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## Assessment and Recommendations

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*The NORA region is one of the world's most peripheral areas, but one with considerable opportunities and economic potential.*

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The NORA region comprises the Faroe Islands, Greenland, Iceland, and the coastal counties of Norway, a group of North Atlantic territories linked by shared characteristics and challenges, as well as by historical, institutional and cultural links. Remoteness, sparse settlement patterns, physical barriers between communities and extreme climatic conditions create significant difficulties in terms of communications and accessibility. These factors complicate the region's trade, economic diversification and provision of public services. However, these territories have managed to cope with their extreme conditions. The region's rich, relatively unspoiled and unique environment offers a range of opportunities linked not only to fisheries, but to energy and mineral production, eco-tourism, and research on the Arctic environment and climate change. The importance of the Arctic is increasing, and the NORA region occupies a strategic position between Europe and North America, as an entryway to the Arctic.

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*The population is unevenly distributed and increasingly concentrated.*

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The region's inhabitants are predominantly based in small dispersed coastal settlements and a few larger towns. The average population density of the region is 3.6 inhabitants per square kilometre, a figure that contrasts with an average density of 33 per km<sup>2</sup> in the OECD area. However, population has been declining in most of the smaller settlements, owing to the increasing concentration of the population – particularly the working-age population – in larger settlements and towns. Internal migration is linked to economic opportunities and the dynamics of agglomeration. The settlement pattern of the NORA region was largely shaped by the fishery industry: communities were established to exploit site-specific resources. More

recently, technological improvements in fishing and in fish processing have reduced the number of vessels and the number of people involved in both activities. In addition, climate change has hurt traditional hunting, fishing and herding, the economic base of traditional indigenous groups (Inuit and Sami) and many smaller localities. As a result of all this, the economic and social structures of smaller settlements have become increasingly fragile and the provision of basic services more challenging, not least owing to the high share of elderly people in small communities.

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*The region as a whole suffers from outmigration and brain drain.*

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International migration patterns in the NORA region are closely linked to the situation of the local economies in relation to those of other Nordic countries, particularly Denmark in the case of the Faroe Islands and Greenland. International emigration is especially frequent among the highly educated, young adults and women. Many of those who leave remain abroad. Job opportunities are often better, particularly for those working in fields unrelated to fisheries. As a result, the communities of origin lose some of their more qualified people. Moreover, this situation creates disincentives for economic diversification.

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*Measures to encourage the return of migrants need to be accompanied by a broadening of economic opportunities.*

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When a vacancy in Greenland or the Faroes is to be filled by a non-Nordic citizen, strict immigration regulations apply, especially if local unemployment rates are high. However, the local unemployed are mostly unskilled or low-skilled workers, while the rules chiefly affect companies seeking to hire highly skilled international workers. Non-Scandinavian immigration would probably be limited in any case, given climatic conditions and relatively small labour markets. Nevertheless, even small fluctuations in immigration can have an important impact on the demographic situation and on the labour markets of small economies. Immigration regulations in the Faroe Islands and Greenland should be relaxed to facilitate immigration.

Those who previously lived in the region are those most likely to be attracted to it, so it may make sense to target some efforts aimed at attracting highly qualified migrants in the first instance. Programmes to encourage emigrants to return can focus on those who have children and seek a good

environment in which to raise them and a better quality of life, as well as on recent graduates with degrees relating to the needs and potentialities of the NORA region. However, even if there is a case for targeted programmes to facilitate the return of migrants, the rate of return and the attraction of immigrants will ultimately depend on the presence or absence of competitive job opportunities: broadening economic opportunities will remain crucial to offering clear incentives to return. To the extent that such programmes involve financial or other support for returnees, they will need to be assessed quite carefully, to ensure that their economic returns exceed the costs.

