas are among the most productive in the world, and the marine fish stocks are at sustainable levels and well managed. There is demand for Norwegian fish products in the international markets, and Norwegian fish achieves good prices. Employment in the fisheries and processing industry has been declining for many years, partly as a consequence of modern fishing vessels, less labour-intensive production methods and the fact that processing is increasingly carried out abroad. However, export volumes are stable, and the total export value is on the rise, which means that value creation among the active players in the sector has increased.

North Norway's proximity to the fisheries is a particular advantage that should be exploited. In its policy platform, the Government declared that it would draw up a national strategy for the development of the fishing industry based on the advantage we have due to our access to fresh raw materials of high quality. The strategy is now being developed.

The Government considers it important that the fisheries should continue to play an important role in securing settlement and business activity in rural areas, and that the revenues generated by the fisheries should benefit the communities that are most dependent on this sector.

■ The Government intends to promote growth in the fisheries sector by stimulating cod farming and catch-based aquaculture. This will play an important role in providing the processing industry with more stable access to raw materials, compensating for the seasonality of the fisheries in the north and improving the sector's ability to meet the markets' delivery requirements.

■ A marine value creation programme has been developed, aimed at increasing market focus and strengthening the profitability of the marine sector in areas that have particular need for restructuring.

The aquaculture sector has significantly increased its production and productivity during the recent period, due in part to restructuring. However, the sector still has major growth potential, particularly in North Norway.

■ The Government will promote aquaculture based on new species, and is in the process of awarding 10 new licences for salmon and trout farming in Finnmark.

Strengthening Norway's sea food sector, both in terms of value creation and marketing, will create opportunities for investment downstream in the value chain. The authorities can contribute by helping to develop expertise and networks.

The Government considers it important to promote development in the agricultural sector in the

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 in North Norway will also be important for the development of cross-border business activity between Norway and Russia.

Industrial restructuring has made expertise and labour available in North Norway, and this has resulted in new, future-oriented employment opportunities in the region. The Government's industrial policy will provide the conditions necessary for centres of industrial expertise to develop.

The development and operation of oil and gas fields on the Norwegian continental shelf has led to considerable activity in the contractor industry. The industry employs about 50 000 persons in all counties, but the heaviest concentration is southwards down the coast from Central Norway. The

North Norway has very high wind power potential.

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.

The Government will seek to ensure that the petroleum activity in the Barents Sea has as positive an effect as possible on local and regional business development.

■ 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.

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.

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.

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

The Government will facilitate the development of the space industry and space-related infrastructure in the north.

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.

The Government will encourage the Norwegian shipping and maritime sectors to participate actively in economic activities in the High North.

■ 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.

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The Government intends to intensify efforts to promote North Norway and Svalbard as tourist destinations.

The Government will provide a good framework for the development of tourism in Finnmark and the rest of North Norway.

Gimsøy bridge.

■ 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.

The Government has established two seed money funds targeted at rural areas in North Norway to ensure that businesses in the region have 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

Good infrastructure is a prerequisite for the development of trade and economic activities. It is the Government's strategy to further develop the infrastructure in the north, particularly with this in view.

The port of Narvik will play an important role in the North East West Freight Corridor.

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 transport 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 connection 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 Finish 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. It 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 supports the initiative to establish an international transport corridor from Central Asia to North America through the port of Narvik.

the Government would look into this at a later stage.

In the years to come, the Government will prepare the implementation of the Northern Maritime Corridor (NMC) project under the Interreg programme.

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.

■ The Government intends to reduce the maximum fares on the air connections in Finnmark and northern Troms and to improve connections between eastern and western Finnmark.

The Government attaches great importance to ensuring good air services in this part of the country, where air transport fulfils a particularly important function, and it will carefully monitor the effects of the planned price reduction.

■ A regional air connection has been established on the route Tromsø-Kiruna-Luleå, with connection on to Murmansk. This has been possible due to the EU's Interreg programme for the High North. Together with regional actors, the airport operator Avinor is conducting surveys that may provide a basis for further development of air connections and other measures to provide infrastructure for air transport in the High North. It is a goal to develop efficient cross-border transport solutions in the north. The Government will

The Government intends to ensure that a future-oriented communications infrastructure is developed in the three northernmost counties.

in this connection continue to consider the transport needs across the Norwegian-Russian border and whether there is reason for the Government to carry out a new assessment of a project to extend the Russian railway network from Nikel to Kirkenes. The national transport authorities, Sør-Varanger municipality, the Barents Secretariat and the regional council for eastern Finnmark have started a rough assessment of the project based on previous studies and reports. This assessment will be an important basis for the Government's own assessment of the matter.

