

**Memorandum of Understanding
on the Development of the Barents Euro-Arctic Pan-European Transport Area**

Preamble

The Minister of Transport and Communications of the Republic of Finland, the Minister of Transport and Communications of the Kingdom of Norway, the Minister of Transport of the Russian Federation, the Minister of Railways of the Russian Federation, the Government of the Kingdom of Sweden and the Commission of the European Communities,

Desiring to promote international transport of goods and passengers in the framework of the Declarations of the Second Pan-European Transport Conference in Crete in 1994 and of the Third Pan-European Transport Conference in Helsinki in 1997 and welcoming action in four specific European regions, one of which is the Barents Euro-Arctic region, suggested by the latter for the development of a regionally integrated multimodal transport network,

Considering the high importance of co-operation in the development of the Barents Euro-Arctic Pan-European Transport Area with regard to the integration of the road, rail, maritime and air routes in the Trans-European Transport Infrastructure Network,

Considering the Declaration in Kirkenes on 11th of January 1993 establishing the Barents Euro-Arctic Council, the Declaration in Alta on 8th of September 1993 setting up a framework for development of transport and communications infrastructure in the Barents region and the Declaration in Archangelsk on 10th of September 1996 defining objectives for further co-operation in the Barents Region,

Welcoming action already undertaken on the Barents Euro-Arctic Pan-European Transport Area by the Parties concerned either individually or in co-operation as well as by sub-regional and international organisations,

Conscious of the fact that infrastructure development is a long term exercise that must be performed in line with the principle of sustainable development,

Agree on the following Memorandum of Understanding as a step towards a common objective:

Article I: Aim

The aim of this Memorandum of Understanding is to further strengthen the existing international co-operation in the development of main and ancillary transport infrastructures on "the Barents Euro-Arctic Pan-European Transport Area" as defined in Article 2. The development of the Area includes border crossing and customs co-operation, maintenance, upgrading and new construction of main and ancillary infrastructures.

The co-operation aims at creating an efficient and integrated multimodal transport system of international significance in the Area and at defining the prerequisites for the most efficient use of funds and know-how from public and private sources.

Article 2: Definition of the Area

Throughout this Memorandum of Understanding, the term "Barents Euro-Arctic Pan-European Transport Area" or "the Area" refers to the road, rail, sea, air, combined and intermodal transport infrastructures, including ancillary installations such as access roads, border crossing stations, service stations, freight and passenger terminals, warehouses and installations necessary for traffic management, and positioning and navigational aids. This Area includes the provinces of Finnmark, Nordland and Troms in the Kingdom of Norway, the provinces of Norrbotten and Västerbotten in the Kingdom of Sweden, the provinces of Lapland and Oulu in the Republic of Finland and the Archangelsk Oblast, Republic of Murmansk, Republic of Karelia and the Nenets Autonomous Okrug in the Russian Federation.

Article 3: Steering Committee

A Steering Committee will co-ordinate the work under this Memorandum of Understanding.

The Steering Committee will be composed by one representative from each signing Party. Each signing Party will appoint its representative and one deputy representative. The appointment shall be notified to all other signing Parties. The Steering Committee may establish working groups.

The Steering Committee will meet when necessary, but at least once a year. It will decide its rules of procedure by unanimity. The Presidency of the Steering Committee rotates on a yearly basis between Sweden, Norway, Russia and Finland. A representative of the Barents Regional Council shall be invited to participate in all meetings. Representatives from the authorities within the Area, the private sector, non-governmental organisations, the International Financial Institutions and other observers may be invited to the meetings as appropriate.

The Steering Committee will report once a year on its work. These reports will be transmitted to the Barents Euro-Arctic Council and to the G-24 Transport Working Group and to the European Commission.

Article 4: Exchange of information

The Parties will within their legal framework make available to each other information relevant to the development, use and management of the Area. This will include data on the state of the infrastructure in the Area, traffic flows, waiting times at the borders, specific maintenance, upgrading, investment, environmental and organisational measures planned or undertaken, and the financial resources allocated or to be allocated to the development of the Area from public and private sources. It will also cover

information on the legal framework for private participation in the development, use and management of the Area as well as relevant economic, demographic, environmental and social data.

Article 5: Framework for co-operation with the authorities within the Area

Given the particular nature of the Area, the Parties intend to provide for a maximum of involvement of the authorities within the Area in its development, use and management. To this end a dialogue with them will take place during all work under this Memorandum of Understanding. The advice and comments of the authorities will, in all actions planned or undertaken, be taken into account to the greatest possible extent. Where appropriate, the Steering Committee may request the Barents Euro-Arctic Council and the Barents Regional Council to implement specific actions under this Memorandum of Understanding.

The Parties will jointly aim to ensure that the legal conditions necessary for the participation by the authorities within the Area in a dialogue are met.

Article 6: Framework for participation by private parties and International Financial Institutions

The Parties intend to provide within limits of law for a maximum of private sector involvement in the development, operation and use of the Area. To this end, a dialogue with the private sector and the International Financial Institutions will take place during the study phase of projects. In all phases of co-operation under this Memorandum of Understanding the private sector will generally be informed of actions planned or undertaken and its comments will be taken into account as far as possible.

The Parties will jointly aim to ensure that the legal and financial conditions necessary for private sector participation in the development and operation of the Area are met.

The Parties may set up common entities to carry out all or some actions necessary to reach the aims of this Memorandum of Understanding. They will consider possibilities of entrusting the implementation of certain agreed transport projects under this Memorandum of Understanding either totally or partially to private entities.

Article 7: Co-operation priorities

The information exchanged and studies carried out by the Parties will be the basis for defining priorities, budgets and time-plans for specific measures necessary for the co-ordinated development of the Area as well as rules on the use and co-operation of the Area. The Parties will agree on such issues as appropriate.

Taking into account the work already undertaken in different fora, the Parties may wish to establish work priorities for specific parts of the Area, and to sign Memoranda of Understanding regarding these parts.

Article 8: Duration

This Memorandum of Understanding is concluded for five years. Its duration will automatically be prolonged for another five years if none of the parties object at the latest one year before the expiry of such a five year period. At the request of any of the parties, this memorandum may be reviewed after five years.

Article 9: Other provisions

This co-operation is based on voluntary commitment and will continue until the objectives of the initiative have been achieved. This Memorandum of Understanding does not contain obligations governed by international law.

Done at Copenhagen, the 26th of May 1998

The Minister of Transport and Communications of the Republic of Finland,

The Minister of Transport and Communications of the Kingdom of Norway,

The Minister of Transport of the Russian Federation,

The Minister of Railways of the Russian Federation,

The Government of the Kingdom of Sweden,

The Commission of the European Communities.