

CONCEPT NOTE

Northern Europe Platform (North Sea - Baltic - Arctic)

March 2025

CONTEXT

The North Sea, Baltic and Arctic area is a strategically important region for Europe and the world. It stretches from the North Sea of the United Kingdom to Germany, to Denmark, up to Norway and Sweden, over to the Faroe Islands, Greenland and Iceland, and across to Canada. On the way it takes in Finland, Estonia, Latvia, Lithuania and Poland. Renowned for political stability¹ and strong institutions, the EU, EFTA² and non-EU NATO³ member states, the region plays a critical role in ensuring Euro-Atlantic security. It boasts some of the most important land and sea trade routes, as well as competitive and innovative economies, resources, respect for environmental and marine life, high standards of living, as well as resilient, progressive and happy societies. Five⁴ Nordic countries ranked among the [world's top 10 happiest countries in 2024](#), with Finland named the happiest country for the seventh year in a row. Iceland and Denmark⁵ were among the world's top 10 [safest countries in 2024](#). Estonia ranks [first](#) in EU's digital public services and Lithuania is deemed one of the [fastest emerging](#) hubs for startups in Europe.

At the same time, the region is compelling from a geopolitical perspective. Despite varying sizes and GDP per capita, the countries share geographical proximity⁶ and painful experiences with Russia, which fundamentally shapes societal attitudes and the understanding of security. The region has been profoundly affected by Russia's war of aggression against Ukraine, and fell victim to systematic hybrid attacks, which have threatened regional peace and economic prosperity. However, shared threat perceptions, a deeply rooted emphasis on common sense in society, and a culture of preparedness and economic decoupling from Russia, allow the countries to come together and act in unison and with speed. This is strengthened by the UK, which is a major security and trade player in Europe and leads Nordic Baltic cooperation on defence in the regional grouping of the Joint Expeditionary Force (JEF).

¹ Pro-Russian and extreme parties remain marginal.

² Iceland and Norway.

³ Iceland, Norway, and the UK.

⁴ Finland, Denmark, Iceland, Sweden, Norway. In the same report, Lithuania won the top spot for the happiest country in the world for people under 30.

⁵ Iceland and Denmark.

⁶ The Baltics share a combined 874 km border with Russia. Finland's border with Russia is 1340 km long. Norway's border with Russia is 198 km.

In the context of new transatlantic realities and Russia's war of aggression, the region has been standing tall as a major provider of security and economic growth to Europe. Finland and Sweden's NATO membership as well as the regional leaders' forum of eight Nordic Baltic countries (NB8) is a powerful front that speaks with a common voice in the EU and NATO. The recent US shift in security, defence and tariff policies will likely force the bloc to further converge and consolidate wider European support, helping boost Europe's strategic autonomy in such areas as defence, innovation, resources and energy independence.

Together, the North Sea, Baltic and Arctic region represent an emerging bloc of countries that can lead in shaping the European agenda well beyond its own geography. The region will continue to require strong attention and a fast and decisive response from NATO, the EU and its member states throughout 2025 and beyond.

OBJECTIVE

To reflect the increasing relevance and advances of Europe's North Sea, Baltic and Arctic region in both its regional and global contexts, the EPC is creating a Platform with the objective to give visibility to ongoing developments that threaten the security, territorial integrity and prosperity of this vast region. The Platform will provide a framework for analysis, exchange and debate, and stakeholder mobilisation, including via EPC Membership.

It will bring the interests of this diverse region to the attention of EU and NATO institutions as well as other stakeholders in Brussels, and help inform and shape European policies, notably in the areas of defence and security, economy and innovation, climate and sustainability. The idea is to enhance mutual understanding, exchange knowhow and best practices, learn lessons, contribute to EU policy, and connect the North of Europe with other parts of Europe.

ADDED VALUE

The EPC can bring significant added value to understanding, representing and amplifying the potential of Europe's north for a free, democratic and prosperous Europe.

