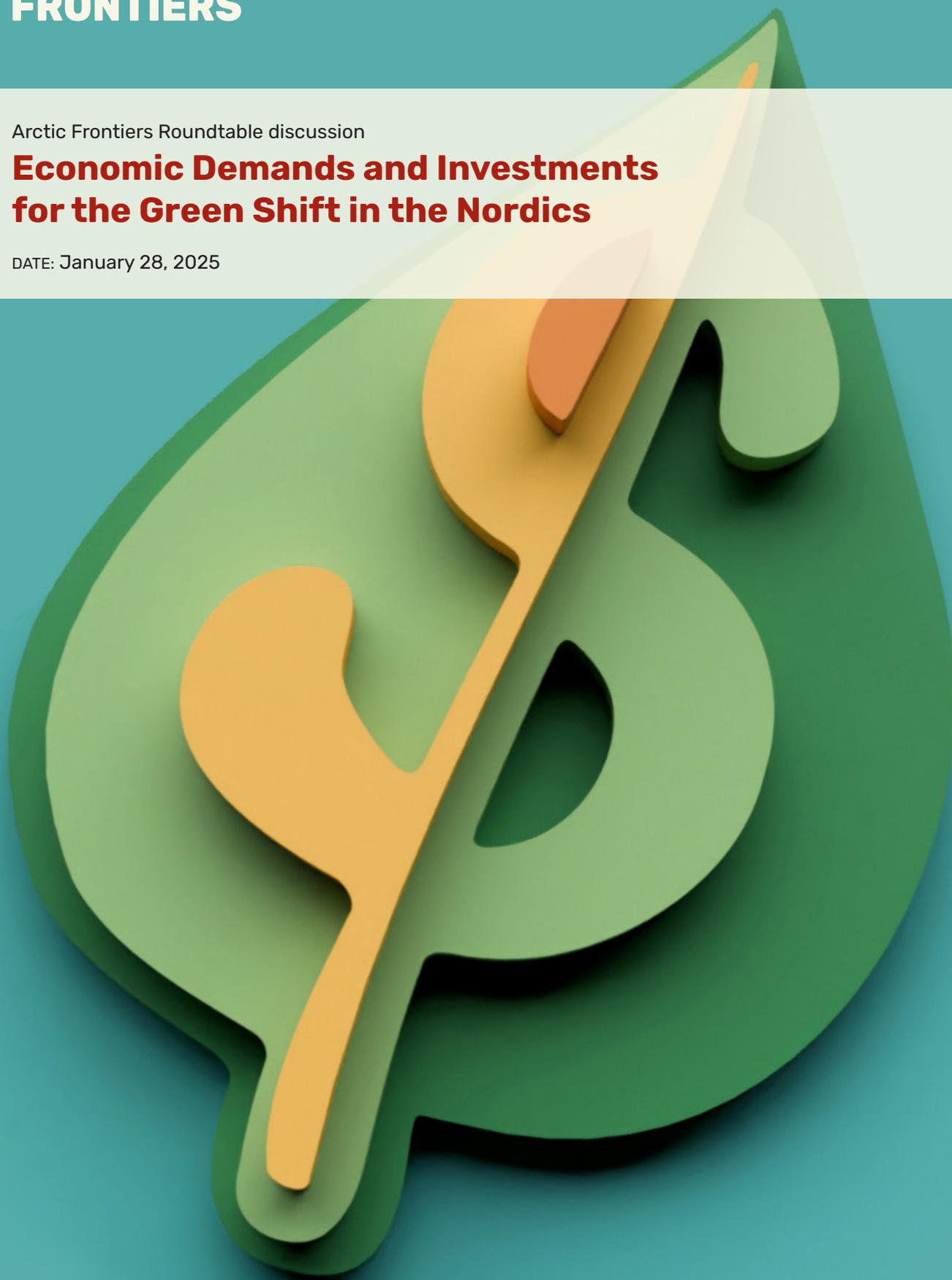


Arctic Frontiers Roundtable discussion

**Economic Demands and Investments  
for the Green Shift in the Nordics**

DATE: January 28, 2025



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## ABOUT THE PROJECT

The Arctic region is at a critical juncture, facing both unprecedented challenges and opportunities. The impacts of global warming, which are four times faster in the Arctic than in the rest of the world, underline the urgency of transitioning from a fossil fuel-dependent economy to a sustainable, renewable energy-driven future.

This green transition is not just an environmental necessity but an opportunity to redefine economic structures and foster resilient communities across the Nordic Arctic. Simultaneously, green transition in the Arctic requires consultations and coexistence between industry and traditional livelihoods.

This project seeks to address these pressing needs by creating a structured platform for dialogue, knowledge-sharing, and actionable policy recommendations. Through a series of moderated roundtable discussions, we aim to bring together key stakeholders to address the multifaceted challenges of the green transition.