High-quality electronic communication systems are crucial for future activity and business development in the north. These systems need to be reliable, have sufficient capacity to handle large amounts of data and be adapted to new areas of application. The Government is aware of the challenges connected with providing infrastructure for electronic communication in the northernmost counties, due in part to the large distances involved and the limited demand in some areas. An assessment will therefore be made of how the Government can help to provide future-oriented solutions.

Cross-border business activities

Cooperation with Russia is developing rapidly, and trade is growing at a quick pace. An increasing number of Norwegian businesses are active in Northwestern Russia, and contact across the border is closer than ever. Norwegian and Russian companies are engaging in close and extensive cooperation in a growing number of fields. The Norwegian authorities will facilitate business development in the High North and promote Norwegian business interests in Russia.

It is the Government's strategy to facilitate a considerable increase in economic activity between Norway and Russia in the north, for example by promoting knowledge generation, innovation and business development.

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 Government will help to promote Norwegian business interests and investments in Russia.

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 to meet the Russian authorities' requirements as regards the participation of local contractors in the development of petroleum activities in the Barents Sea.

■ The Government supports the establishment of Norwegian-Russian →

contractor networks in the petroleum industry. INTSOK's partnership project for the Barents Region and Russia will be stepped up.

The Government supports the establishment of Norwegian-Russian supplier networks in the petroleum industry.

■ The Government intends to strengthen economic cooperation with our neighbours in the Barents Region – Sweden, Finland and Russia. Norway also intends to continue the cross-border cooperation with Russia under ENPI (European Neighbourhood and Partnership Instrument), the Kolarctic neighbourhood programme, the Northern Periphery programme and other EU programmes. In this context the three northernmost counties play an important role.

Fish and seafood constitute a large part of Norway's exports to Russia. The regulatory obstacles to which this export is subject should therefore be limited to a minimum. At the same time, Russian labour is essential to our fishing industry, and a scheme has been established under which Russian manpower can be employed in the industry. An assessment will be made of whether similar schemes should be established to facilitate the employment of Russian manpower in other sectors. This could be relevant in connection with the assessment of the plan for the establishment of a Norwegian-Russian economic and industrial cooperation zone.

■ In order to strengthen the maritime infrastructure in North Norway, the Government will introduce measures that make it easier for ports, supply bases and shipyards on the Norwegian side of the border to provide goods and maintenance, repair and other services for activities and commercial interests on the Russian side

■ The Government will cooperate with the Russian authorities to reduce technical and legal trade barriers (customs procedures, technical standards, etc.). A bilateral working group will also be established to work on technical and legal harmonisation.

It is vital that the restrictions on freight and passenger traffic across the Norwegian-Russian border are kept to a minimum. Agreement has been reached with the Russian authorities on extending the opening hours at the Storskog border crossing. The

The Government will propose the establishment of an economic and industrial cooperation zone that would include both Norwegian and Russian territory in the border area in the north. In the development of the proposal it will be important to assess to what degree existing measures can be used.

The Government will cooperate with the Russian authorities to reduce technical and legal trade barriers.

Government will seek to ensure that this decision is implemented as soon as possible as a trial arrangement. If warranted by traffic volumes, the Government will seek to have the extended opening hours made permanent.

Norway and Russia have signed a new visa agreement, which is expected to enter into force in the first half of 2007. This agreement will make border-crossing simpler for many categories of travellers.

■ The Government will establish a working group including representatives of affected public bodies at the national, regional and local level to review the Norwegian procedures at Storskog and at Norway's foreign service missions with a view to simplifying border-crossing still further. The Russian authorities will also be approached in connection with these efforts. ■

PART 10
Follow-up

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 efforts will have budget implications. Allocations for specific measures will be considered in connection with the ordinary budget process.

The Ministry of Foreign Affairs will on behalf of the Government report regularly on the implementation of the strategy. ■

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