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12 December 2013

## **MANDATE OF THE BEAC AD HOC WORKING GROUP ON FINANCIAL MECHANISM STUDY**

### **Introduction**

The Barents Summit in Kirkenes on 3-4 June 2013 encouraged the Barents Euro-Arctic Council to take appropriate action to investigate the possibility of establishing a financial mechanism in the Barents Region to support project activities and to facilitate making full use of the region's investment potential. The XIV Session of the Barents Euro-Arctic Council 29 October 2013 in Tromsø decided to set up an ad-hoc expert group to conduct an extensive study on this issue.

### **Assignment**

The task of the Ad Hoc Working Group on Financial Mechanism is to conduct an extensive study on the possibility of establishing a financial mechanism in the Barents Region to support project activities and to facilitate making full use of the region's investment potential.

### **Composition and chairmanship**

The members of the Ad Hoc Working Group are experts representing the BEAC members.

The representatives of the International Barents Secretariat, the Barents Regional Committee and the Working Group of Indigenous Peoples may participate in the work of the Ad Hoc Working Group as well as other experts invited by the chair.

The chairmanship of the Ad Hoc Working Group follows the chairmanship of the Barents Euro-Arctic Council, with a representative of the Barents Regional Committee as co-chair.

### **Methods of work and reporting**

The Ad Hoc Working Group will assess the financial needs, the existing financing sources and the possible financing gaps as well as the possibilities and modalities of establishing a financial mechanism in the Barents Region. The research is to be based on all relevant information from the Member States and the EU, regional level actors, Barents working groups, other regional or cross-border cooperation structures, international and national financial institutions and other sources. Every BEAC working group is encouraged to make its contribution to this work.

The Ad Hoc Working Group will keep the Committee of Senior Officials informed of the progress of its work. The Ad Hoc Working Group will submit a midterm written report of its work to the CSO by the end of 2014 and its final report and recommendations by September 2015.

### **The term of the Ad Hoc Working Group**

The Ad Hoc Working Group will be set up and start its work early 2014. The CSO will decide of its termination after the completion of the assignment.

BEAC AD HOC WORKING GROUP ON FINANCIAL MECHANISM STUDY

## **LIST OF PARTICIPANTS**

### **Secretariat**

Chair: Birgit Autere, Ministry for Foreign Affairs

Laura Quist, Ministry for Foreign Affairs

Timo Tolvanen, Ministry for Foreign Affairs

### **Finland**

Harry Ekestam, Ministry of Employment and the Economy

### **Sweden**

Sven Hegelund, Ministry for Foreign Affairs

### **Norway**

Pål Erik Holte, Ministry of Local Government and Modernisation

### **Russia**

Sergey Petrovich, Ministry for Foreign Affairs

### **European Union External Action Service**

Zuzanna Bieniuk

### **Barents Structures**

Marja-Leena Vuorenpää, Ministry for Foreign Affairs, Finland

Alexey Kalinin, Barents Regional Committee, Russia

Tomas Hallberg, International Barents Secretariat

Ari Sirén, International Barents Secretariat

### **Additional Experts**

Marja Liivala, Ministry for Foreign Affairs, Director of Unit for Regional Cooperation, Finland

Marina Naumova, Ministry for Foreign Affairs, Russia

Ekaterina Romanchuk, Ministry of Finance, Russia

Maria Smirnova, Ministry of Finance, Russia

Alexey Ternavskiy, Vnesheconombank, Russia

Elena Usacheva, Minister of Finance of the Arkhangelsk region, Russia

Marko Mäntylä, European Union External Action Service

Hege Koppang, Ministry of Foreign Affairs, Norway

Tiina Kupiainen, Ministry for Foreign Affairs, Finland

## BEAC AD HOC WORKING GROUP ON FINANCIAL MECHANISM STUDY

### WORK PROGRAMME

#### 1. MEETING SCHEDULE OF THE AD HOC WORKING GROUP

- 18 February 2014 in Helsinki: Kick-Off Meeting
- 29 April 2014 in Helsinki: International Financial Institutions
- 9 September 2014 in Helsinki: Regional Cooperation Structures and Northern Dimension Partnerships
- 18 November 2014 in Helsinki: EU Funding Programmes
- 27 January 2015 in Helsinki: Civil Society Actors
- Four drafting meetings during 2015

