

Helsinki, 12 May, 2004

**Barents Euro-Arctic Council,
Meeting of the Working Group on Environment (WGE)**

**18 March, 2004
Vuokatti, Finland**

MINUTES

1. Opening/welcoming

The Chair of the WGE, Ms. Ann-Britt Ylinen opened the meeting and wished all participants welcome. The list of participants is enclosed (annex 1). Prior to the WGE meeting there had been a Joint meeting between the WGE and the RWGE and a meeting of the RWGE on Wednesday, 17 March. On Tuesday, 16 March, there was a meeting of Cleaner Production Task Force.

2. Adoption of the agenda (and presentation of the participants)

The agenda item 7 was changed with item 5. The agenda was adopted. (The final agenda; annex 2).

3. Action Programme for the Finnish chairmanship

The draft Action Programme for the Finnish chairmanship period 2003-2005 of WGE was presented by the Chair. It was noted that the draft has been sent to the members for comments. The members of the WGE were familiar with the content of and had commented it already prior to the meeting. The Chair reminded that activities can be added to the Action Programme in order to be discussed by the WGE later.

The following elements were discussed (numbering according to the Action Programme):

2.1 Cleaner Production

- The preparation of national action plans is already going on within the Cleaner Production Task Force. The proposal to develop a handbook on IPPC for Russian counterparts was discussed. Sweden indicated not having currently capacity to participate in this work. Norway responded positively and suggested that the companies should be involved. Russia supported the project and informed that there are already available working and normative documents of Russian Federation in this field, which could be taken into account. In the first phase the structure for the handbook should be created and second phase could consist of methodology of CP and/or examples of completed projects. Mrs. Larisa Yanchik from the Russian-Norwegian Cleaner Production Centre commented that this is a useful approach for the Russian companies and the harmonisation of legislation is needed. She made a proposal to produce a booklet with analysis of experiences in implementing Cleaner Production in Russia and the Nordic countries.

- The Cleaner Production Task Force had made a proposal to continue its mandate. The task will be to develop and follow the implementation of the Cleaner Production Strategy and Action Plan adopted at the Sixth Meeting of Environment Ministers of the Barents Euro-Arctic Council in 2003. The period for this work is the Finnish chairmanship of the WGE, 2003-2005. **This new mandate for the CPTF was adopted.**

2.2 Barents "Hot spots"

- The Chair noted that the hot spot issues has long been a priority for the work and WGE got a strong guidance from the Ministers to continue and progress with this issue. The Chair of CSO, Mr. Olav Berstad confirmed the support from the foreign ministers and recommend to create efficient cooperation with CSO, WGEC and EWG. **This proposal will be reflected in the Action Programme.** See more discussion on hot spots page 3.

2.3 Nature conservation and sustainable forestry

- The work of the International Contact Forum on Habitat Conservation in the Barents Region and the results of its 3rd meeting in Kuhmo last year will be promoted. An important cooperation project will be the Gap analysis in Northwest Russia, and in connection to that the preparation of a report on the current state of nature conservation in North-West Russia and the need for further development. Finland expressed the interest to contribute to the nature conservation issues.

- **The WGE will continue the cooperation with the Forest Sector Task Force, especially contributing on the model forest project.** Sweden informed about their interested to contribute in this issue (an expert is appointed to follow the process and report back to the WGE). Russia confirmed their interest in this issue and supported the model forest project. The project on model of sustainable forestry (incl. nature conservation, bioenergy and global carbon issues) is going on in Arkhangelsk and Komi. Finland informed about the preliminary discussions with the Finnish colleagues of FSTF on enhancing the cooperation between the WGE and FSTF. A joint meeting between WGE and FSTF is planned at the end of this year in connection to model forest project in Murmansk. The cooperation possibilities with Barents 2010 project are also promising. Mr. Berstad found positively that all the elements of sustainable forestry and linkages with FSTF are introduced. The Barents 2010 project is an important link between central and regional level. The bioenergy issues will be part of the EWG energy cooperation programme under preparation.

3.1 Water issues

- The special theme for the next WGE meeting will be water issues. The activities will be presented in details at that meeting.

- The Director of the Lapland Regional Environment Centre, Mr. Kari Kinnunen informed about the cooperation with the local authorities and companies in Monchegorsk city on drinking water, which has been carried out already ten years. The process has been slow because of the heavy bureaucracy. The Russian experts have assessed that it will take five years to get the necessary permits for opening the ground water resources for use. It is impossible for the donors to reserve financing this long period. Mr. Viktor Kuznetsov from the Arkhangelsk region commented that the clean drinking water is very important for the local people and it is taken seriously by the authorities. There is a lot of sources for clean drinking water which require more investigation. He underlined the cooperation with the RWGE and the local authorities. The reform of the legislation and the harmonisation with the EU legislation in Russia is going on.