**The project is generously funded by the Norwegian Ministry of Foreign Affairs, and will focus on three key themes:**

→ **Economic and Investment Needs**

How to attract and secure sustainable investments while managing risks, fostering innovation, and ensuring the equitable distribution of resources.

→ **Energy Security and Resource Management**

Addressing the transition to renewable energy, the secure supply of critical minerals, and the development of place-based production systems.

→ **Balancing Growth and Conservation**

Navigating the complex interplay of economic development, environmental stewardship, and the rights and traditions of Indigenous and local communities.

## OBJECTIVES AND DELIVERABLES

The primary objective of this project is to define what the green transition looks like in the Arctic by producing a comprehensive policy roadmap for sustainable development. This roadmap will guide policy-makers and stakeholders in implementing strategies to achieve economic resilience, energy security, and environmental sustainability across the region.



Norwegian Ministry  
of Foreign Affairs

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These recommendations are based on the conversations and proposals from the first round table discussion. The summary is written by **Marja Helena Sivonen**, Researcher, Finnish Environment Institute.

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### KEY ACTION POINTS (ELABORATED BELOW):

- There is a need for a (joint) political vision for the Arctic. Promote policy alignment nationally and internationally and enhance cross-border collaboration by establishing a clear and determined, long-term Northern strategy across the borders which integrates sustainable development goals, workforce planning, and investment policies.
- Develop (critical) infrastructure and competence building by investing in improved mobility, strengthen regional expertise by supporting innovation hubs, research collaborations, and circular economy initiatives to enhance value-chain building across the borders.
- Ensure regulatory stability within the states and coherence between them and expand financial mechanisms by establishing a predictable regulatory framework to reduce uncertainty and encourage long-term investments via multiple sources. This includes exploring the opportunities provided by the EU, encouraging local business (e.g. banks) to participate, improving Nordic Investment Bank's operation towards more flexibility, gathering up private investors and lobbying state incentives to ensure coherence and longevity.
- Have future foresight to respond to the needs of the present while preparing for future changes. Strengthen Arctic workforce recruitment and retention by creating stronger connections with universities and businesses, ensuring career-building opportunities and showcasing that the Arctic can provide well-being for life.
- Enhance storytelling, branding, and strategic positioning of the Arctic as a regional hub and a good, stable and safe place to live.

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### KEY PRACTICAL SUGGESTIONS (FROM THE DISCUSSIONS):

- Arctic/Northern policies of the states should be adjusted to meet the current day needs and future expectations.
- Create hubs to bring together all Arctic universities and businesses to enhance study&stay – Universities should have increased resources for this work as it is an extra task to keep the area habituated but this should not come at the expense of increasing tuition fees to keep student base diverse and strong.
- Create Arctic financial advisory body in collaboration with Finland, Norway and Sweden to aid companies and individuals working and living in the area. This means centralised research, guidance and knowledge sharing to the regions to gain control of the investment environment.
- Housing and daily living infrastructure must be improved to make long-term residence more attractive, and the locals should be empowered to participate in decision making better.
- Campaign to brand the Arctic as a good place to live, not just work, in collaboration with Finland, Norway and Sweden.

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## SESSION 1

Summary to answer the questions:

How to attract capital for green investments in a tough global competition of money, and which financial mechanisms should be prioritized to accelerate the green transition in the Northern Nordic regions?

*To attract capital in the tough competition, the Arctic must be promoted in a coherent manner nationally and internationally with the realistic story of the North, where good living standards prevail despite harsh weather conditions and political stability enables good living standards. All financial mechanisms are needed as State spending ensures the basic needs and critical infrastructure and private funds complement to bring out the potential.*

### Arctic vs. Non-Arctic Investors

Are there fundamental requirements that should be part of the invitation to non-Arctic investors (catering to the specifics of the Arctic)?

Are Arctic investors automatically the right investors for the Arctic – or should we also have requirements for Arctic investors?

*The fundamental requirement for investment activities is that they do not jeopardize national security and sovereignty. This includes critical infrastructure, but also robust background checks of the investors according to the law. The catering to the Arctic specifics comes via Arctic story where local populations already live and want to develop further. For investing in the Arctic there should be a diverse set of sources to reduce the risks from one investor and also to share the benefits.*

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### → Storytelling, branding, and perception management

- Enhancing the region's reputation as a good, stable place to do business and invest through effective storytelling is important. At the heart of this are the people, nature, natural resources, economic potential, and realistic solutions to challenges globally, not only concentrated in the Arctic. Addressing negative perceptions through rebranding efforts were seen as important and emphasizing safe and stable societies, infrastructure quality, innovation, and sustainability opportunities is the key.

- States could be the drivers here, by showing first hand examples in relation to major investments, such as with infrastructure building (roads, tunnels etc).

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### → Strategic investor engagement and local involvement

- Related to the storytelling is the need to appeal to investor sentiments such as sharing successful examples, nature conservation, and positive impact on the local communities while emphasizing that capital has no national boundaries. Highlighting the advantages of local investment or presence of an outside investor locally in fostering trust and confidence is crucial for functional stakeholder management and long-term project success.