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*It is important to find new place-based opportunities.*

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For some peripheral settlements, the twin pressures of consolidation of both traditional businesses and public services, as governments struggle to reduce unit service costs, mean that their survival hinges upon the identification of new and viable economic activities. Aquaculture is a significant and growing activity in the region, especially in the small coastal communities of Norway and the Faroe Islands. In Greenland, reduced sea-ice coverage owing to climate change may also provide new opportunities. Mining currently accounts for a minor share of the NORA territories' GDP and employment, but increased exploitation of mineral resources in Greenland and northern Norway offers significant opportunities. Tourism also represents a valuable alternative for some locations with good natural amenities, but it requires good facilities and infrastructure and good connections to the outside world. If smaller settlements are to become tourist destinations, they will have to improve transport connections and infrastructures (services and amenities), probably in co-operation with one another; co-ordination will be necessary if such investments are to be profitable. Certain emerging sectors, such as renewable energy, could offer some opportunities in rural regions. However, the development of new activities in the region will require a training and education effort to adapt to the new labour requirements.

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*ICTs can improve the framework for business development and increase the efficiency of public service delivery.*

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The availability of extensive and efficient information and communication technologies, accompanied by well-developed ICT utilisation skills, is essential to enhance the development of remote areas.

Internet coverage is generally good across the region, but there is a need for better and more efficient coverage in rural areas and peripheral localities, particularly in Greenland. ICTs can play an important role in improving the efficiency of public service delivery (*e.g.* through e-health and distance learning) in sparsely populated and remote areas. The Internet can also promote better business opportunities and help rural firms to penetrate distant markets. However, for ICTs to be an effective tool for businesses there must also be good physical connections so that goods can be shipped and parties can engage in face-to-face contact.

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***Improving accessibility is crucial for the development of the region.***

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The NORA region suffers from a series of disadvantages related to its remoteness from major markets and trade routes. Even direct transport connections linking the four NORA members are limited. External connections to Greenland and the Faroes are extremely limited and mostly pass through Denmark. There is untapped potential for stronger links between the western parts of NORA and Atlantic Canada and the eastern parts of NORA and the United Kingdom. This would facilitate access to larger markets. The lack of critical mass makes it hard to develop and diversify the transport network, especially in Greenland and the Faroes, but an improved and more diversified transport infrastructure is crucial to overcome the problem of remoteness and improve the region's competitiveness.

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***Better connectivity, co-operation and regional development are mutually reinforcing processes.***

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The strengthening of external and regional transport networks will require co-operation and joint action by the NORA territories. Regional co-operation could lead to denser regional transport networks and facilitate a more rational use of regional air hubs (for instance Reykjavik airport) to improve the region's links with nearby countries. Clearly, improvement of the transport infrastructure system would be aided by a parallel process of enhancing the competitiveness and economic activity of the region by promoting innovation and further economic diversification, upgrading the institutional framework for business and investing in education and skills. However, stronger transport links could in themselves result in further economic, academic and institutional exchanges in the region. This would in

turn support efforts to stimulate innovation, diversification, entrepreneurship and the growth of human capital.

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***Sustainable development of fisheries will be essential for the region's long-term competitiveness.***

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Although the economic importance of fisheries has declined in recent decades, the sector is expected to remain one of the most important in the region. It accounts for almost 80% of exports from Greenland and the Faroe Islands, and it remains an important source of employment in Iceland and Norway. However, over-exploitation of fish stocks has increased rapidly, putting the biological sustainability and the economic viability of commercial fisheries under serious pressure. Efficient and sustainable management systems are as important as international agreements for avoiding a continuous “race to the fish” that would seriously threaten the industry’s survival. Effective and efficient co-ordination of resources and know-how will be crucial to ensure the sustainable development of North Atlantic fisheries. The region’s long tradition in fishing has been complemented in recent years by a strong export-oriented aquaculture industry. Aquaculture is a significant and growing part of fish production, especially in Norway and the Faroes. The volume of fish farming has more than doubled in both territories over the period 1998-2008. However, securing its future, too, will depend on steps to address environmental externalities and other risks associated with fish farming.