#### 2. COLLECTION OF INFORMATION (2014)

##### **SPRING 2014**

###### Written contributions

- BEAC Member States
  - Members of the Ad Hoc Working Group to provide information on their national financing (*prior to the meeting in April 2014*)
- European Union
  - EU to provide information on EU financing (*prior to the meeting in April 2014*)
- Regional level actors (members of the Barents Regional Committee)
  - Questionnaire (*prior to the meeting in April 2014*)
- Barents Working Groups (national, joint, regional, WGIP)
  - Questionnaire (*prior to the meeting in April 2014*)

###### Oral briefings

- International and National Financial Institutions
  - NIB, NEFCO, EIB, EBRD, Vnesheconombank

##### **AUTUMN 2014/WINTER 2015**

###### Written contributions

- Civil Society Actors
  - Questionnaire/internet survey

###### Oral briefings

- Other Regional or Cross-Border Cooperation Structures
  - Council of the Baltic Sea States, Arctic Council, Nordic Council of Ministers, Northern Dimension Environmental Partnership, Northern Dimension Partnership on Transport and Logistics, Northern Dimension Partnership in Public Health and Social Well-being, Northern Dimension Partnership on Culture and the Northern Dimension Institute

- Kolarctic CBC, Karelia CBC, The European Union's Baltic Sea Region Programme, Seed Money Facility/EU Strategy for the Baltic Sea Region, The Northern Periphery and Arctic Programme and North 2014–2020 Programme

- Civil Society Actors

3. MIDTERM REPORT

- By the end of November 2014 (to be presented to the BEAC CSO in Dec 2014)

4. COMPILATION OF THE COLLECTED INFORMATION: ANALYSIS AND CONCLUSIONS (2015)

5. FINAL REPORT AND RECOMMENDATIONS

- September 2015

BEAC AD HOC WORKING GROUP ON FINANCIAL MECHANISM STUDY

## **PEOPLE AND ORGANISATIONS CONSULTED DURING THE STUDY**

### **International Financial Institutions**

Arvid Tuerkner, Director for Regional Development in Russia, EBRD

Virgil Nae, Head of Moscow office, EIB

Harro Pitkänen, Senior Director, Business Development and Control Deputy Head of Lending, NIB

Magnus Rystedt, Managing Director, NEFCO

### **Northern Dimension Partnerships**

Oddgeir Danielsen, Northern Dimension Partnership on Transport and Logistics

Ilze Gailite Holmberg, Northern Dimension Partnership on Culture

Marek Maciejowski, Northern Dimension Partnership in Public Health and Social Well-being

Ewa Manik, Northern Dimension Environmental Partnership

Riitta Kosonen, Northern Dimension Institute

### **Representatives of Regional Councils**

Magnús Jóhannesson, Arctic Council

Jan Lundin, Council of the Baltic Sea States

Christina Lehtinen, Ministry for Foreign Affairs of Finland (Nordic Council of Ministers Desk Officer)

### **EU Programmes**

Päivi Ekdahl, Development Director at the Regional Council of Lapland (the Kolarctic CBC Programme, the Northern Periphery and the Arctic Programme and the Interreg North Programme)

Marko Ruokangas, Programme Director (the Karelia CBC Programme)

Eeva Rantama, Joint Technical Secretariat of the Baltic Sea Region Programme

Natalie Thiberge, DG Devco

### **Civil Society Representatives**

Hilkka Halonen, Chairperson of the advisory board for civil society organisations in the Lapland Region

Marina Mihailova, Director of the Arkhangelsk Centre of Social Technologies "Garant"

Daria Akhutina, General Director of the Association for Cooperation with Nordic Countries "Norden"

Merja Hannus, Secretary General of the Finnish-Russian Society

Àile Jávo, President of the Saami Council

### **Norwegian Barents Secretariat**

Atle Staalesen

Margrethe Alnes

BEAC AD HOC WORKING GROUP ON FINANCIAL MECHANISM STUDY

## **QUESTIONNAIRE ON NATIONAL FUNDING TO BARENTS REGION COOPERATION PROJECTS**

*Please fill in the form separately for each instrument!*

1. What national financing instruments/sources do you have for Barents Cooperation projects?
2. What is the size of the instrument?
3. What is the purpose of the instrument? Please list the strategic objectives of the instrument.
4. What are the priority sectors/themes of the instrument?
5. Is the instrument used for bilateral or multilateral cooperation projects?
6. Who is in charge of the fund management and how is the instrument administered?
7. Who are eligible to apply for financing?
8. Is co-financing needed from the applicant's side?
9. What type of projects can be financed (e.g. investments, technical cooperation, feasibility studies)?

