



**BARENTS  
REGIONAL COMMITTEE  
MEETING**

**September 26, 2006**

**Kirkenes**

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## **AGENDA**

### **Barents Regional Committee meeting**

Date: September 26<sup>th</sup>, 2006

Place: Barents Secretariat conference room, Kirkenes, Norway

### **Programme of the Meeting**

#### **Monday, September 25, 2006**

Arrival of participants

Accommodation at Rica Arctic Hotel

20:00 – 21:15                      Ad-hoc group on organizational changes meeting

Venue: Barents Secretariat conference room

21:30                                      Dinner for the Barents Regional Committee members and participants

Venue: Rica Arctic Hotel

#### **Tuesday, September 26, 2006**

08:00 – 11:30                      Barents Regional Committee meeting

Venue: Barents Secretariat conference room

12:00                                      Lunch

Venue: Rica Arctic Hotel

Departure of participants

## Participants

### Regional Committee

1. Dmitry Kislov, Chairman *Ministry of Economic Development, Republic of Karelia,*
2. Brynolf Tjärner *County Administrative Board of Norrbotten, Sweden*
3. Eilert Carlson *County Administrative Board of Västerbotten, Sweden*
4. Esko Lotvonen *Regional Council of Lapland, Finland*
5. Jyri Kokkonen *Joint Authority of Kainuu Region, Finland*
6. Larisa Glazko *Administration of Arkhangelsk Region, Russia*
7. Ludmila Kabantseva *Administration of Komi Region, Russia*
8. Anna Prakhova *Working Group Of Indigenous Peoples In BEAR*
9. Kari Aalto *Council of Oulu Region, Finland*
10. Bente Knudsen Helland *Troms County Council, Norway*
11. Harald Bollvåg *Nordland County Council, Norway*
12. Sylvi Jane Husebye *Finnmark County Council, Norway*
13. Yana Kislyakova *Administration of Nenets Autonomous Okrug, Russia*

### Others:

1. Alexey Tsvetkov *Karelian Barents Information office, Petrozavodsk*
2. Mikko Hirvi *Ministry of Foreign Affairs, Finland*
3. Päivi Kuvaja *Regional Council of Lapland, Finland*
4. Rune Rafaelsen *The Barents Secretariat, Kirkenes, Norway*

### Secretariat:

1. Vladimir Spiridonov *Ministry of Economic Development, Republic of Karelia*

**Item RC 22/2006      Adopting the agenda.**

Discussion of the agenda.

**Resolution:**

To adopt the agenda.

**Item RC 23/2006          Adopting the Protocol**

Discussion of the protocol of the Barents Regional Committee meeting held on June 7<sup>th</sup>, 2006 in Petrozavodsk, Russia (*Appendix 1*).

**Discussion:**

Anna Prakhova: there was an item regarding the Indigenous Peoples Action Plan. I think it should be reflected in the protocol.

Dmitry Kislov: We will consider these changes. I would also like to ask the former Committee Chairman Mr. Eilert Carson to take the chair in case we will not manage to finish the meeting in time and I will have to leave earlier for the plane.

**Resolution:**

To adopt the protocol of the Barents Regional Committee meeting held on June 7<sup>th</sup>, 2006 in Petrozavodsk, Russia with amendments.

**Item RC 24/2006            Information from the Chairman**

Information from Dmitry Kislov, Chairman of the Barents Regional Committee:

As of now Republic of Karelia is working on the preparation of new protocols of agreement within our bilateral cooperation with Troms County and Västerbotten. As far as other news is concerned – soon we are going to have a new border-crossing point in Karelia “Suopera-Kuotisalmi” that is going to bring positive changes in economics, culture and tourism.

Concerning cooperation with European Union: a lot has been done recently in the new ENPI programme development – more adjacent areas have been added recently, namely Arkhangelsk region, the Republic of Komi and Nenets Autonomous okrug. That was partly due to the Brussels meeting a couple of years ago. In this connection we should think how to be more active in Brussels. Maybe it is possible to arrange some visits.