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***Research and innovation are crucial for improving the efficiency and sustainability of the fishery sector.***

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The NORA region’s fishing industry is one of the most efficient in the world. Nevertheless, continued productivity improvements in fishing, fish processing and fish farming will be required to maintain this leading edge. Innovation and technological change will play an important role in meeting current and future challenges: improving energy efficiency (in light of increasing fuel costs), ensuring sustainability and adapting to climate change. Innovation and developing better methods and technology will also be required to cope with changing demand, global competition and environmental protection in aquaculture.

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*Regional co-operation is required to ensure sustainable management of the sector and can be the basis of exchange of know-how, research and expertise.*

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The NORA territories compete among themselves directly for both fisheries resources and markets. However, co-operation is crucial for ensuring sustainable and efficient management of the marine environment and avoiding depletion of shared fish resources. Much of this co-operation takes place either within wider international arenas or on a bilateral basis, but the scope for NORA-based co-operation on a range of issues is clear, particularly in view of the territories' distinctive, and sometimes complementary, expertise and experience, and could offer opportunities for productive exchanges of technical know-how, data on stocks in NORA waters, research and expertise. Norwegians, for example, have expertise in aquaculture and vessel design, Icelanders in processing and traceability, and the Faroese in the application of traceability solutions and development of fishing gear.

NORA territories generally have limited resources for research, and these might be leveraged via increased collaboration, knowledge sharing and joint support of fisheries-related research and innovation, including co-operation by the region's institutions in the provision of education and training. The uncertainties surrounding the effect of climate change on fish migration and fish productivity also underscore the importance of regional co-operation. Research into the impact on the sector and potential adaptation measures is clearly required.

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*Further development of the mining and oil sectors would benefit from stabilisation measures...*

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NORA's exports consist mainly of primary commodities, especially fish, minerals, oil and gas. This makes these economies vulnerable to changes in international commodity prices and sudden shifts in demand, or in the case of fish, in the availability of stocks. Income levels can be exceptionally variable and unstable. In addition, since hard minerals and hydrocarbons are depletable, their exploitation is necessarily finite. Further development of the mining industry in Greenland or potential future oil production in Greenland or the Faroes would benefit from macroeconomic measures to minimise the risks associated with commodity price cycles. Management of mining and oil rents through institutions such as Norway's Government Pension Fund and Chile's Copper Stabilisation Fund should be

considered. Even if the scale of production does not initially warrant such elaborate solutions, it will be important to manage hydrocarbon and mineral revenues in such a way as to insulate the domestic economy to some extent from the effects of commodity price fluctuations.

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*...but would have to be carried out under the strictest environmental regulations.*

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The NORA region's unique ecosystems constitute an asset as well as a challenge. These rich ecosystems offer significant economic opportunities but are extremely sensitive to environmental degradation. Strong dependence on activities such as trade, transport, mining and oil extraction leave the region highly exposed to such degradation. Climate change is making it easier to tap some mineral resources, such as the expected substantial reserves of petroleum off the coast of Greenland. However, the Arctic presents many of the high-profile challenges associated with deepwater operations: remoteness, an extreme climate, safety of personnel and large environmental footprint. The recent Deepwater Horizon oil spill in the Gulf of Mexico and its devastating effects on the regional ecosystem in general and the fishery sector in particular demonstrate the importance of very strict environmental regulations and controls in the NORA region's current and future oil extraction activities.

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*NORA territories could gain from diversifying their productive base.*

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Alongside the further development of traditional raw-material-based sectors, the creation of new niches or entirely new sectors is a complementary development path for the NORA territories. Economic diversification would help reduce the risks attendant on NORA's current high dependence on natural resources. It could also help reduce the outmigration of qualified people by offering new and more attractive jobs. The development of new activities is particularly important for economies heavily dependent on fisheries, as structural adjustment in fishing fleets has led to a reduction in employment. A number of niches that might be associated with "green" branding could take advantage of the rich and diverse environment of the region: ecological tourism, research related to climate change, ice, water and Arctic and sub-Arctic products, further development of renewable energy sources.