- Mr. Jaakko Henttonen, from the Consulate General of Finland in St. Petersburg informed about progress in water investment projects in Arkhangelsk and Komi, where the commitment of the local authorities has been strong. The main task is to improve the quality of the drinking water and to make the use of tariffs acceptable. The WGE could promote by taking up the issue with the financial authorities of the regions.

3.2 The modernisation of Pechenga Nickel Smelting Combine

- Mr. Kari Kinnunen informed about this Interreg III A Kolarctic project "Development and implementation of an environmental monitoring and assessment programme in the joint Finnish, Norwegian and Russian border area". The quality of the air, freshwater and terrestrial ecosystems will be monitored. The project is progressing well.

3.3 Oil and gas issues, EIA

- The Chair noted that there is a lot of activities in this field and cooperation possibilities with the RWGE and Arctic Council bodies. The linkages to Baltic Sea and other multinational processes will be considered. Norway informed about the cooperation between the energy and environment ministries with Russia in the field of oil and gas exploitation in the Barents Sea and a recent joint meeting. The aim is to discuss with the Russian experts on how to take the environmental issues into account. Mr. Berstad informed about the linkages to other Barents processes such as Northern Sea Route and the Northern Maritime Corridor, which is an Interreg project linking North Sea basin to Barents region. The Barents Rescue 2005 might involve oil spill accident as a theme for exercise. The Chair underlined the linkages with other BEAC bodies, and the need for national coordination.

4. Cooperation with the RWGE

- The cooperation with the RWGE was discussed the day before. The Chair of the RWGE, Mr. Mats-Rune Bergström welcomed the proposals for cooperation with a focus on Barents 2010, especially its WP4 (water and biodiversity).

5. Cooperation with the other BEAC working groups and regional fora

- The Chair noted that the WGE will follow the CSO work on structuring the Barents cooperation and the renewing of the mandate of EWG. The cooperation areas of interest for WGE with the EWG are Joint Implementation, bioenergy, and energy savings.

- Mr. Harro Pitkänen (NEFCO) informed about the BASREC conference "Northern Dimension in a BASREC Perspective" held in St. Petersburg on March 16-18. The conference discussed about the financing possibilities for energy projects in North-West Russia, bioenergy and energy saving issues and cooperation on research and technology development. There is a growing interest among the BASREC to collaborate with North-West Russia. Accordingly there is a growing need for cooperation with Barents working groups. Input from WGE or other Barents groups might be advisable e.g. for the meeting of Group of Senior Energy Officials, which will take place in June.

- The Chair summed up and stated that this issue will be followed and **the proposals for cooperation areas with BASREC will be taken into account in the Action Programme.**

6. EU issues

- The Chair noted that the process of developing the EU's Neighbourhood Programmes has been dynamic. This issue will in many ways effect the regional councils, including BEAC. See more discussion below.

7. Information and follow-up

- The Chair informed that the website for WGE has been opened. The aim is to provide information about the Barents environment and about the work of WGE and RWGE. This web site could also be used as an information channel for the WGE members. The web site is maintained and updated by the Arctic Centre in Rovaniemi. The address is <http://www.barentsinfo.org/environment> and it is linked to the BEAC official web-site: <http://www.beac.st>.

The Action Programme was adopted with modifications to chapters 2.2 and 5. The final Action Programme is attached (Annex 3).

4. Environmental "Hot Spots" in the Barents Region

Mr. Harro Pitkänen from NEFCO introduced. The premise for the successful implementation of the projects in the hot spot list is to identify and find project owners. The challenge for the future is to decide on how to proceed and find the projects, which are the most feasible to be realized.

Mr. Pitkänen presented the bisected list of the projects on industrial projects (15) and public sector projects (28). The challenge in the industrial sector is to mobilize the willingness and interest towards environmental issues. Most of the companies could mobilize capital for environmental investments or take loans, but the focus is mostly on productive investments rather than to environ-

mental concerns. The work on Cleaner Production is very important in the industrial sector in order to show also the economical benefits of environmental efforts. There is also need for qualified supervision by the environmental authorities. The WGE could assist the environmental authorities to develop their capacity to supervise and enforce the environmental rules. He also noted that the pressure towards environmental issues from the markets is growing. The bilateral projects on applying ISO standards and EMAS are a good example.