BEAC AD HOC WORKING GROUP ON FINANCIAL MECHANISM STUDY

## **QUESTIONNAIRE ON EU FUNDING TO BARENTS REGION COOPERATION PROJECTS**

*Please fill in the form separately for each instrument!*

1. What EU financing instruments/sources do you have for Barents Cooperation projects?
2. What is the size of the instrument?
3. What is the purpose of the instrument? Please list the strategic objectives of the instrument.
4. What are the priority sectors/themes of the instrument?
5. Is the instrument used for bilateral or multilateral cooperation projects?
6. Who is in charge of the fund management and how is the instrument administered?
7. Who are eligible to apply for financing?
8. Is co-financing needed from the applicant's side?
9. What type of projects can be financed (e.g. investments, technical cooperation, feasibility studies)?



BEAC AD HOC WORKING GROUP ON FINANCIAL MECHANISM STUDY

## QUESTIONNAIRE TO THE BARENTS WORKING GROUPS

This questionnaire is sent out to the Chairmen of the Barents Euro-Arctic Council working groups, Barents Regional Council working groups as well as Joint Barents Euro-Arctic Council – Barents Regional Council working groups. The aim of this questionnaire is to contribute to the work of the Ad Hoc Working Group in gathering information concerning the financial needs, the existing financing sources and the possible financing gaps, as well as the views regarding the establishing of a financial mechanism for the actors in the Barents Region.

1. THE NAME OF THE WORKING GROUP:
2. WHAT IS THE MANDATE/MAIN GOALS OF THE WORKING GROUP?
3. WHAT ARE THE CURRENT PRIORITIES OF THE WORKING GROUP?
4. WHAT ARE THE MAIN (RECENT/ON-GOING) PROJECTS OF THE WORKING GROUP AND THE MAIN FINANCING SOURCES IN USE (WITHIN THE PAST 5 YEARS)?

Name, duration and budget of the project	Financing source(s)	Lead partner

5. HOW WOULD YOU DESCRIBE THE CURRENT SITUATION CONCERNING THE AVAILABILITY OF FINANCING?
6. WHAT ARE THE MAIN CHALLENGES AND POSSIBILITIES REGARDING THE FINANCING OF BARENTS COOPERATION?
7. PLEASE MAKE PROPOSALS CONCERNING THE DEVELOPMENT OF FINANCING FOR BARENTS COOPERATION?

BEAC AD HOC WORKING GROUP ON FINANCIAL MECHANISM STUDY

## **QUESTIONNAIRE TO THE BARENTS REGIONS**

This questionnaire is sent out to the representatives of the regions participating in the work of the Barents Regional Council. The aim of this questionnaire is to contribute to the work of the Ad Hoc Working Group in gathering information concerning the financial needs, the existing financing sources and the possible financing gaps, as well as the views regarding the establishing of a financial mechanism for the actors in the Barents Region.

1. THE NAME OF THE REGION:
2. WHAT ARE THE MAIN GOALS AND PRIORITIES OF YOUR REGION CONCERNING BI- AND MULTILATERAL COOPERATION IN THE BARENTS REGION?
3. WHAT ARE THE MAIN FINANCING SOURCES IN USE IN BI- AND MULTILATERAL COOPERATION IN THE BARENTS REGION?
4. HOW WOULD YOU DESCRIBE THE CURRENT SITUATION CONCERNING THE AVAILABILITY OF FINANCING IN REALIZING THE REGION'S GOALS AND PRIORITIES?
5. WHAT ARE THE MAIN CHALLENGES AND POSSIBILITIES REGARDING THE FINANCING OF BARENTS COOPERATION? ARE THERE ORGANISATIONAL/PROCEDURAL BOTTLENECKS?
6. PLEASE SPECIFY THE SECTORS/FIELDS OF COOPERATION IN WHICH THE LACK OF FINANCING IS MOST SEVERE. CAN YOU MENTION SPECIFIC PROJECTS AND/OR INITIATIVES THAT LACK FINANCING?
7. PLEASE MAKE PROPOSALS CONCERNING THE DEVELOPMENT OF FINANCING FOR BARENTS COOPERATION/IN THE BARENTS REGION