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***Higher value added and niche products from the marine sector could be further developed.***

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NORA regions could capitalise on the strong knowledge base acquired through traditional fishing and fish-processing activities by further developing value-added food and non-food products from the marine sector: e.g. new nutrients, bio-medicines and pharmaceutical products, among others. The blue biotechnology area is a growing sector worldwide. The NORA territories could exploit many opportunities linked to better use of by-products and marine resources. For example, they could combine forces to screen material obtained from the oceans and to develop by-products from the seafood processing industry.

Some Icelandic and Norwegian companies have already become some of the world's leading producers of ready-to-eat meals, fine seafood and premium Nordic food products. Further expansion of secondary fish processing in other NORA territories, especially Greenland, is constrained by long distances. However, there have recently been efforts to develop Greenlandic Arctic water and ice industries. Greenland plans to market its high-quality mineral water as a luxury product “from an untouched natural landscape”. The potential for establishing viable commercial production of berries in the Faroes, Greenland and Iceland, or of eiderdown in Greenland and the Faroe Islands, is currently being explored with the support of Nordic Atlantic Cooperation (NORA organisation). One key to unlocking these and other opportunities in Arctic and North Atlantic products lies in developing strong marketing, exploiting the clean and natural image of the NORA environment, and building the infrastructure and capacity to respond to international demand.

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***The rich ecosystems of the NORA region present opportunities for expanding high value-added natural tourism and cruise tourism.***

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There is scope to develop tourism further, based largely on local resources. NORA territories have tourist attractions found in very few places, such as fjords and icebergs, the northern lights, the ice cap and active volcanoes. Tourists can enjoy direct contact with nature in unique and unspoiled environments. Norway and especially Iceland have developed their tourism industries for some time. However, tourism in the NORA region has generally been constrained by the region's remoteness and lack of connectivity, high costs and lack of brand recognition. High prices and a limited supply of tourist amenities prevent the development of a tourist offer



based on quantity, but high-end tourism with limited numbers could make a significant economic contribution to the region. Ecological tourism, adventure tourism and prestige events, both for businesses and individual tourists, are interesting niches that could be further developed. Efforts to improve co-operation among local entrepreneurs are needed, however, as a lack of co-ordination is likely to hinder the development of such activities. Better organisation and training of local operators could also help ensure that these activities have a small environmental impact and are respectful of the region's environmental and socio-cultural sustainability.

Cruise ships are especially attractive in the NORA context, because they offer the visitor the opportunity to experience large parts of the North Atlantic on the same journey, and because they avoid the expense of constructing large accommodations to meet seasonal demand. Currently, the region's cruise-ship-based tourism is modest but expanding, and climate change is making some sea routes and locations, especially in Greenland, more accessible. However, cruise tourism, even more than other forms of tourist activity, may suffer from failures of co-ordination if operators fail to co-operate: for example, multi-stop itineraries for cruises would improve the experience for visitors and increase the economic return to the individual firms involved.

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*Joint regional efforts to promote regional tourism could have a greater impact.*

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Competition among the NORA territories could limit the effectiveness of co-operation. However, with sufficient backing, regional co-operation could strengthen efforts to “brand” the region, to offer joint products for tourism and to undertake co-ordinated marketing activities. Travel packages branding the North Atlantic as a “last frontier” destination and covering several parts of NORA could be developed jointly and marketed towards specialised agencies (in particular adventure, sport- and eco-tourism). Development of joint training packages and methods for small tourism entrepreneurs is another potential area for co-operation. A common strategy on how best to manage, develop and exploit the growing potential associated with cruise tourism could also facilitate interaction and co-ordination among local entrepreneurs in providing profitable products and services. At the same time, co-operation among destinations for rescue and security services would be crucial. Big cruise ships travelling in a remote and geographically challenging region where response resources are scarce present a number of challenges in terms of safety, rescue equipment and environmental impact that could be better addressed at a regional scale.