While there is a plethora of EU programmes and intergovernmental activities dedicated to working on the region, such as in the context of the [Northern Dimension](#), the [EU Strategy for the Baltic Sea Region](#), [Interreg Baltic Sea Region](#), [Interreg Northern Periphery and Arctic](#), [Council of the Baltic Sea States \(CBSS\)](#)⁷, and [NORDEFECO](#), significant political attention on this region has only recently started to develop in light of Russia's war of aggression against Ukraine, and a series of well-coordinated and planned hybrid attacks. Similarly, the [EU's Arctic policy](#) and the [Arctic Council](#), although comprehensive in outlook and offering opportunities for deeper cooperation, do not seem to be systematically integrated across the broader European dimension.

Building on its independent analysis and multidisciplinary cross-programmatic expertise embedded within a strong network of members and partners, the EPC is well positioned

⁷ Russia has been expelled.

to establish a Platform that brings together relevant stakeholders in the North Sea Baltic Arctic region and connect them with EU decision-makers.

From Brussels, the EPC can serve as a one-stop-shop for debates, roundtables and high-level events on topics of importance to the North Sea Baltic Arctic region, from defence and security to economy and innovation, climate and sustainability, and others. EPC's January 2025 Conference on Comprehensive security, jointly organised with two Nordic entities, the Elisabeth Rehn – Bank of Ideas think tank and Hanaholmen - the Swedish-Finnish Cultural Centre, demonstrates how the idea of bringing Nordic and Baltic perspectives to Brussels audiences can be successfully translated into practice, and is instructive of possible cooperation in other policy areas.

DEFENCE & SECURITY

The North Sea and Baltic Sea region is at the heart of Euro-Atlantic security and plays an exemplary role in supporting Ukraine's fight against Russia's war of aggression. At the same time, since the outset of the war, the region has itself experienced increasingly frequent sabotage and hybrid warfare. This includes cyber and infrastructure attacks, GPS jamming and spoofing, weaponised migration, and foreign interference and manipulation of information (FIMI) with the objective to weaken, destabilise and distress the region and wider European security.

In response to rising security risks in Europe, the Nordic and Baltic region has issued strong joint statements and taken practical steps⁸ to strengthen resilience, defence and deterrence. For example, Denmark abolished its 30-year-old opt-out in favour of joining the EU's Common Security and Defence Policy (CSDP) in 2022, while Finland and Sweden abandoned longstanding neutrality and joined NATO in 2023 and 2024 respectively, which turned the Baltic Sea into the so-called "NATO Lake." The Nordic Ministers of Defence strengthened their work by signing a new vision for Nordic Defence Cooperation (NORDECO) and increased attention for the Arctic and the North Atlantic. Based on lessons learned from Ukraine, Finland and Sweden reinforced their comprehensive security agenda and led the debate on civil-military preparedness at the EU and NATO levels.

While NATO still debates raising defence spending to higher than 2% of GDP, the Baltic States have been ahead of the curve: defence spending has markedly increased, and in some cases, such as Lithuania, the objective is to reach as high as 5-6% of GDP. The Balts continue to [ramp up](#) their domestic defence industrial base, bolstering investments in dual-use defence technologies. Regional Baltic-Nordic cooperation is further strengthened under NATO's military [Baltic Sentry](#) and in partnership with the UK (and the Netherlands) in the framework of the UK-led Joint Expeditionary Force (JEF). According to the Financial Times, the enhanced Baltic Sea nations' maritime cooperation⁹ is so strong and "so [self-sufficient](#) that the US military barely matters."

Poland is another major player in the region. Warsaw leads NATO's defence spending, and under its new leadership is projected to reach 4.7% in 2025. Poland has invested politically in the Baltic and Nordic region and brought shared interest to the broader EU agenda,¹⁰ spearheading European responses in security and defence. As Europe braces for a

⁸ Iceland is a special case. It is a NATO member, but it is not included in NATO's defence spending calculations because Iceland does not have a standing army.

⁹ Baltic Sentry.

¹⁰ For example, in the scope of Poland's Presidency of the Council of the EU.

diminished US role in European defence, the region holds important lessons for the rest of Europe.

