

THE NORTHERN DIMENSION
A FINNISH PERSPECTIVE

ISBN 951-724-560-2
EDITA PRIMA OY HELSINKI 2006

TABLE OF CONTENTS

1. DEFINITION OF THE NORTHERN DIMENSION	5
GEOGRAPHICAL AREA	6
2. TIMELINE OF THE NORTHERN DIMENSION	7
3. FROM CONFRONTATION TO REGIONAL AND CROSS-BORDER COOPERATION	9
A NEW CONCEPT IS CREATED	9
THE NORTHERN DIMENSION BECOMES EU POLICY	11
4. EUROPEAN COUNCIL CONCLUSIONS	13
5. MINISTERIAL CONFERENCES	16
THE FIRST FOREIGN MINISTERS' CONFERENCE - HELSINKI (11 AND 12 NOVEMBER 1999)	16
THE SECOND FOREIGN MINISTERS' CONFERENCE - LUXEMBOURG (9 APRIL 2001)	18
THE THIRD FOREIGN MINISTERS' CONFERENCE - LUXEMBOURG (21 OCTOBER 2002)	18
THE FOURTH FOREIGN MINISTERS' CONFERENCE - BRUSSELS (21 NOVEMBER 2005)	19
6. CONTENT EVOLVES IN SEMINARS AND FORUMS	20
7. PRACTICAL COOPERATION AND PARTNERSHIPS OF THE NORTHERN DIMENSION	22
NEW FINANCIAL INSTRUMENT	22
8. NORTHERN DIMENSION ENVIRONMENTAL PARTNERSHIP (NDEP)	23
SOUTHWEST WASTEWATER TREATMENT PLANT IN ST PETERSBURG	25
OTHER EXAMPLES OF ENVIRONMENTAL PROJECTS	26
NUCLEAR SAFETY PROJECTS	27
FINANCIERS OF THE NDEP (SPRING 2006)	28
PROJECTS APPROVED FOR THE NDEP SUPPORT FUND'S ENVIRONMENTAL WINDOW	29
9. NORTHERN DIMENSION PARTNERSHIP IN PUBLIC HEALTH AND SOCIAL WELLBEING (NDPHS)	30
10. OTHER SECTORS OF COOPERATION	31
ENERGY	31
TRANSPORT	32
THE INFORMATION SOCIETY AND THE NORTHERN EDIMENSION ...	34
11. REGIONAL BODIES IN THE NORTHERN DIMENSION AREA	35
LINKS TO WEBSITES	37

1. Definition of the Northern Dimension

Policy level

- a political concept to draw the EU's attention to northern Europe and to develop cooperation especially with northwest Russia.

Practical level

- partnerships

and

- projects launched by the EU and individual countries, groups of countries, the Commission, organizations, regions and local actors in the ND region

The Northern Dimension is an instrument of cooperation involving the EU and its Member States and partner countries Russia, Iceland, and Norway. The USA and Canada hold observer status. The objective is to support sustainable development, stability, welfare and security in the northern parts of Europe. The Northern Dimension strengthens positive interdependency between Russia and the European Union and prevents the emergence of new dividing lines.

The Northern Dimension covers a range of sectors, such as energy, transport, the environment, nuclear safety, justice and home affairs, the fight against organized crime, health care, the promotion of trade and investment, cross-border cooperation, information technology, and research.

The Northern Dimension is financed from various sources including individual countries, Interreg, Tacis, international financial institutions, and the private sector. The most important and most concrete achievements of the Northern Dimension are the *Environmental Partnership* and the *Partnership for Public Health and Social Wellbeing*. Within these partnerships, all participating countries are equal and all contribute to them financially.

Geographical area



Considering its geographical area, the Northern Dimension is a flexible concept. Since the accession of the Baltic States and Poland to the EU, Northwest Russia has been the principal focus of practical cooperation. The bulk of the financing has been channelled to Kaliningrad, the Baltic Sea region (including St Petersburg) and the Arctic region. To illustrate the issue, we can draw an open circle from the Barents Sea to northern Germany. The open circle highlights the fact that Iceland, the USA and Canada as well as

the more remote Arctic regions are also involved in the Northern Dimension. However, the circle is somewhat limiting because, in fact, the practical work extends further east in northern parts of Russia. Many experts consider that the geographical area of the Northern Dimension covers the northern parts of Russia as a whole.

2. Timeline of the Northern Dimension

1994

Concepts such as the *northern dimension* and the *Nordic dimension* are first discussed in Finland when Finland, Sweden and Norway prepare for referendums concerning their accession to the European Union (EU).

1995

Finland, Sweden and Austria join the EU.

1997

September: The concept of an *EU policy for the Northern Dimension* is introduced in a speech by Prime Minister Paavo Lipponen at the Barents Euro-Arctic Council in Rovaniemi.

December: The Luxembourg European Council notes the Finnish proposal concerning a Northern Dimension for the policies of the Union and requests the Commission to submit an interim report on this subject at the forthcoming European Council meeting in 1998.

1998

June: The Cardiff European Council reiterates the obligation set for the Commission in Luxembourg.

December: The Vienna European Council invites the Commission to identify guidelines for action in the Northern Dimension as part of the policies of the European Union.

June: The Cologne European Council confirms the guidelines adopted by the General Affairs Council and considers that the possibility of drawing up an action plan should be clarified later in the year.

1999

November: During Finland's Presidency of the European Union, a Foreign Ministers' Conference on the Northern Dimension is held in Helsinki, where concrete ideas are developed for an ND action plan.

December: The Helsinki European Council invites the Commission to prepare an action plan for the Northern Dimension.