- However, foreign investors do not decide upon critical infrastructure – nor should they. That is why strong, long-term planning regionally and nationally is needed, directed from the governments but in cooperation with the regional decision-making. Availability of infrastructure is essential in attracting investments.

- Social acceptability is the key to successful development. That is why also the locals must be able to trust the foreign capital and that it will bring benefits to everyone. Ways to improve trust are, for instance, promoting successful endeavours, having local investors, and creating meaningful interactions with the local communities.

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### → Diverse and innovative financial mechanisms

- Currently, funding is available through private, public and the EU funding mechanisms. However, more is needed and there is a strong need to expand funding sources beyond government support. These could be for instance, involving local businesses and targeted investment incentives to attract both local and international investors. This includes the political interest to the area via for instance politicians who are from the North or have ties there.

- Mapping of investment opportunities and to create a database for them as a practical step towards.

- More attention is needed to attract R&D capital, venture capital and innovation incubators and hubs. Small and medium sized enterprises (SMEs) need growing opportunities in the Arctic. Support for these, and to attract and deal with foreign investments is needed.

- Promotion of local ownership through financial support for municipalities was seen as important, and it was also seen to enhance social acceptance.

- Local and regional competition must also be addressed. There is a need for a coherent plan to ensure that regions (across borders) don't eat each other alive.

- Important to stay conscious about the types of investors and follow official procedures (e.g. national security checks).

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### → Regulatory stability and clarity

- Ensuring predictable regulatory framework to reduce uncertainty and attract long-term investments is vital and needed fast. Advocating for clear regulations, particularly for emerging energy sectors like hydrogen, is a way to provide confidence for diverse investors.

- Assistance for practical needs for cross-border working and investing is needed, for instance in relation to taxation in the Nordics.

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### → Infrastructure development and competence building

- More people on all levels of the society needed in the Arctic.

- Open and critical discussion called for of what is needed now and in the future.

- Circular economy potentials need to be acknowledged.

- Strengthen value chains and regional expertise through partnerships with universities and the private sector.

- Creation of a new position for each country to work together: person in charge to operate as financial advisor for the Arctic.

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## SESSION 2

Summary to answer the questions:

### **Strategies for Business Growth and Workforce Recruitment:**

What are the key challenges businesses face when scaling up in the Arctic? Should recruitment efforts focus on local institutions or look abroad? What lessons can be drawn from past experiences and best practices?

*Key challenges are transport, mobility and keeping the people in the Arctic. Recruitment efforts should focus on both, local and global, to attract people as there is no lack of people in the world, they just do not know about the Arctic. Previous joint programmes and traineeships between universities and businesses have been working well, there just should be opportunities to scale them up and create long-term career opportunities for the participants.*

### **Strengthening Collaboration Between Education and Industry:**

How well do educational institutions and businesses collaborate in the region, and are education and training programs aligned with the workforce needs of the green transition?

*The educational institutions and business do already good work in collaboration, but more is needed, and it should be funded. Future foresight exercises should be utilised more in order to prepare for the workforce needs of the transition.*

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### → Recruitment and workforce retention

- The Arctic faces unique recruitment challenges due to remoteness, infrastructure limitations, and harsh conditions.
- A mix of local and international talent is needed, with strong partnerships between businesses and educational institutions to align skills with workforce needs.
- Workforce retention strategies should emphasize career-building opportunities, quality of life, family-friendly environments, cultural integration and political stability and free societies of the North.

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### → Infrastructure and accessibility

- Reliable transport connections within the Arctic, beyond major hubs like Helsinki or Oslo, are essential for mobility and economic growth.
- Housing and daily living infrastructure must be improved to make long-term residence more attractive.

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### → Education, training, and collaboration

- Stronger ties between universities and industries through internships, trainee programs, and research collaborations to create a more skilled workforce.
- Decentralized educational opportunities tailored to Arctic needs should be developed to support local communities and reduce migration to the South.
- Aligning training programs with the green transition ensures that workers are prepared for sustainable industries.
- The training and education opportunities should be made truly open to all, and to include actions that enhance gender-balance and equality. This means that the tuition fees from outside the EU should be reconsidered.

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### → Strategic positioning and marketing

- The Arctic should be marketed as a unique and exciting place to live and work, emphasizing safety, stability, democracy, and nature.
- A strategic marketing campaign should highlight existing opportunities, career prospects, and lifestyle benefits.
- Storytelling should focus on more than just jobs—promoting the Arctic as an inclusive, forward-looking region with strong democratic values.

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### → Policy and cross-border cooperation

- A clear and determined Northern strategy is needed to guide sustainable development and workforce planning.
- Cross-border collaboration in taxation, mobility projects, and regulatory alignment can enhance economic vitality without internal competition between regions.
- Stronger representation of Arctic interests in national and international policymaking is crucial for long-term success.
- Political power and decision making are too far away for the North.