The prospect of America's reduced footprint in Europe means that the UK, with its nuclear protection and advances in dual-use defence technologies, is ever more indispensable for the defence of the continent. The ambition of the UK to reconnect with Europe through a [new UK-EU security pact](#), anchored in the UK's role as a bridge between Europe and NATO and the continued commitment to Ukraine, will only gain more traction. The expected launch of a [Strategic Defence Review](#) of the UK's armed forces is equally crucial at a time when the EU readies to build up a European defence technological and industrial base (EDTIB) complementary to NATO. This is further strengthened by the UK's bilateral military agreements with [Poland](#), [Germany](#), and soon also [Norway](#), which create opportunities for closer industrial ties and enhanced military capabilities in Europe at large.

The highly militarised Arctic, which has significant maritime routes and resources, has also been progressively exposed to heightened security risks and power dynamics. The Arctic is experiencing Moscow's renewed activism, with new military bases, icebreakers, and [deepening cooperation](#) with China via energy projects, space and dual-use civil-military capabilities, raising questions about their ulterior motives. More recently, questions over future US policies vis-à-vis the Arctic region/area have presented additional security concerns and meant that Europeans have started to strengthen their joint approaches to bolstering defences on Europe's northern flank. Denmark's announcement of a [\\$2 billion Arctic security plan](#) is a case in point, as is the [Hans Island deal](#) reached in 2022 between Denmark and Canada as part of their united response to Russia's invasion of Ukraine. With immediate priority to Norway (also via Svalbard), Denmark (via Greenland) and Iceland, which shares a maritime border with Canada, the High North and the Arctic dimension is expected to require even closer cooperation with European allies in the current security climate.

Increased attention and military activity in the far North will require attention to enablers of such in the region. Connectivity in the furthest northern regions of Norway, Finland and Sweden is poor. Nordic rail networks, for instance, do not go past Narvik in Norway, having to take a detour through Sweden to get there. Conflicting standards and regulations between EU member Sweden and EEA member Norway further complicate the matter. Past the 68th parallel, equipment will have to travel by road, sea or air, creating logistical difficulties only Nordic cooperation will be able to solve.

ECONOMY & INNOVATION

The economies of Denmark, Sweden, Norway, Finland and Iceland are some of the wealthiest in the world, with some of the highest standards of living and GDP per capita. This translates into high taxes but equally high social security, employment standards, social security and access to education. The economies of the region are strongly committed to free trade, are innovative markets, and serve as crucial gateways for trade flows between the North, the Baltic States and Western Europe. Norway and Sweden are especially driven by strong industries and dual-use civil-military technologies. Further north, the European Arctic amplifies the region's economic potential due to strategic shipping routes, resource extraction and environmental responsibility.

Despite their small size, the Baltic trio stands out for remarkable growth and innovation. They have demonstrated foresight and resilience in their relationships with Russia, with significant efforts invested in economic reforms and decoupling from Moscow, exemplified by projects like ramping up new LNG import terminals or the Rail Baltica project. It is

notable that Balts were the [first in Europe](#) to stop imports of Russian gas in 2022, while in 2025 they fully desynchronised from the Soviet-era BRELL¹¹ electricity grid in favour of connectivity with Poland¹², Finland¹³ and Sweden¹⁴. Today, forward-looking digital technologies and dual-use capabilities, IT services and investor-friendly business environments highlight the potential of the Baltic States to serve innovative businesses in Europe and globally, contributing to the EU's GDP and strategic autonomy.

The region is home to some of the most competitive economies in the EU and beyond. Countries like Finland and Sweden are among the most advanced in digitalisation in the EU and host some of the most competitive digital companies, known around the world. They are also a model to other countries when it comes to e-government, efficient administration and pension schemes. They also boast very dynamic financial sectors and are frequently cited as an example to other countries when it comes to mobilising institutional investors like pension funds for growth and innovation.

In a day and age marked by dependencies on third countries for important inputs to industry, the Nordics also have the potential to become a resource power. With large and easily exploited deposits of both critical minerals and rare earths in Norway, Sweden and Finland, the potential for the region to play a facilitating role in the broader European de-risking agenda is notable. As a crucial supplier of gas, it is vital that Norway is tied closely to the European security infrastructure in general and any Nordic-Baltic initiatives especially. Safeguarding subsea infrastructure crossing the Nordic Sea will be crucial in securing supply to Europe.

