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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.
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

• Civil Society Actors

3. MIDTERM REPORT
   • By the end of November 2014 (to be presented to the BEAC CSO in Dec 2014)


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
Harrö 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
Åile 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)?
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)?

<table>
<thead>
<tr>
<th>Name, duration and budget of the project</th>
<th>Financing source(s)</th>
<th>Lead partner</th>
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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
REFERENCES

Basic documents of the Barents Euro-Arctic Council since 1993

Barents Programme 2014-2018 of the Barents Regional Council

Growth from the North
http://valtioneuvosto.fi/documents/10616/1095776/J0415_Growth+from+the+North_net.pdf/2613b2d6-96f8-4ca1-813a-658eaad7f858

Joint Barents Transport Plan 2013

The NEFCO
http://www.nefco.org/financing/financing_instruments

The NIB
http://www.nib.int/loans/loan_products/trust_funds

The EU’s financing instruments supporting its external action

Overview of the EU’s financial rules and funding opportunities 2014–20
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://seed.eusbr.eu

www.keep.eu

http://www.patchworkbarents.org

The Norwegian Barents Secretariat
https://www.barents.no/?sprak=3
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
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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>NCM</td>
<td>Nordic Council of Ministers</td>
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<td>ND</td>
<td>Northern Dimension</td>
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<td>NDEP</td>
<td>Northern Dimension Environmental Partnership</td>
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<td>NDPC</td>
<td>Northern Dimension Partnership on Culture</td>
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<td>NDPHS</td>
<td>Northern Dimension Partnership in Public Health and Social Well-being</td>
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<td>NDPTL</td>
<td>Northern Dimension Partnership on Transport and Logistics</td>
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<td>NEFCO</td>
<td>Nordic Environment Finance Corporation</td>
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<td>NPA</td>
<td>Northern Periphery and Arctic Programme</td>
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<td>NIB</td>
<td>Nordic Investment Bank</td>
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<td>PFI</td>
<td>Pilot Financial Initiative</td>
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<td>PSF</td>
<td>Project Support Facility</td>
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<td>PSI</td>
<td>Project Support Instrument</td>
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<td>Vnesheconombank</td>
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