



Lapland's Arctic Specialisation Programme

LAPLAND'S SMART
SPECIALISATION
STRATEGY



REGIONAL COUNCIL
OF LAPLAND

LAPLAND
Above Ordinary



LAPLAND: THE MOST ARCTIC REGION IN THE EUROPEAN UNION

The promotion of innovation is one of the key priorities of the European Union's regional policy for the next programming period (2014-2020). The purpose of the Smart Specialisation concept launched by the European Union is to help regions find innovation opportunities related to their sectors and services. In Smart Specialisation, economic growth is based on the use of expertise structures for developing regional business.

Smart Specialisation helps find interaction between different sectors and technologies both within the region and between regions. This is furthered by the fact that regional and national structural funds require the presence of Smart Specialisation strategies. One of the important objectives of the Smart Specialisation strategy is to assist regions in integrating their development efforts with the EU's financial instruments and programmes. This will result in mutually supplementary proposals for action.

Lapland is Finland's most Arctic region, which is developed in view of the international, national and regional operational environment and its Arctic special features. The entire Lapland is an Arctic Region, which requires combining public financing and private investments and maximising the benefits of the inputs made in the region.

LAPLAND OF INDUSTRIES - ARCTIC BUSINESS

Arctic business involves the use of natural resources and expertise in Arctic conditions in products and services. Lapland is a unique region in Europe and

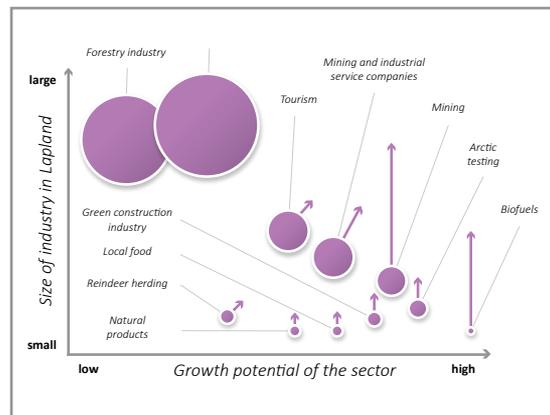




globally. The mining industry is undergoing strong growth in the trend currently taking place in industry and the business sector. Tourism and the process industry (steel industry, forest industry) are key sectors, and Arctic business opportunities related to climate change, for instance, are also opening up.

Lapland's competitive advantages are its effective transport connections and logistics. Additional assets are the strong process industry, the use of information technology, expertise in international tourism, pure nature, high quality of living, excellent range of research and development services, and the availability of extensive educational services.

Challenges are posed by long distances, Arctic conditions, increasing the number of SMEs, the small number of foreign companies and experts, maintaining Lapland's image, falling population, migration loss, and combining large-scale investments with living environments.



Picture 1: Size (turnover) and growth potential of sectors related to Lapland's Arctic business

LAPLAND OF INNOVATIONS

In the international division of labour, companies in Lapland are by nature in a position where they can develop and specialise in the refining of Arctic natural resources (industry, mines and forests) and natural conditions (tourism), and make use of the expertise they have in Arctic conditions. The tourism industry has successfully kept up with trends, of which the most recent one is wellness tourism that combines different sectors. Utilising expertise in natural products, for instance, will create innovations for use in wellness and health tourism products and services.

Lapland's innovation activities will be targeted at fields estimated to offer growth potential and effectiveness. There are growth opportunities in the various sub-areas of Arctic business and expertise. Innovation investments cannot be limited to technology only, because according to some surveys the most important factors contributing to business growth in any sector are the combinations of technological, marketing and organisational innovations.

LAPLAND OF EXPERTISE

Lapland's research institutes and educational institutions offer good opportunities for Arctic innovative activities. Specialisation in operating in Arctic regions will strengthen the position of institutions in the national division of labour between education and research. Education and RDI operations play an important role in view of regional development. Based on the principles of smart specialisation, the focus in planning was to find the interfaces in which the best possible outcome can be achieved through cooperation between business, education and RDI actors.



