

Item: 20

Policy and Resources Committee: 22 November 2022.

Nordic Atlantic Cooperation.

Report by Corporate Director for Enterprise and Sustainable Regeneration.

1. Purpose of Report

To consider the establishment of a fund to support Orkney based organisations to collaborate with partners/ projects funded by [Nordic Atlantic Cooperation \(NORA\)](#).

2. Recommendations

The Committee is invited to note:

2.1.

That, on 21 June 2022, when considering international engagement by the Council over the next three years, the Policy and Resources Committee recommended that the Council should continue to develop and enhance relationships with Arctic and Nordic countries to maximise the ongoing promotion of potential economic and cultural opportunities for Orkney.

2.2.

That Nordic Atlantic Cooperation (NORA) is an intergovernmental organisation under the regional co-operation programme of the Nordic Council of Ministers that brings together Greenland, Iceland, the Faroe Islands and coastal Norway.

2.3.

That NORA is focussed on making the North Atlantic a strong and dynamic part of the Nordic region, focussed on sustainable economic development and cross-border collaboration between the private sector and research and development bodies, extending to Canada and Scotland.

2.4.

That NORA's strategic priorities include bioeconomy, sustainable tourism, circular economy, transport, energy and local communities.

2.5.

That NORA provides funding to support regional co-operation on projects relevant to their own communities, with funding rounds in March and October each year.

2.6.

That projects can secure a maximum of £60,000 per annum from NORA.

2.7.

That NORA and the Council will seek to present jointly on the outcomes of wider Orkney community participation in international projects at the Arctic Circle Assemblies and/or related events.

2.8.

The proposal to establish a NORA project development fund with the following purposes:

- To support and enable Orkney's wider community to participate in international projects.
- To test/pilot processes for aligning funding with similar organisations internationally to achieve greater value and impact.
- To strengthen relationships with similar communities.

It is recommended:

2.9.

That the Council should establish a NORA project development fund, with an opening balance of £20,000, to be met from existing resources within the Enterprise and Sustainable Regeneration revenue budget for 2022/23.

2.10.

That the NORA project development fund be made available between 2022 and 2024, to align with the Council's commitment to develop and enhance relationships with Nordic and Arctic Countries and attending the Arctic Circle Assembly.

2.11.

That, although applicants should be encouraged to seek match funding, availability and accessibility of the Council's NORA project development funding should not be dependent on securing match funding.

2.12.

That the NORA project development fund should be available to support projects beyond 2024, should a project end date extend beyond 2024.

2.13.

That powers be delegated to the Corporate Director for Enterprise and Sustainable Regeneration to award grant assistance from the NORA project development fund, on the basis of a maximum award of £5,000 per application.

3. Nordic Atlantic Cooperation (NORA)

3.1.

NORA is an intergovernmental organisation under the regional co-operation programme of the Nordic Council of Ministers that brings together Greenland, Iceland, Faroe Islands and coastal Norway. It is funded by the Nordic Council (circa 80%) and its member countries (circa 20%), amounting to a total of 8-9M Danish Kroner (circa £1M) per annum with circa £600K for direct funding of projects.

3.2.

NORA contributes to reinforcing regional co-operation with the aim of making the North Atlantic a strong and dynamic part of the Nordic region that is defined by its robust sustainable economic development. NORA's initiatives include strengthening cross-border collaboration between the private sector and research and development bodies.

3.3.

NORA provides funding to collaboration projects that include partners from at least two of the four NORA constituents (the Faroe Islands, Greenland, Iceland and coastal Norway). The common thread linking all the projects is a relevance to NORA's objective: to create a strong and dynamic North Atlantic region that is defined by its healthy and sustainable economies. Anyone, including companies, public institutions and individuals, can apply for funding. Information on NORA's funding programme is provided in Appendix 1 with additional information on projects funded by NORA provided in Appendix 2.

4. Proposed NORA Project Development Fund

4.1.

On 21 June 2022, when considering international engagement by the Council over the next three years, the Policy and Resources Committee recommended that the Council should continue to develop and enhance relationships with Arctic and Nordic countries to maximise the ongoing promotion of potential economic and cultural opportunities for Orkney

4.2.