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*The NORA region could become a knowledge hub in niche areas.*

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Given the natural and climate-specific conditions of the NORA region and its long-standing expertise in traditional resource-based sectors, the region could become an active participant on the applied and experimental side of the R&D spectrum, in a number of areas:

- **Climate change research** relies heavily on new data, and the Arctic environment provides a unique setting to collect data and conduct experiments. Physical and biological processes in the Arctic will play a key role in understanding global climate dynamics. Climate change is expected to be more significant and rapid there than in many other parts of the world. This offers opportunities for positioning the region as a key location for climate change research. The challenge is to ensure that the NORA region contributes to R&D activities and is not confined to a role of supplier of experimental locations and basic services. In this respect, the University Centre in Svalbard (UNIS) is a good example of research facilities combined with applied research and high-quality teaching.
- **Research in fishing and fish-farming** would build on the obvious traditional specialisations of the NORA research communities. The Marine Research Institute in Iceland, the Faroese Marine Research Institute and the Norwegian Institute of Fisheries and Aquaculture Research are important research hubs in this field and are well networked with Nordic and other institutes.
- **Research in building technologies** can benefit from the specific climatic conditions of the North Atlantic area in order to develop applied research activities targeted at such environments. The Icelandic Innovation Centre and its Building Research Division, Narvik University College in Norway, and Artek, the Arctic Technology Centre in Greenland, are three examples of institutes conducting applied research in this field.
- **Small-scale renewable energy exploitation** systems especially adapted to remote and rural areas are a specific area in which new research and applications are needed and seem particularly well suited to the conditions prevailing in the NORA territories.

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***Regional co-operation can facilitate a greater international role for NORA in R&D.***

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The small scale of many research systems in the NORA region provides an opportunity for sharing resources, exchanging know-how and information, and exploiting complementarities. Remote and peripheral areas have limited resources and are thus unable to take full advantage of some of their potential. By pooling their strengths, they can overcome these limits and achieve otherwise unattainable results. Co-operation opportunities could include the development of joint transnational services and initiatives, participation in jointly funded projects, exchanges of experience, co-operation between universities and researchers, and sharing of facilities and equipment in both traditional and emerging sectors. In-depth research into the R&D projects, initiatives, strengths and potentialities of each of the NORA territories could reveal the comparative advantages present in the region and its untapped potential. Since it would be a waste of resources for each region to try to become a self-sufficient knowledge hub in each research area, a distributed regional model of knowledge creation could be established.

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***Further regional exchanges could help upgrade education and training in the region.***

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In order for new jobs in emerging sectors such as mining, green tourism or R&D to benefit local inhabitants, it is crucial to improve the workforce's education and skills. Otherwise, local populations could miss out on new job opportunities. The provision of specialist training and tertiary education in the Faroe Islands and Greenland, in particular, is limited by their small populations and lack of demand. However, a range of universities in Norway and Iceland offer programmes in English that focus on the needs and problems of the North, including research programmes on climate change, the exploitation of Arctic resources, renewable energy or Earth sciences. There are also several joint Nordic master's programmes. However, few of the Greenlandic and Faroese students abroad choose to join other NORA universities and programmes. There is scope to further develop exchanges not only of students but also of teachers in colleges, universities and training institutes across the region and beyond, *e.g.* through well-functioning Nordic programmes on education, such as the Nordplus framework programme. There are also opportunities for regional exchanges to provide specialist training in key sectors (*e.g.* tourism entrepreneurs). The experience of institutions such as the University of the Arctic should be

evaluated as a basis for developing international agreements with the best institutions in the Nordic countries and beyond. Finally, distance learning systems and teacher education are areas in which the NORA territories face many of the same challenges and provide a good breeding ground for joint initiatives.

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*Climate change will have adverse consequences but may also create economic opportunities for some.*

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The impact of climate change is already increasingly apparent in NORA territories and has implications for the region's main economic activities. Some of the effects of change are negative and create considerable uncertainties and problems, but others can be viewed as potential economic opportunities. A rise in sea temperatures will affect the migratory patterns and stocks of fisheries and probably mean a loss of habitat for key species, as well as more difficult conditions for fish farming. However, climate change is expected to facilitate the extraction and transport of mineral resources, and it is already allowing longer crop seasons and the harvesting of new vegetables. Yet, agriculture may also face an increased risk of diseases, fungus and insect attacks. The length of the navigation season in the Arctic will increase, opening up Arctic shipping lanes, but the risk of flooding, landslides or avalanches is likely to rise. Finally, changes in the distribution of Arctic mammals and fish stocks and negative impacts on reindeer herding will adversely affect smaller settlements and indigenous populations. The severity of these impacts will depend on the extent to which comprehensive adaptation plans to reduce vulnerability can be adopted early. At the same time, the scope of the benefits will also depend on how the different territories and communities, and the region as a whole, adapt to the potential changes. Short-term economic benefits should be set against long-term sustainable development patterns by integrating environmental factors in sectoral and economic development policies.