INTERNATIONAL LAPLAND

Lapland is the northernmost part of the European Union, and the international dimension has always been present in the everyday lives of its people. In fact, Lapland is Finland's most international region and also known worldwide. Lapland's location as the neighbour of Sweden, Norway and Russia has promoted internationalisation, which shows naturally in many contexts every day.

One of the most important industries in Lapland's regional economy is tourism. The globalisation of the tourism market and use of the Internet have together improved the visibility of Lapland on even broader international tourism markets. We can say that Lapland is already there where others want to be!

The backbone of Lapland's economy is the large-scale industry, which relies on the further processing of wood and metal and mainly focuses on the global market. Large-scale industry and the SMEs operating in different sectors are also internationalising their operations considerably

LAPLAND OF SUSTAINABLE DEVELOPMENT

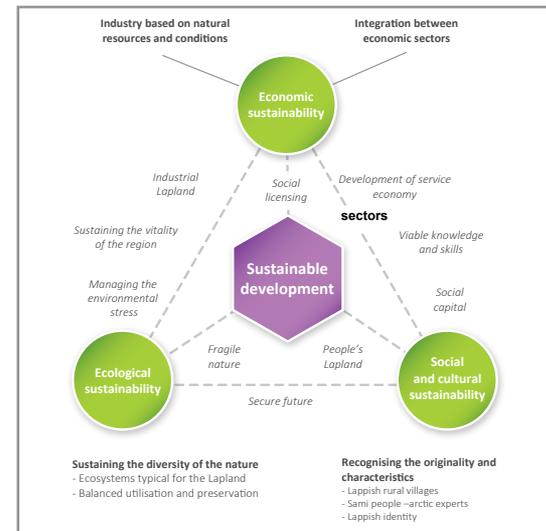
Sustainable development in Lapland means sustainable social development. The cornerstones of social development are economic, ecological, social and cultural sustainability

Lapland lives out its natural resources and natural conditions, so the ability to maintain balance in sustainable development is a key issue. It is challenging to maintain preconditions for sustainable

development under Arctic conditions, and further challenges are posed by the broad international interest shown towards Lapland's natural resources. The establishment of the mining industry in Lapland has aroused a lot of debate on how to reach a balance between economic interests, the environment, and social and cultural factors.

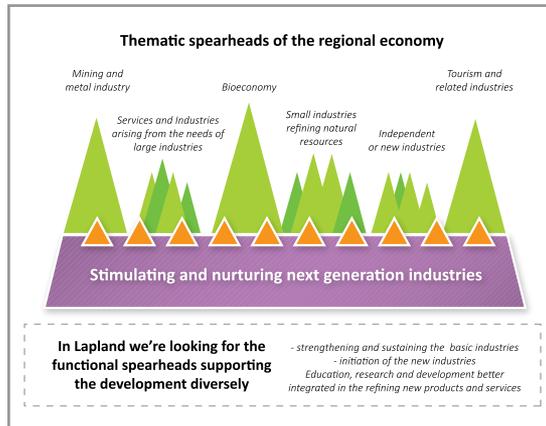
VISION AND SIX DEVELOPMENT CORNERSTONES

According to vision 2030, Lapland will enjoy a leading position in the utilisation of Arctic natural resources and Arctic conditions. As the most Arctic part of Finland, Lapland will commercialise its Arctic expertise and make sustainable use of Arctic business opportunities. Lapland will be an active Arctic player and an important international centre of Arctic transport and knowledge. Lapland will act as a link between the Arctic Region and the European Union and offer its inhabitants an origi-



Picture 2: Basic pillars of sustainable development in Lapland





Picture 3: Lapland's Arctic Specialisation Model: spearheads, new emerging branches and supportive infrastructure

nal, attractive place for living.

The following six cornerstones of Arctic development have been recognised in the preparation of the Arctic Programme: accessibility, the sustainable refining of natural resources and natural conditions, increasing value added, making more efficient use of Lapland's Arctic expertise, and Arctic pride.