On the public sector projects the picture is different than in the industrial sector. The public authorities are working on the question how to allocate the available budgetary resources. The increase of the proportion of tariff based revenues is a very sensitive political issue, although it is very expensive to continue without doing anything. The degradation of the infrastructure is increasing the costs and burden on environment. The WGE could facilitate by providing best practice examples and pilot projects, capacity building and institutional development.

Mr. Pitkänen noted that the contribution from NDEP would be important here. Additional means and pressure to increase the environmental proportion of NDEP are needed. WGE could elaborate collaborative mechanisms, such as Arctic Council's Action Plan to Eliminate Pollution of the Arctic, ACAP with whom there is a cross-checked potential 8-10 joint activities or common interest. Mr. Pitkänen also referred to EU resources, especially Neighbourhood Programmes and proposed also to find means to collaborate with the forthcoming Russian NPA-Arctic GEF project.

The Chair presented the results of a joint meeting between the ACAP Chair, the BEAC/WGE Chair and NEFCO, which was held in Helsinki on February 10, 2004. At that meeting it was concluded that the ACAP project on Environmentally Sound Management of Stocks of Obsolete and Prohibited Pesticides in the Russian Federation is going on and coincides with the Hot Spots List project no 30 "Stock of obsolete pesticides" in the Arkhangelsk Region. In addition to the obsolete pesticides there are also other potential joint efforts/projects to be discussed within the future cooperation frameworks between ACAP and BEAC/WGE.

The Chair of the above mentioned ACAP project, Mr. Jaakko Henttonen, informed about the current state of this project. The pilot phase of the project carried out in Arkhangelsk Region was successful. The geographical dissemination of the results of the pilot phase and the inventory of stocks of pesticides in Murmansk and Komi will be of high relevance for the BEAC/WGE interest. Mr. Berstad indicated that the BEAC CSO will have a role and interest to play, since the elimination of Barents hot spots is highly prioritized within the Barents CSO work because of the 10 year target which has been set both by the environment ministers and the foreign ministers.

The recommendation of the ACAP Working Group and BEAC/WGE to approve outreach efforts to work cooperatively on projects of mutual concern that have been formally adopted as work programs of their respective organizations was adopted. The WGE wishes to continue - on the base of work programmes of these bodies (ACAP and WGE) - the identification of projects and cooperation areas that are of interest for both groups. Also the identification of other partners and financing possibilities including the Russian resources is important. Collaborative efforts should be made with different financing institutions. At the WGE meeting it was also proposed to continue the "brainstorming" in smaller group within WGE in connection to Barents hot spot list. The WGE also considered it desirable to obtain a more detailed description of the present status of the hot spot projects and inquired if NEFCO could present such a report. NEFCO confirmed its readiness to prepare a status report and submit it to the WGE.

5. Overview of EU's Northern Dimension and financing issues

Mr. Martti Poutanen from the Ministry of the Environment of Finland informed about the background of the processes and changes in the EU's financing instruments. The main issue is the development of the Neighbourhood Programmes (2004-2006) and New Neighbourhood Instrument

(2007-), which aim at supporting cross-border and transnational cooperation along the external border of the EU. The next Communication from the Commission on these issues will be in the beginning of May. The Neighbourhood Programmes are drafted on the base of the current Interreg IIIA and IIIB programmes. The Tacis regulation is also under renewing. The national programmes will remain, but the Tacis Cross-Border Cooperation (CBC) will be in the future a part of the Neighbourhood Programmes.

Mr. Poutanen stated that it is important for the WGE to provide with the initiatives and projects for the Neighbourhood Programmes. The CSO would have a special role to play to influence on the content of the three northern Interreg IIIA and Baltic Sea Interreg IIIB programmes which are relevant for the Barents Region and implementation of the Northern Dimension. The first call for proposals will be at the beginning of August this year.

Mr. Berstad informed that this issue was taken up in the CSO meeting in February. He added that the EIB has a new instrument, 500 milj. € for Russia, Ukraine, Belarus and Moldova, which could be relevant also for the Barents region. Mr. Pitkänen commented that the EIB focus is on transeuro-pean networks. The preference of the EIB is on transport and energy issues but environment will still play a role.

The Chair summed up the discussion and noted that the WGE should follow the financing issue very closely and promote the linkages to Commission. It would be very important to get support for the issues, which have been promoted for several years, especially the hot spots.

6. Working Plan for the Finnish chairmanship

The Chair informed about the working plan for the Finnish chairmanship. **It was decided to held the next WGE meeting in Helsinki in autumn with the special theme of water issues.** The week 38 was proposed. The CP Task Force will also have its meeting in autumn. The joint meeting with the Forest Sector Task Force will probably be in the autumn in connection to the model forest meeting in Murmansk. The next Barents Industrial Partnership meeting will be also of interest for WGE.