Another important issue: the secretariat received a paper from the Working Group on culture regarding the WG mandate. Unfortunately we didn't have time to distribute it among the members. However it should be taken into account because the issue will be discussed at the CSO meeting on the 6<sup>th</sup> of October.

**Resolution:**

To include information in the protocol.

## **Item RC 25/2006            Information from the Committee of Senior Officials**

Mikko Hirvi, Ministry of Foreign Affairs of Finland, reported:

On behalf of the Finnish Chairmanship in the Barents Euro-Arctic Council I would like to thank the Republic of Karelia's Chairmanship of the Barents Regional Committee for the invitation to this meeting of the Regional Committee.

I refer to the Information of the BEAC CSO in Petrozavodsk on 7 June 2006 (RC 13/2006), quoted in the report of the meeting. During the summer the BEAC CSO has not met but we have worked through written procedure on some issues of common interest with the Regional Committee.

The next BEAC CSO meeting will be in Oulu on 6 October. The main issues on the agenda in Oulu will be:

- the organizational issue including the proposed Joint International Secretariat,
- cultural cooperation (The Chairman of the Regional Working Group on Culture, Mr Sergey Ershov, has on 19 September sent the BEAC CSO Chair a Draft Mandate for the Working Group on Culture. It will be discussed at the CSO meeting in Oulu on 6 October 2006. Comments from the Regional Committee are welcomed.)
- update on the Agreement on Cooperation within the Field of Emergency Prevention, Preparedness and Response in the Barents Euro-Arctic Region,
- update on cooperation between NCM and BEAC (The relevant BEAC working groups are finalizing common cooperation projects to be presented to the Nordic Council of Ministers related to economic cooperation, indigenous and environmental issues).
- update on the Northern Dimension. (The Chair of the BEAC CSO represented the Finnish BEAC Chairmanship at the Northern Dimension Senior Officials meeting in Imatra on 22 September, organized by the Finnish EU Presidency.

The main item on the agenda was the renewal of the Northern Dimension policy, as a common policy between EU, Russia, Norway and Iceland. The meeting concluded the work on the new Framework Document for the ND policy. It was welcomed in the BEAC CSO statement that the Barents region is being named in new Northern Dimension Framework Document as a Northern dimension priority area for the first time. BEAC as well as other Northern Councils will be participants in the new Northern Dimension policy).



As far as organizational issue is concerned it has been discussed in the BEAC CSO on 1-2 June and in the RC and BRC on 7-8 June 2006 in Petrozavodsk. During the summer Finnish BEAC Chairmanship team and the Norwegian Senior Official together with the Chair of the Ad Hoc group on the organisational issues of the Regional committee discussed on 1 August 2006 the Norwegian draft proposal on the Joint International Secretariat.

Norway presented the most recent version of draft non-papers on 22 September 2006, namely the Memorandum of Understanding (MOU), Draft Terms of Reference (ToR) and Draft Budget for calendar year 2008, the first year of the planned Secretariat. Norway has expressed a wish to focus on the general approach of the three documents; the MOU, Terms of Reference and the Budget for 2008.

The BEAC CSO welcomes the comments of the Regional Committee at its meeting in Oulu on 6 October 2006 and a progress report of the Ad Hoc Group on organisational issues.

**Resolution:**

To include information in the protocol.

**Item RC 26/2006                      Report from the Chairman of the ad-hoc group on  
organizational changes**

Esko Lotvonen, Regional Council of Lapland, chairman of the ad-hoc group on organizational changes, reported about the work of the group:

The work of the ad-hoc on organizational changes has been on-going since June 2006. We had two meetings: the phone meeting in August and the one yesterday. Now we have more common understanding of what should be done to improve cooperation on the regional level.

The WG report that was presented at the meeting in June was revised a bit – we left out the question of the region enlargement. Also the part concerning information and data cooperation will be an Appendix.

The idea of the Joint International Secretariat is strongly supported; there is an approach to the common goal. There can be a consensus regarding the latest Norwegian proposal. The ad-hoc group has accepted the Memorandum of Understanding.

