

Outcome of the activities of the BEAC Working Group on Economic Cooperation
during Russian Chairmanship of the BEAC in 2007 - 2009

(Interim Report for 2007 – 2008)

1. Main directions of the work. General considerations.

1) Main directions of the work of the BEAC Working Group on Economic Cooperation (hereinafter named as BEAC/WGEC) were elaborated bearing in mind the Priorities of the Russian Federation during its Chairmanship in the BEAC, which had been approved by the Russian Foreign Minister as BEAC Chairman.

2) We took into consideration that already gained experience has utmost importance for the successful work of the BEAC/WGEC, including the previous Russia's Chairmanship of the BEAC in 2000 – 2001, practice and main results of the BEAC/WGEC activities under the Chairmanships of Sweden, Norway and Finland in 2001 – 2007. We proceeded from the need to continue what have already been started and to contribute to what is under implementation.

3) When formulating guidelines for the BEAC/WGEC we took into account the dynamic of regional economic processes.

4) Proper attention was paid to defining trends of development of the BEAC/WGEC and the Council itself, as well as to the changes in the format of regional economic cooperation. Particularly we consider that:

- several years ago the Task Force on Custom Matters was separated from the BEAC/WGEC and transformed into the independent BEAC Working Group on Customs Cooperation (hereinafter–BEAC/WGCC);

- a number of issues, which the BEAC/WGCC is now dealing with, has direct connection to the topics discussed at the BEAC/WGEC Meetings (trade liberalization, logistic improvement, etc.);
- in 2004 new area of cooperation was set up, which has been matured as an independent one, – assistance to the contacts of the businessmen in the framework of international conference “Barents Industrial Partnership” and other events;

5) Main directions of the BEAC/WGEC activity are:

- to evaluate current economic situation in the region;
- to explore opportunities and prospects of interaction between ministries, agencies and business circles, taking into account the aforementioned economic situation;
- to contribute into possible elaboration by the BEAC Member States common or similar approaches towards cooperation issues;
- to assist in implementation of regional projects (including joint ones).

6) The Russian Chairmanship planned to consider following issues:

- opportunities for multilateral assistance to international business in the region and for implementation of mutual economic projects;
- expediency and ways to involve in the activities of the BEAC/WGEC representatives of the large companies and firms from the Member States (in order to exchange views on BEAC issues);
- cooperation in the area of innovations, including views expressed by the experts on special economic zones and zones aimed at application of the achievements of science to production, which were established in the Russian Federation – it means to invite such experts to the BEAC/WGEC Meetings (this was never realized before);
- sustainable forest management (bearing in mind recent changes in the Russian legislation);

- general forestry issues (taking into account that there is a subordinate to the BEAC/WGEC working body – Barents Forestry Special Task Force, chaired by the representative of the Russian Forestry Agency);
- possible assistance in the framework of the BEAC/WGEC to promotion of the large projects in the entities of the Russian Federation, which are constituent in the Barents Region (on the basis of the proposals from these entities' regional authorities).

7) Bearing in mind that the most important direction of the economic cooperation within the BEAC is the interaction of the national business communities, it was planned:

- to hold consultations with the B-BAG (Barents Business Advisory Group) on the issues of the activities of the Latter;
- to take part in several Meetings of the B-BAG;
- to explore the opportunities to join the work of the BEAC/WGEC from the part of regional Chambers of Commerce and Trade (Russian-Norwegian, Norwegian-Russian, Stockholm CCT, Lapland CCT and others – due to their interest to such cooperation);
- to elaborate the possibility of joining the regional economic cooperation process by the relevant divisions of the Russian Chamber of Trade and Industry and Russian Union of Entrepreneurs and Producers.

8) Contacts with the International Barents Secretariat (Kirkenes)

2. Events of the BEAC/WGEC during the Russian BEAC Chairmanship (end of 2007 - 2008). Main results.

1) Russian MFA, Moscow, 4 December 2007: First BEAC/WGEC Meeting under the Russian Chairmanship, the Chairman of the Group met the representatives of the Embassies of the BEAC Member States in Moscow (minister-counsellors, economic counsellors, diplomats from the EU Representation Office in Moscow).

Participants: Embassies of Denmark, Iceland, Norway, Finland, Sweden in Moscow, the EU Representation Office in Moscow, Russian MFA (Second European Department and Department of Economic Cooperation), Ministry of Economic Development and Russian Forestry Agency, Russian Academy of Science, entities of Russian North-West, which are the BEAC Members.

Topic: exchange of views on the Russian plans for Chairmanship of the BEAC/WGEC.

Summary: with due attention to the views expressed by the participants the Russian Side elaborated the Priorities of Russian Chairmanship of the BEAC in 2007 – 2009 concerning regional economic cooperation, as well as the Perspective Plan for the Russian Chairmanship of the BEAC/WGEC in 2008.

Representatives of the BEAC Member States, EC, Russian Ministries and Agencies agreed with views proposed by the Russian Chairmanship for the BEAC/WGEC. These proposals were also presented at the Meeting of the CBSS Working Group on Economic Cooperation (Riga, 16 January 2008).

Russian Federation stressed the necessity for these two Working Groups to cooperate considering that said coordination of their efforts may bring a synergy effect and contribute to the common goal – sustainable development (especially – in the economic area) of the Barents and Baltic regions of Europe.