The celebration of the 10th Anniversary (2004) of Barents Environmental cooperation was discussed. It was agreed that it might be complicated to have ministerial meeting every year. Norway proposed that it would be important to create the content and message for the celebration. This would include the comparison of the Barents Environmental Action Programme (1994) to the current state of affairs, i.e. what is the result and how do we move forward. This proposal to have a 10+1 celebration in connection to next year Ministerial meeting was supported also by the Chair of the RWGE. **It was decided to start serious preparations for this 10+1 event for autumn 2005.**

7. Overview of the other regional organizations

Mr. Erik Ulfsted from the Ministry for Foreign Affairs of Finland informed about the Arctic Council work and the issues important for the BEAC WGE. The connections with the ACAP and the WGE are clear. The final report and overview report of the Arctic Climate Impact Assessment, ACIA are ready. The recommendations of the ACIA for next two years will be important for the Russian chairmanship period of the Arctic Council. The oil and gas guidelines as well as the AMAP assessment on these issues should be followed by WGE. The preparation of Marine Strategic is going on by PAME. The preparation of Sustainable Development Action Plan is on-going. There are also synergy areas between the Arctic Council and BEAC regarding maritime safety, EIA and eco tourism issues. Mr. Ulfsted informed that Finland will be next chair of BEAC (2005-2007).

Mrs. Larisa Janchik informed about the participation of Russian-Norwegian Cleaner Production Center in a project on the implementation of the CP methodology in the Norilsk Mining Company in the Arctic City of Norilsk as a part of the ACAP.

The Chair informed about the evaluation process of the Neighbourhood Activities of the Nordic Council of Ministers. The financial cooperation in Baltic countries is finished, as they will be EU members, but new forms of cooperation are developed, including participation of NCM, Russia and Baltic countries. The cooperation is now concentrating towards North-West Russia. The allocation for cooperation with neighbouring countries is 12 M€ for the years 2004-2006, including still some proportion for the Baltic Countries. The Adjacent Areas Programme covers information offices, grant programmes and cooperation projects. The NCM has information office in St. Petersburg for Nordic-Russian project cooperation and contact centers in Arkhangelsk, Murmansk and Petrozavodsk. They are seeking contacts with the regional Barents centers. The NCM is interested to have joint efforts on the Barents hot spot list, and in fact the first initiative for updating the hot spot list came from the NCM Meeting on Environment Ministers in 2001.

The information of BASREC see page 3.

8. Cooperation on conservation of biodiversity and sustainable forestry

Ms. Henna Haapala from the Ministry of the Environment of Finland gave an introduction on the nature conservation and sustainable forestry themes of the Draft Action Programme. She informed about the results of the The Third Meeting of the International Contact Forum on Habitat Conservation in the Barents Region was held in Kuhmo, Finland, in November 2003. A significant part of the Meeting discussion was focused on the development of the protected areas network in North-west Russia and the cooperation between the twin parks along the Finnish-Russian border. The main results of the Meeting are presented in the Resolution and the reports of the Working Groups annexed to it. The Forth HCF Meeting will take place in the Republic of Komi in 2005.

The common approach to strengthen environmental considerations in forestry co-operation in the Barents Region guidelines the cooperation tasks with the Forest Sector Task Force. The WGE contribution for the model forest is welcomed. The WGE could provide expertise on the elements of biodiversity conservation and biological planning in the model forest process. The Barents 2010 WP 4 biodiversity component provide a good platform for cooperation with the regional level.

Mr. Erik Ulfsted informed about the history of Forest Sector Task Force. The Task Force was established to prepare the Northern Dimension Forest Sector Programme and to organise the cooperation on forest issues on the base three networks. The role of the forestry in livelihood and employment for the local people is crucial. Mr. Olav Berstad supported the proposals for cooperation with WGE and FSTF and reminded about the coordination needs with Barents 2010 forest component.

9. Any other business

Finland presented the structure of the Barents environment/WGE web pages. Comments on the structure and content are mostly welcome.

The Chair concluded the WGE meeting and the three days Barents environment session in Vuokatti. She expressed her appreciation to the Kainuu Regional Environment Centre for all their efforts to organise the meeting, thanked all participants for a productive meeting and wished everyone pleasant journey back home.

ANNEXES

1. List of participants
2. Agenda
3. Action Programme for the Finnish chairmanship 2003-2005