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*Regional co-operation can enable a better understanding of climate change and better tools for adaptation.*

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It is not easy to project the precise effects of climate change, and this makes shaping responses particularly difficult. Regional co-operation can provide the different territories and institutions with a better understanding of both region-specific and wider trends and with better tools to adapt to climate change. It can be an important vehicle for addressing climate

change, especially in respect of: *i*) research and exchange of information and know-how relevant to risk, vulnerability, adaptive capacity, monitoring and evaluation; *ii*) marketing and applying new technology; *iii*) supporting adaptation at the local level; and *iv*) joining forces to take a similar position on climate change in international forums. Developing a common strategy for adapting to extreme events could also be beneficial. Additionally, smaller scale project-based co-operation could be a useful way to address specific issues shared by the different territories, *e.g.* the impacts of climate change on fisheries, small communities and local transport.

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***Preparation of a regional development strategy would help to focus territorial co-operation efforts.***

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Strengthening links and interactions in the NORA region requires developing a strong basis and rationale for co-operation: it is not possible to co-operate with everyone on everything. Some areas would be better addressed at sub-national, national or international (beyond NORA) levels. Identifying and agreeing on a focus for co-operation is crucial to its success. It is important to consider where international initiatives could add value to domestic interventions or to existing co-operation networks by addressing gaps or complementing existing programmes. Defining a participative long-term development strategy for the NORA region would help to focus, streamline and rationalise co-operative efforts and resources. The development of such a strategy would need the support and involvement of the NORA region’s main economic, political and social stakeholders. The process would be a valuable means of reaching a shared vision of what the focus of NORA-based co-operation is and what it is for. It can also be seen as an opportunity to gain “buy-in” and agreement from key stakeholders, to increase their interest and involvement, raise awareness and build momentum behind the ideas.

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***Co-operation in the region confronts barriers that underscore the need for a regional institution.***

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Territorial co-operation in the NORA region is not easy: it involves working with different institutional settings, in territories that compete in many sectors, are separated by large distances, and have strong institutional and economic links with other regions. Moreover, tangible benefits from co-operation are sometimes elusive in the short term. In this regard, there is a need for an institution or institutions in a position to facilitate the process

by playing a “brokerage” role, pulling key actors together and facilitating co-operation. In order to take on this strategic role, an organisation must have sufficient resources and the profile necessary to manage the task. It must be well connected to the governments of the NORA territories and other stakeholders and well known in the region. To an extent, such a framework is already in place through the activities of the NORA organisation.

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*The role of Nordic Atlantic Cooperation (NORA) as an institutional facilitator of co-operation could be further refined...*

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The Nordic Atlantic Cooperation – the NORA organisation operating under the aegis of the Nordic Council of Ministers – has long been engaged in generating and supporting co-operation projects, particularly those concerned with knowledge exchange in the region. Its role as an institutional facilitator of co-operation could be further developed and embedded:

- The NORA organisation could play a key role in driving and facilitating the process of developing a long-term development strategy in the NORA region.
- NORA can help co-ordinate links with other territories, particularly neighbouring states that share common interests and problems with the NORA region. The NORA organisation already has good working links with many of these.
- NORA’s international conferences have already proved an excellent way to initiate and expand contacts between stakeholders from different NORA territories. More active follow-up to these conferences could ensure that their outcomes receive greater visibility and lead to more concrete action.
- NORA offers a flexible source of funding for small projects that is perceived as less bureaucratic and more in line with the specific needs of the region than other co-operation programmes. To minimise overlap with other co-operation arrangements and programmes, the NORA organisation could focus its efforts on supporting those who normally have greater difficulty securing other sources of funding (*e.g.* SMEs, traditional communities). It can also help these groups prepare to participate in larger projects, such as EU programmes.