As far as Terms of Reference are concerned – some things should be changed. The point about multi-donor financing is unclear. Also the question of the geographical balance is a difficult issue to define because in this case exact balance is tough to find. The persons must be recruited according to the task; only then evaluation can be made. Moreover the budget is settled for three persons. Nevertheless geographical balance can be a goal. These changes will be proposed at the CSO meeting on the 6<sup>th</sup> of October.

As far as financing is concerned – the Russian side clearly stated that it is impossible to send money abroad, therefore some changes are needed on the governmental level.

Another important issue is the question of Working Groups. The ad-hoc group proposes to discontinue the Working Group on information and Technology and make it an advisory group. The ad-hoc group also supports the new mandate for the WG on culture.

Discussion:

Anna Prakhova: There should be a special status for the Indigenous Peoples in the Joint International Secretariat. It is important to have a joint supporting unit for the Indigenous Peoples. As for the rest the report is very good.

Esko Lotvonen: Yes we have discussed this matter in the ad-hoc group. In the last Norwegian proposal there is no text about the Indigenous Peoples. They are mentioned only in the budget. We can agree that the Indigenous Peoples entity must be under the umbrella of the Joint International Secretariat.

Jury Kokkonen: We are looking forward to empower of the Joint International Secretariat. We also hope that youth issues will be included and we are happy that sector programmes are already in it. In Kainuu we are taking responsibilities of the East-West logistics. We will report on that at the next meeting.

Dmitry Kislov: Thank you for your comments. The Committee asks Mr. Lotvonen to report on the ad-hoc group work at the CSO.

**Resolution:**

To include information in the protocol.

**Item RC 27/2006****Information on the future transnational BSR programme**

Eilert Carlson, County Administrative Board of Västerbotten, reported on the future transnational programme in the Baltic Sea region starting in 2007:

The draft of the programme can be passed to the commission by the end of 2006. Therefore the decision can be made already in February. As far as applications are concerned we have a year time. The first applications shall be dealt with in October 2007 in Rostock.

In our project we should follow the results of Barents 2010 although there were some weak points in it (for example: it was complicated to use 10% in Russia). It is obvious that the draft Baltic Sea programme should be a transnational activity supporting the multilateral development. It is also important to have Northern Dimension in it.

The idea of the new Barents 2010+ project should be built on needs and strategies in the Barents region. It should also be a resource for Barents Cooperation for economic purposes as well as for our co-operation, solidarity and good spirit.

An important thing is that the Barents 2010+ project should have a transnational approach, be aimed at sustainable development and be adjusted to EU-Russian agreements.

Barents 2010+ project shall be promoting attractive and competitive regions:

- Territorial approach
- More competitive regions, hard and soft measures

Directions of Barents 2010+ support:

- Region as engines of economic development
- Integrated development and socio-economic and territorial cohesion

Barents 2010+ is not aimed at:

- Natural resources, barely stick to technical aspects
- Concentration on local actions with no synergy
- Activities, where involvement of the private sector is weak.

Also we hope that the Working Group on economic cooperation will bring more private sector companies. Also we can use transport priorities. We can come back to this issue at the next meeting.

**Discussion:**

Dmitry Kislov: Thank you very much. On the Russian side there also has been an ongoing activity. There was a task force meeting in St. Petersburg. As far as the 10% issue is concerned – there are different positions regarding that in different countries. It can be used from two parts: ERDF and ENPI. Maybe we will have some funding on the Russian side without these 10%. However there is a complication in priorities because ENPI has its own priorities. Therefore there should be some connection with it.

Eilert Carlson: In Sweden we are against uniting these two.

Dmitry Kislov: It concerns eligibility. It was a part of our efforts to be able to use this funding in all Russian regions. Part of the activities can be now made in Komi, Arkhangelsk and Nenets. So the programme covers the whole Russian part of cooperation.

**Resolution:**

1. To include information in the protocol.
2. The Committee asks Eilert Carlson to continue the work on Barents 2010+ in the view of the Baltic Sea programme.

**Item RC 28/2006****Information about the ICT Sector Programme**

Kari Aalto, Council of Oulu Region, reported on the ICT Sector Programme in the Barents Region:

The development goal of the project is to advance and activate Barents regional cooperation and get all central actors and projects involved in the prioritized ICT field. The development of the Barents ICT cooperation requires broad approach and wide range of cooperation companies and institutions. Barents regional cooperation aims to activate regional activities and responsibilities and find out role of ICT and attainability in this area as well as between its actors.