Making the Trade and Cooperation Agreement (TCA) between the UK and the EU more robust in the context of America's more assertive trade policy will prove critical for Europe. The EU is the UK's biggest trading partner, accounting for 40% of UK foreign trade in goods in 2022; despite existing barriers to trade, the UK and the EU are inextricably linked in supply chains. It remains to be seen which areas of shared interest (e.g. energy, defence, dual-use technologies, research and innovation) will be prioritised in EU-UK economic cooperation, but trade with the UK will be an important component of Europe's overall economic potential.

BEYOND GDP

The concept of a wellbeing economy, or a "Beyond GDP" economy, which a growing number of European countries are seeking to integrate into their policymaking, challenges the traditional reliance on economic growth as the primary measure of progress. It emphasises broader indicators of societal wellbeing, including social equity, environmental sustainability, and quality of life. Instead of prioritising GDP growth alone, this approach incorporates measures such as health outcomes, education access, social cohesion, and ecological resilience. A wellbeing economy seeks to ensure that economic policies are not just about increasing wealth but also about fostering inclusive, sustainable and resilient societies.

The Nordic model, with its strong welfare systems, progressive labour policies, and commitment to sustainability, serves as a valuable reference point for shaping policies that go beyond GDP. [Iceland](#), for example, has taken a leading role in advancing the

¹¹ BRELL stands for Belarus, Russia, Estonia, Latvia and Lithuania.

¹² LitPol Link.

¹³ Estlink1 and Estlink 2.

¹⁴ NordBalt.

wellbeing economy by developing a set of national wellbeing indicators that extend beyond traditional economic metrics. Introduced as part of Iceland's participation in the [Wellbeing Economy Governments \(WEGo\)](#) initiative, these indicators provide a more holistic measure of societal progress, covering health, education, employment, environmental sustainability, and social cohesion.

Similarly, [Finland](#) stands out as a pioneer in implementing a wellbeing economy approach, placing people's wellbeing at the core of decision-making. By integrating wellbeing considerations into policy development, Finland demonstrates how economic policies can be designed to enhance social inclusion, equality, and quality of life, offering a compelling model for other European countries looking to adopt a more people-centred economic framework.

Through two major Horizon projects led by Nordic stakeholders, [ToBe](#) and [MERGE](#), the EPC collaborates with policymakers, researchers, and civil society organisations to advance the integration of "Beyond GDP" frameworks into economic policymaking. By leveraging knowledge-sharing initiatives, workshops, and research exchanges, we analyse how Nordic countries implement wellbeing-driven policies and explore how these best practices can be adapted to the broader European context.

CLIMATE AND SUSTAINABILITY

Nordic countries are champions of environmental responsibility and boast some of the most advanced carbon-cutting strategies. Regional commitment to sustainability is evident in the rollout of projects in support of renewable energy sources (e.g. wind power, hydropower) and energy-efficient industrial processes (e.g. heating systems). This allows the countries to progressively meet bold carbon targets for the years to come, thereby contributing to Europe's strategic autonomy and energy transition. In this regard, Norway's commitment to becoming carbon-neutral by 2030 is particularly noteworthy. Moreover, the melting Arctic demands urgent attention not only at the regional level but at the European and global levels too, due to its implications for the future of humanity.

Complicating increased military activity in the high North is a rich tapestry of native peoples inhabiting the region. Broad swaths of the Sami ancestral homeland, Sápmi, is owned or in meaningful ways controlled by the Sami themselves. In Norway, this has created issues with both developing energy and military infrastructure in a still unsolved quandary. Deeper cooperation across borders could make it easier to balance the needs of native peoples and security considerations in the North.

STAKEHOLDERS

EPC's Northern Europe Platform, which covers the North Sea, Baltic and Arctic regions, comprises a variety of stakeholders, including existing and potential new EPC members spanning the world of think tanks, international institutions, national, regional and local authorities, businesses and business associations, and civil society organisations.

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