The relevant documents (the Priorities of Russian Chairmanship of the BEAC in 2007 – 2009 and the Perspective Plan for the Russian Chairmanship of the BEAC/WGEC in 2008) are placed at the Russian MFA web-site and sent to the International Barents Secretariat.

2) Russian MFA, Moscow, 21 May 2008: the BEAC/WGEC Meeting

Participants: representatives of the Embassies of Finland, Norway, Sweden in Moscow and of the EU Representative Office in Moscow, representatives of Russian Ministries and Agencies (MFA, Ministry of Economic Development, Ministry of Regional Development, Forestry Agency, Academy of Science).

Main issues:

Information of the representative of Finland on the main outcome of the Finnish Chairmanship of the BEAC/WGEC in 2005 – 2007; Adoption of the Plan for the Russian Chairmanship of the BEAC/WGEC in 2008 – 2009; Information on the outcome of the BEAC CSO Meeting on 7 – 8 April 2008 in Moscow; Discussion on forestry management development in the Barents region within the framework of the BEAC/WGEC (Report on the work of the Barents Forest Sector Task Force (BFSTF) in 2005 – 2007; Information on recent development, current situation and legislative changes, prospects for the future in the Russian Forestry Sector (by the representative of the Russian Forestry Agency); Prolongation of the BFSTF mandate; Exchange of views on matters related to the tentative meeting of the BEAC/WGEC in Brussels (who participates, items to be discussed, etc.); Information on B-BAG activities (Chairman – Mr. T.Rautajoki); Exchange of views related to the next Barents Industrial Partnership (BIP) Conference, etc.

3) St.-Petersburg, 27 November 2008: the BEAC/WGEC Meeting

Participants: representatives of the Embassies of Finland, Norway, Sweden in Moscow and of the EU Representative Office in Moscow, representatives of Russian Ministries and Agencies (MFA, Ministry of Economic Development, Ministry of Regional Development, Forestry Agency), the head of the Informational Bureau of the Nordic Council of Ministers.

Main issues:

Information on the BEAC/WGEC activities since the BEAC WGEC Meeting (Moscow, 21 May 2008); Discussion on issues related to the forestry in the framework of the BEAC WGEC (appointment of Mr. S.Shtrakhov (Russian Forestry Agency) to the post of BFSTF Chairman; Information on recent development and future prospects in the Russian Forestry Sector in view of cooperation within the Barents Region); Results of the Meeting of BEAC WGEC Chairman in Brussels with the EC representatives (in June 2008); Information on B-BAG activities; Exchange of views related to the

next BIP Conference; Information on economic developments in the regions of the BEAC Member States.

Information was presented on several economic projects being implemented in the entities of the Russian Federation – members of the Barents Regional Council (at the request of the heads of these entities):

- a) Republic of Karelia – “Barents-Link”; construction of the International Road Border Check-Point “Suvaoro – Parikkala”; reconstruction of the International Railway Border Check-Point “Vartsilla – Lutta”;
- b) Republic of Komi – construction of the Railway Line “Solikamsk – Gainy – Syktyvkar – Kargopory – Arkhangelsk”;
- c) Nenetsk Autonomous Okrug – “BARENTSKOMUR”.

3) Arkhangelsk, 16 December 2008: the 7th International Conference «Barents Industrial Partnership»

Participants: the representatives of the Russian Federation (MFA, Administrations of the entities of the Russian West-North), Finland, Norway, Sweden, business communities of the BEAC Member States.

Topic of the Conference: «Barents Industrial Partnership in Changing Economic Conditions».

Participants discussed the prospects of further broadening multilateral economic cooperation in the region in the spheres of economy, trade, science and technologies, education, environment protection and implementation of joint projects.

The Russian participants presented information on the opportunities to improve further cooperation within the framework of the BEAC in such areas as shipbuilding and shiprepairing, development of port infrastructure, forestry, etc. Information was considered with interest.

Results of the BIP – 2008 confirmed interest of the BEAC Member States towards international cooperation in the Barents region. It was underlined that effectiveness of such cooperation for the Russian Federation would depend at

large extent on dynamic involvement into the process from the part of its entities of Russian North-West, in particular – Arkhangelsk and Murmansk Regions, Republic of Komi, Republic of Karelia and Nenetsk Autonomous Okrug.

Deputy Head of the Arkhangelsk Regional Administration, Mr. D.Pletnev, and Director of the International Barents Secretariat Ambassador A.Ignatiev addressed the participants with welcoming speeches.

3. Other BEAC events with participation of the BEAC/WGEC Chairman

1. BEAC CSO Meeting, Moscow, 7 – 8 April 2008.
2. BEAC Working Group on Customs Cooperation, Moscow, 5 June 2008.

4. Meetings, Negotiations, Consultations of the BEAC/WGEC Chairman on BEAC issues

1. With the leadership of Russian-Norwegian and Norwegian-Russian Chambers of Commerce and Trade, Moscow, 5 February 2008
2. With the representative of Denmark – the incoming Chairman of the CBSS Working Group on Economic Cooperation, Moscow, 8 June 2008
3. With representatives of the European Commission, Brussels, 19 June 2008.
4. With the Chairman of the CBSS Working Group on Economic Cooperation (Denmark), Copenhagen, 10 September 2008.