Following successful bilateral meetings with NORA during the Arctic Circle Assembly in October 2022, an agreement in principle was made to explore ways to bring the various communities closer by aligning funding opportunities that will create impact within the respective communities.

4.3.

With the changing funding environment including the lack of opportunity to participate in for example the Northern Periphery and Arctic Programme there are fewer opportunities for remote, rural and island communities to engage internationally.

4.4.

Applicants can apply to NORA for funding in March and October each year. NORA funding can support up to 50% of the total project cost and can be for projects ranging from one to three years with a review each year before funds can be allocated for the subsequent year. Projects can receive a maximum of 500,000 Danish kroner (£58,750GBP) per year — or 1.5 million kroner (£176,250GBP) in total for a three-year project. Project applications should address one or more of the priority areas defined in NORA's [Strategic Programme for 2021-2024](#). Priority areas include bioeconomy, sustainable tourism, circular economy, transport, energy and local communities.

4.5.

As NORA works to further collaborate with neighbouring countries to the west, they welcome projects that include partners from Canada and Scotland. In general, they do not issue grant funding to projects that are solely of a research or cultural nature. It should be noted that this does not preclude organisations from applying, it is more to do with the nature of the project.

4.6.

During the Arctic Circle Assembly in 2022 discussions with other organisations reinforced NORA as being a key organisation through which they also engage and could use as a route for strengthening links with Orkney.

4.7.

It is therefore proposed that the Council establish a NORA project development fund with the following purposes:

- To support and enable Orkney's wider community to participate in international projects.
- To test/pilot processes for aligning funding with similar organisations internationally to achieve greater value and impact.
- To strengthen relationships with similar communities.

4.8.

It is expected that Orkney organisations will be partners to organisations based in NORA Countries rather than lead projects, and the funding would allow them to engage and collaborate. Partnership working and match funding opportunities will be explored with academic bodies that have a presence in Orkney and the local enterprise agency.

4.9.

Based on the experience of NORA it is expected that Council funding would be available to support organisations within Orkney to work with partners in Faroe Islands, Iceland, Greenland and Coastal Norway on projects where there are shared interests. Orkney partners would be able to add value to these projects by providing

an Orkney element for example with the delivery of outputs such as events, case studies, feasibility studies. Greater collaboration would help develop stronger relationships and help raise awareness of the types of innovation and activities happening in similar communities to Orkney. The funding is expected to go some way to support basic costs such as time, consumables, and/or travel and subsistence.

4.10.

Over a two-year period, a fund of £40K (should match funding be secured) would provide 8 projects of up to £5K each, 3-5 projects per annum could be expected. A fund of £20K could provide funding of around 4 projects at £5K per project over a period of 1-2 years.

4.11.

Funding would be aligned to the Council Plan and Local Outcome Improvement Partnership priorities as well as NORA conditions which include alignment with at least one of the UN Sustainable Development Goals.

4.12.

Over and above the impact and outcomes associated with the direct funding of projects, this will initiate new collaborative relationships with NORA and the countries and regions they work with, helping pilot processes to align funding and strengthen links and opportunities for wider community and business engagement focussed on shared challenges and opportunities.

5. Links to Council Plan

5.1.

The proposals in this report have the potential to support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority theme of Enterprising Communities.

5.2.

The proposals relate directly to Priority 4.10, Ensure appropriate 'Islands Project' funding mechanisms are (internal and external) are in place to support key industry sectors (pre and post BREXIT), targeting the shared Prosperity Fund and other distribution mechanisms, of the Council Delivery Plan.

6. Links to Local Outcomes Improvement Plan

The proposals in this report have the potential to support and contribute to improved outcomes for communities across all the priorities as outlined in the Local Outcomes Improvement Plan depending on the projects supported.

7. Financial Implications

7.1.

The report is seeking the establishment of a NORA project development fund of £20,000.

7.2.

Options for funding the proposed NORA project development fund include allocating, or ring fencing a portion of the Crown Estate Fund. The purpose of establishing the NORA project development fund appears to fit reasonably well with the guiding principles of the Crown Estate Fund, however with a modest ask of £20,000 it is felt that this could be accommodated from within the Enterprise and Sustainable Regeneration revenue budget for 2022/23 without a requirement to draw anything from the Crown Estate Fund.