The milestones are:

Mapping (collaboration characters);

Contacts (find new actors);

Dialogue (aim is close cooperation with enterprises and authorities within ICT sector);

Contact (workshop or seminar end of October 2006);

Implementation (proposition for the ICT sector program).

Collaborative characters can be research and development institutions (e.g. universities), private sector (e.g. new actors), public authorities and other organizations.

The goal is to generate new co-operation between Barents region countries in the field of ICT, make suggestions on how to improve attainability, locality and co-operation in the Barents region for selected areas, including undertaking a SWOT analysis. The tasks are to identify local organizations and actors by 15 October 2006, plan the cooperation model together with actors in the field of ICT early November 2006, and prepare for the proposal of ICT sector program by 24. November 2006.

If you are interested in discussing suitable ways forward for ICT sector within Barents region, or have any thoughts or questions on the project of ICT sector, you are most welcomed to contact me or ICT project manager Ulla Vihelä, [Ulla.Vihela@culmentor.com](mailto:Ulla.Vihela@culmentor.com).

I would also like to add the ICT issues to the next Regional Council agenda.

**Discussion:**

Jury Kokkonen: In the future there will be more interest in the ICT.

Dmitry Kislov: Thank you very much Kari. There are a lot of activities going on.

**Resolution:**

1. To include information in the protocol.
2. The Committee asks Kari Aalto to send the programme summary to the Secretariat in order to distribute it among the members.

## Item RC 29/2006      Information on the Barents Link project development

Jyri Kokkonen, Joint Authority of Kainuu Region, reported on the recent activities within the Barents Link project.

Transport connections are among the most important location criteria of businesses:

- A recent survey in Finland indicated that transport connections are among three most important factors influencing the location decision-making of companies (with market proximity and availability of labor);
- Special features of BEAR: high costs in logistics, remote location, not a common transport and trade area horizontally – tariff and non-tariff barriers.

In this respect Barents Link Sector Program:

- Improves the integration of east-west rail freight logistics network (thus contributing to the development of sustainable communication links and more efficient cargo handling and transport);
- Establishes critical forums for cooperation and a strategy for developing the Barents Link (The Northern Axis extension).

Prospecting of different scales includes the following main parts:

- 1 America – Europe – Asia
- 2 Nordic Countries – North-West Federal district
- 3 Barents Region
- 4 Territories under the influence of the Northern Transport Corridor (Norway, Sweden, Finland, Murmansk Region, Republic of Karelia, Archangelsk Region, Republic of Komi, Permsky Region, Sverdlovsky Region, Tumen Region).

Transit potential of the corridor includes:

1. Global changes of transport environment;
2. East-West-East logistics;
3. Multimodal transportation. Transport modes (sea, internal water, railway, road, air transport modes and telecommunications).

Strategy of the transport corridor infrastructure development:

- 1 Global changes of transport environment
- 2 Implemented projects of 1995-2005



- 3 Short-term planning (2006-2010)
- 4 Mid-term planning (2010-2015)
- 5 Long-term planning (2015-2035)

Instruments of development:

- 1 Financing (investment climate: investment attractiveness and investment risks);
- 2 Legislation (concessions);
- 3 Resources (clusters by activities).

Logistics and the Finnish EU Presidency:

- Efficient logistics is a key factor in global competition;
- End of 2004 Finland took the initiative to include logistics in the commission's agenda for 2006 (approved 2005);
- Extension to EU-Russian and Finland-Russian new Partnership Agreements (ND);
- The Commission will prepare a strategic framework for European transport logistics and an action plan for Freight Transport Logistics in 2007;
- Germany has expressed its strong intension in continuing the mission.

Barents Link Phase II – implementation:

- Barents Link Forum;
- Creates conditions for the viable cooperation to joint-technological development of railroad infrastructure;
- Compliance management -overcoming tariff and non-tariff barriers;
- Results in developing multimodal transport and indirectly - better marketing of the logistics centers in BEAR;
- Results in - more volume and containeralisation.