- Some tools, such as shared Internet platforms, could be further promoted, as they offer a useful way to share experiences with partners from different territories.

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*...and its profile could be raised.*

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To play a more strategic role, the NORA organisation would probably require an enlarged mandate. The organisation has limited financial and human resources to devote to the quite ambitious role of strengthening regional co-operation. It would also need more institutionalised and smoother co-ordination with the different programmes and institutions engaged in co-operation in the NORA region. Special care should be taken to clarify the roles and interaction mechanisms of the different institutions. Vaguely defined or overlapping mandates can compromise co-operation efforts. Finally, for the co-operation process to be successful there has to be clear support from the different territories and from the region's main stakeholders. Increased interaction with its key political and economic actors (especially in Iceland and Norway where the organisation is still relatively unknown) will be essential for achieving greater support for the NORA co-operation project.

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*A “variable geometry” approach to regional co-operation is likely to be desirable.*

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Long distances, lack of connectivity, the low intensity of present intra-NORA economic linkages and the natural linkages of NORA territories to other regions outside NORA all point to a “variable geometry” approach to international co-operation. Partnerships and co-operation need not cover all, or only, the NORA territories; participation should be evaluated on the basis of the policy domains and activities in question. Distances imply that certain co-operative arrangements will evolve more easily with just two or three of the NORA members, while others can be enriched with the presence of partners from neighbouring territories with many commonalities with the NORA region (e.g. North Atlantic Canada, Scotland, Russia) and beyond.

In the context of the new environmental, economic and social challenges facing North Atlantic coastal communities as a result of globalisation and climate change, increasing exchanges with neighbouring territories could result in common benefits. North-west passage trade opportunities are being enabled by climate change. Increasing trade and transport in the area will amplify the rationale and potential benefits of extended regional co-operation. At the same time, the commonalities across the territories of

the North Atlantic Rim have generated increased interest in finding ways to learn more from one another and to explore opportunities for greater co-operation. The NORA territories already have working links and are involved in different co-operative initiatives with neighbouring regions. These links have expanded and a growing part of NORA's projects and conferences currently involve partners from adjacent territories, mainly with the Atlantic provinces of Canada and Scotland. The NORA organisation can provide a gateway for co-ordinating and improving the effectiveness of relations with neighbouring regions.

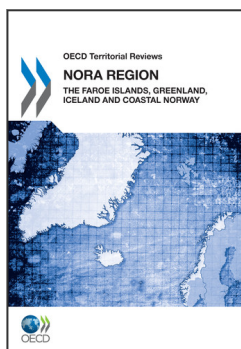
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*In order to sustain broad support for co-operation across the NORA region, it is crucial to evaluate and demonstrate its benefits.*

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The benefits of co-operation are sometimes difficult to perceive, particularly in the near term. Communicating the positive outcomes of territorial co-operation – with special emphasis on the search for efficiency – to key actors in the different territories can motivate them to support enhanced co-operation in the region. Demonstrating the benefits of co-operation in a convincing way, moreover, will require rigorous, consistent attention to evaluating the costs and benefits of different initiatives. Greater attention to the evaluation of outcomes, in turn, should help to ensure that initiatives that are bearing fruit are allowed to develop, while others, whose costs may exceed their benefits, can be wound up and the available resources, which are limited, can be directed elsewhere. This Review has highlighted a wide range of possible areas and mechanisms for co-operation within and beyond the NORA region, but it is unlikely that all of them will prove their worth in practice. A broad-based experimental approach is needed, in which many initiatives are explored and tested but none are exempt from careful scrutiny of outcomes. Some will succeed, some may need refinement and some may be shelved altogether. The key to success lies not in identifying *ex ante* the perfect initiatives or ideal modalities but in knowing how to progress through a cumulative process of policy learning.





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