8. Legal Aspects

8.1.

The Council has a duty to make arrangements which secure best value. If grant assistance is to be provided by the Council, a legally-binding agreement will require to be entered into between the Council and the recipient setting out the terms on which the funding is being provided.

8.2.

Under Section 50A(4) of the Local Government (Scotland) Act 1973, the public should be excluded from the meeting in respect of any discussion relating to Appendix 2 to this report. Appendix 2 contains exempt information as defined in paragraph 6 of Part 1 of Schedule 7A of the Act.

9. Contact Officers

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10. Appendices

Appendix 1: Background to NORA and Project Funding.

Appendix 2: NORA Examples of Projects.

Appendix 1 Background to NORA & Project Funding

(More information available [here](#))

ABOUT NORA

NORA (Nordic Atlantic Cooperation) is an intergovernmental organisation under the regional cooperation programme of the Nordic Council of Ministers that brings together Greenland, Iceland, the Faroe Islands and coastal Norway. The organisation traces its roots to 1981 and the establishment of cooperation in the west Nordic area. It adopted the name NORA when coastal Norway joined in 1996. The NORA constituents are interlinked by their location, shared traits and common challenges, in addition to multiple historical, institutional and cultural ties.

NORA contributes to reinforcing regional cooperation with the aim of making the North Atlantic a strong and dynamic part of the Nordic region that is defined by its robust sustainable economic development. NORA's initiatives include strengthening cross-border collaboration between the private sector and research and development bodies.

The NORA Committee is made up of 12 members, three from each country in the NORA area. The Committee charts the general direction of NORA's Strategic Programme, which usually spans a four-year period. In addition, the NORA Committee drafts an annual action plan that defines a list of specific activities for NORA to carry out.

NORA is funded by the Nordic Council of Ministers with supplementary contributions from the four participating constituents. The main NORA secretariat is located in Tórshavn in the Faroe Islands, while four contact people staff the secretariats in Greenland, Iceland, west Norway and north Norway.

NORA operates within three set areas of work:

Project funding: NORA provides access to an important contact base in the region that makes it possible to establish critical mass in the priority areas.

Agenda setting: NORA influences the region's agendas through strategic initiatives and project results.

Alliance building: NORA seeks to establish optimal synergy through cooperation on joint initiatives by fostering new and existing networks of stakeholders and organisations that are active in the region.

STRATEGIC INITIATIVES

NORA initiates and participates in strategic projects that contribute to furthering cooperation between the four constituents of the NORA area: the Faroe Islands, Greenland, Iceland and coastal Norway. This work includes organising conferences and initiating analyses of key regional issues. NORA was, for example, involved in an OECD analysis of the challenges and opportunities in the area.

NORA can also function as an administrative body or secretariat for relevant initiatives, such as the Nordic Council of Ministers' 2015-2017 project, Growth in the Blue Bioeconomy.

NORA channels relevant information to residents of the North Atlantic region. News articles produced in-house are published on the NORA website, and NORA regularly posts recommendations about regional news items and events on Facebook and Twitter.

PROJECT FUNDING

NORA offers funding opportunities to specific cooperation projects involving partners from at least two NORA constituents. NORA, as an organisation, is not a project partner, but can offer financial support if a project is deemed to contribute to achieving the aims described in the Strategic Programme. There is a general focus on strengthening collaboration between the private sector and other stakeholders in NORA's four constituents.

NORA provides funding to collaboration projects that include partners from at least two of the four NORA constituents (the Faroe Islands, Greenland, Iceland and coastal Norway). The common thread linking all the projects is a relevance to NORA's objective: to create a strong and dynamic North Atlantic region that is defined by its healthy and sustainable economies. Anyone — companies, public institutions, individuals — can apply for funding.

NORA has two funding rounds each year which can be applied to projects ranging from one to three years. Projects can receive a maximum of 500,000 Danish kroner per year — or 1.5 million kroner in total for a three-year project. Project applications should address one or more of the priority areas defined in NORA's Strategic Programme for 2021-2024.

As NORA also works to further collaboration with neighbouring countries to the west and welcomes projects that include partners from Canada and Scotland. In general, NORA do not grant fund projects that are solely of a research or cultural nature.

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