**Resolution:**

To include information in the protocol.

**Item RC 30/2006                      Information about the WG on Investment and Economic Cooperation**

Timo Rautajoki, chairman of the working group on Investment and Economic cooperation, reported on the WG on Barents regional economic cooperation:

The basic background for the working group is that:

- Business between the regions is at last increasing in high north at all levels;
- Barents Council WGEC has for long time been the only official forum for business cooperation in the region;
- Also business community has own organizations.

The Business Advisory Group, BBAG, is a body in the framework of the Barents Euro-Arctic Council. BBAG is not an organisation, it is an advisory council. The members of this BAG are nominated by regional Chambers of Commerce. BAG gives reports and makes initiatives regarding economic and business matters in the Barents Euro-Arctic Region.

There is demand also for regional working group for economic cooperation. Main partners in energy and industrial projects are big international companies. Support from member states and authorities for the SME´s of the region is needed:

- to participate in projects;
- to increase cooperation between SME´s;
- to create subcontracting;
- to activate regional business community.

What should the working group do?

- Create forum for business community and regional authorities – messages to national and international levels, activate SME´s to cross border business, all branches of business, building and constructing, forestry, tourism, mining, industry, etc., create SME networks which could be subcontractors to big projects in the region, start a serious dialog between big companies and SME´s about all kinds of cooperation, eliminate trade barriers, transport and logistical needs of business, synergy activities to Barents 2010 –processes.

The activities of the working group:

- to evaluate the business infrastructure in the Barents region (what are the main practical problems for SME´s in cross border business and networking);

- to make proposals to authorities to improve business climate or conditions to do business in the region
- to organize meetings between business community and regional authorities of mutual interests (forum for leaders)

Who are the members?

- Chairman of the group has been nominated (Mr. Timo Rautajoki, Lapland CCI)
- Members of the group should represent organisations in practice responsible to enhance the business environment of SME`s in there regions
- The working group must be active; members should have strong commitment to the work and also financial possibilities to travel.

### **Discussion:**

Sylvi Jane Husebye: As far as the private sector involvement is concerned – it is principally difficult because they are working for themselves. There is no large scope.

Timo Rautajoki: Yes, I agree. However it is possible to find actors who will be interested.

Eilert Carlson: We should all agree that this work must be activated.

Esko Lotvonen: We need to hurry up because previous work was very slow. There is a need to build up bridges between business communities. Creativity should be used to solve financial problems.

### **Resolution:**

1. To include information in the protocol.
2. The Committee asks Timo Rautajoki to present a short summary and vision of the Working Group to the Secretariat.
3. The Secretariat then contacts regions administration on the issues of Working Group members' nomination.
4. Mandate for the WG should be prepared for the next meeting in Oulu (formulated together by ad-hoc group and Secretariat).

**Item RC 31/2006      Other issues**

Sylvi Jane Husebye: We propose that the next meeting agenda includes the information on the Barents Youth Programme so that it can be passed to the Council agenda.

Esko Lotvonen: Concerning the mandate for the Working Group on culture. The CSO waits for the Committee reaction. We already discussed this matter in Petrozavodsk in June and gave green light to it. Since then the paper hasn't changed. Therefore I think we can give a positive signal to the CSO.

Anna Prakhova: Indigenous Peoples should be in the group too. Culture should be also mixed with economical cooperation.

**Resolution:**

1. The Committee generally supports the new WG on culture mandate
2. The Committee members present their comments to the Secretariat by October 2, 2006 the chair then ask Mr. Esko Lotvonen to present the information to the CSO.

Yana Kislyakova: The Nenets Autonomous Okrug administration proposes to hold one of the meetings in 2007 in Narian-Mar.

Eilert Carlson: There is also one more important question. We are now in the mid-term of the Karelian chairmanship. It a question to the Finnish side. Please consider it.

Esko Lotvonen: We have already decided on Oulu region. This will be announced at the meeting I Oulu.

**Item RC 32/2006      Next Barents Regional Committee meeting**

The next Barents Regional Committee meeting will be held in Oulu (Finland) on November 23, 2006 – the day prior to the Barents Regional Council meeting.