Expertise in the multiple use of Lapland's Arctic nature has been converted to an export product. From the point of view of Lapland's future, the aspects to be highlighted are the sustainable utilisation of natural resources and natural conditions and increasing value added. The driving sectors specialising in Lapland's Arctic natural resources above all rely on the extractive industry and the use of forests, and on an infrastructure based on a vital village network. On the other hand, Arctic natural conditions provide the foundation for developing the tourism business and testing activities.



IMPLEMENTATION AND MONITORING OF PRIORITIES IN 2014-2020

The refining of Arctic natural resources includes the spearheads of new sustainable Arctic industry and mines, Arctic bioeconomy, large-scale Arctic projects, and small and medium-sized industry. The aim is to refine Lapland's Arctic natural resources in a socially and ecologically sustainable manner, seeking to generate as high value added as possible in the region.

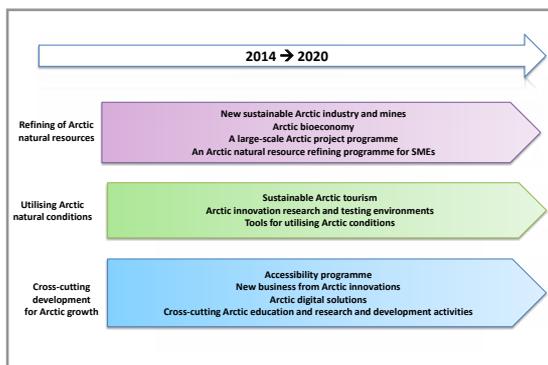
The utilisation of Arctic natural conditions includes sustainable tourism, low-carbon Arctic construction, Arctic innovation research and testing environments, and the spearheads of the tools utilised in Arctic conditions. Lapland is a forerunner in the development of diverse tourism activities in northern regions. It creates new internationally attractive tourism products and services based on natural conditions and natural phenomena.

Cross-cutting development allowing Arctic growth includes the following spearheads: the accessibility programme, new business from Arctic innovations, cross-cutting Arctic research and education, digital Arctic solutions and securing international financing.

A critical aspect in view of developing Lapland as a whole is good accessibility. Lapland must be developed into the hub of Arctic transport, which will open up new business opportunities. Cross-cutting actions allowing growth, in turn, will support fields of specialisation related to the refining of natural resources and the utilisation of natural conditions.

It is in line with the smart specialisation principle to create broader development concepts, whose





Picture 4: Priorities and spearheads of the Arctic Specialisation Program

implementation is based on the use of different financial instruments and programmes and the financial synergies that they offer.

The purpose of monitoring Lapland's Arctic Specialisation Programme is to report (in relation to given criteria and indicators), based on observations, on the achievement of the results and outputs defined for project activities. Monitoring will support management and promote decision-making. It will also involve corrective measures if the planned result or output has not been achieved. Project and programme monitoring focuses on current issues. The question at the project level is of result-based monitoring

The purpose of assessing Lapland's Arctic Specialisation Programme is to investigate how well the project (or programme) addresses needs, while monitoring supports management and promotes decision-making. Monitoring and assessment are interdependent.

Monitoring and agreement on assessment practices based on region and actor are an important sub-area in creating the European Commission's

smart specialisation strategies and programme. The Arctic Programme focuses on pursuing business-based development work, supporting education that promotes such work and enhancing RDI activities. In practice, measures will be carried out as joint projects between companies, business sector developers, municipalities, educational institutions and other public agencies. The Arctic Specialisation Programme will be implemented as part of the future Lapland Agreement¹. This will already ensure that the programme will not remain a 'floating' recommendation.

There will be stricter demands about projects really achieving their promised permanent effects. This will place new requirements on project implementers and financing authorities. It is proposed at this stage that more accurate regional indicators should also be defined upon the preparation of the Lapland Agreement¹ in order to support project activities. The objectives of different programmes must coincide in order to generate the desired added value. Monitoring and assessing the implementation of these interfaces on correct criteria will produce the necessary information for decision-making and thus help make right development decisions.

¹ The Lapland Agreement replaces the regional operational programme.

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PHOTO SOURCES:

Background photos of inner pages:
Lapland – The North of Finland www.onlyinlapland.com

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Leverage from
the EU

2007-2013



REGIONAL COUNCIL
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