BEAC AD HOC WORKING GROUP ON FINANCIAL MECHANISM STUDY

## REFERENCES

Basic documents of the Barents Euro-Arctic Council since 1993

<http://www.beac.st/en/Documents>

Barents Programme 2014-2018 of the Barents Regional Council

[http://www.barentsinfo.fi/beac/docs/Barents\\_Programme\\_2014\\_2018\\_adopted\\_2\\_June\\_2013.pdf](http://www.barentsinfo.fi/beac/docs/Barents_Programme_2014_2018_adopted_2_June_2013.pdf)

Growth from the North

[http://valtioneuvosto.fi/documents/10616/1095776/J0415\\_Growth+from+the+North\\_net.pdf/2613b2d6-96f8-4ca1-813a-658eaa7f858](http://valtioneuvosto.fi/documents/10616/1095776/J0415_Growth+from+the+North_net.pdf/2613b2d6-96f8-4ca1-813a-658eaa7f858)

Joint Barents Transport Plan 2013

[http://www.barentsinfo.fi/beac/docs/Joint\\_Barents\\_Transport\\_Plan\\_2013.pdf](http://www.barentsinfo.fi/beac/docs/Joint_Barents_Transport_Plan_2013.pdf)

The NEFCO

[http://www.nefco.org/financing/financing\\_instruments](http://www.nefco.org/financing/financing_instruments)

The NIB

[http://www.nib.int/loans/loan\\_products/trust\\_funds](http://www.nib.int/loans/loan_products/trust_funds)

The EU's financing instruments supporting its external action

[http://www.enpi-info.eu/library/sites/default/files/attachments/MEMO-13-1134\\_EN.pdf](http://www.enpi-info.eu/library/sites/default/files/attachments/MEMO-13-1134_EN.pdf)

Overview of the EU's financial rules and funding opportunities 2014–20

[http://ec.europa.eu/contracts\\_grants/index\\_en.htm](http://ec.europa.eu/contracts_grants/index_en.htm)

<http://www.kolarcticenpi.info/en>

<http://www.kareliaenpi.eu>

<http://www.northernperiphery.eu/en/home>

<http://www.interregnord.com>

<http://eu.baltic.net/Interreg-Baltic-Sea-Region-2014-2020.26029.html>

<http://seed.eusbsr.eu>

[www.keep.eu](http://www.keep.eu)

<http://www.patchworkbarents.org>

The Norwegian Barents Secretariat

<https://www.barents.no/?sprak=3>



BEAC AD HOC WORKING GROUP ON FINANCIAL MECHANISM STUDY

**LIST OF ABBREVIATIONS**

AC	Arctic Council
ACAP	Arctic Contaminants Action Programme
BEAC	Barents Euro-Arctic Council
BHSF	Barents Hot Spots Facility
BSAP	Baltic Sea Action Plan
CBC	Cross-Border Cooperation
CBSS	Council of the Baltic Sea States
CF	Cohesion Fund
COSME	EU Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises
EAFRD	European Agricultural Fund for Rural Development
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
EMFF	European Maritime and Fisheries Fund
ENI	European Neighbourhood Instrument
ENPI	European Neighbourhood and Partnership Instrument
ERDF	European Regional Development Fund
ESF	European Social Fund
ETC	European Territorial Cooperation
EUSBSR	EU Strategy for the Baltic Sea Region
IFI	International Financial Institution
KfW	German Development Bank

NCM	Nordic Council of Ministers
ND	Northern Dimension
NDEP	Northern Dimension Environmental Partnership
NDPC	Northern Dimension Partnership on Culture
NDPHS	Northern Dimension Partnership in Public Health and Social Well-being
NDPTL	Northern Dimension Partnership on Transport and Logistics
NEFCO	Nordic Environment Finance Corporation
NPA	Northern Periphery and Arctic Programme
NIB	Nordic Investment Bank
PFI	Pilot Financial Initiative
PSF	Project Support Facility
PSI	Project Support Instrument
VEB	Vnesheconombank