2000

June: The Feira European Council endorses the Action Plan for the Northern Dimension for 2000-2003.

2001

March: The Northern Dimension Environmental Partnership is established in Helsinki.

April: The Swedish Presidency of the European Union organizes the Second Ministerial Conference on the Northern Dimension in Luxembourg.

June: The Göteborg European Council endorses the policy guidance prepared by the Presidency and the Commission and recognizes the importance of the Environmental Partnership.

2002

March: The Barcelona European Council appeals to the parties to find a solution to financial and technical problems.

2002

August: The possibility of a second Action Plan and an Arctic Window are discussed in a Ministerial Conference on the Northern Dimension held in Ilulissat, Greenland.

October: The third Foreign Ministers' Conference on the Northern Dimension in Luxembourg adopts guidelines for a second Action Plan.

2003

October: The Brussels European Council endorses the Second Northern Dimension Action Plan 2004-2006.

2004

May: Enlargement of the EU by ten new Member States.

October: The first Senior Officials' Meeting (SOM) in Brussels, which is based on the Second Action Plan, deals with development and future action.

2005

November: The fourth Foreign Ministers' meeting in Brussels decides about guidelines for the period after the Second Action Plan.

3. From confrontation to regional and cross-border cooperation

The past fifteen years have been historic in northern Europe. The collapse of the Soviet Union opened up opportunities for cross-border cooperation. The Baltic States regained their independence in 1991. New forms of cooperation were developed based on plans prepared among politicians and researchers. Regional councils were set up and direct contacts at local and sub-regional level became possible. Finland and Sweden joined the European Union in 1995. The first Northern Dimension Action Plan was adopted by the EU in 1999. Estonia, Latvia, Lithuania and Poland joined the EU in 2004.

Throughout the Cold War period, a rigid East-West confrontation prevailed in the northern parts of Europe. A great number of nuclear weapons were stored in the region, of which many were in nuclear submarines. There was so much military technology in the Arctic regions that even the Soviet President Mikhail Gorbachev considered accidental outbreak of a nuclear war in the region possible. Despite the Cold War, visions of Arctic cooperation and early scenarios of an Arctic council were put forward at least by Canadian researchers as early as in the 1970s.

The first signs of the present multifaceted cooperation were seen during the last years of the Soviet Union. In a way, President Gorbachev's speech in Murmansk in 1987 can be regarded as having worked as an incentive leading to the start of cooperation in northern Europe. Mr Gorbachev proposed multilateral cooperation in security and environmental policy issues. The following year, the then Canadian Prime Minister Brian Mulroney seized Gorbachev's offer and proposed the establishment of an Arctic council to coordinate this cooperation. Arctic cooperation started as environmental cooperation in the development known as the Rovaniemi Process. The Arctic Environmental Protection Strategy (AEPS) was created, to be replaced in 1996 by the Arctic Council. The Council of the Baltic Sea States (CBSS) was set up in 1992 and the Barents Euro-Arctic Council (BEAC) was established the following year.

A new concept is created

The Northern Dimension for the policies of the European Union was first discussed when Finland, Sweden and Norway were preparing for the referendums concerning their accession to the European Union. The concepts 'Nordic' and 'Northern Dimension' were used side by side and they referred to questions that the future EU member states, Finland and Sweden, wanted to draw attention to in the EU, highlighting their Nordic values, developed economies and geographical position.

When Foreign Minister Heikki Haavisto spoke to representatives of the European press in February 1994, the phrase “*northern dimension*” was apparently used for the first time when he said:

*“New Nordic members, if and when they join, will bring with them a whole new **northern dimension** to the EU. We have a huge land area but not too many people. The Baltic Sea and Arctic areas, including the Barents region, are relevant concepts. The implications of the **northern dimension** to the Union are gradually being recognized in Brussels and EU capitals.”*

The following quotations illustrate the fact that from the latter part of 1994, the Northern Dimension (ND) was referred to regularly:

President Martti Ahtisaari’s speech at the University of Tartu on 1 June 1994:

*“The expanding EU is also a guarantee for us to gain more resources for the development of the countries in transition in the Baltic Sea region. The accession of the three Nordic countries to the EU will ensure that the Union acquires a sustained **northern dimension**. At the same time, unprecedented opportunities are being created for including Russia more closely in the integration process. Without Russia’s contribution and involvement, future development will inevitably be only partial.”*

President Ahtisaari’s speech in Washington on 7 November 1994:

*“As a member, Finland will bring a **northern dimension** to the work of the European Union. We will act on the basis of our values of equality, social justice and democracy as well as respect for the environment and promotion of free trade. These goals are shared by all Scandinavian countries. - An important part of this **northern dimension** is the 800 miles of land border that we share with Russia. When Finland is a member, the European Union and Russia will meet at this border. We intend to utilize this opportunity to attract new initiatives and to get new resources for economic activity across the border. We hope that these opportunities are used in the areas of energy, environment and nuclear safety.”*

Foreign Minister Haavisto’s address to the Nordic Council in Tromsø on 15 November 1994:

*“The EU appreciates the Nordic countries’ expertise in such key issues as the Baltic countries, the Baltic Sea region and Russia. The Nordic values related to the environmental, social and regional policies, equality issues and the development of democracy, subsidiarity and transparency play a role when decisions are made in the EU. The EU will benefit from its **northern dimension**. We assume that the Union will take note of the northern conditions of our region.”*

Prime Minister Esko Aho's speech in Brussels on 30 November 1994:

"I would like to summarize the assets the new Nordic members bring with them to the Union as follows:

- 1. a geographical extension to the north;*
- 2. well-established welfare societies with deeply rooted democratic traditions;*
- 3. strong economies adapted to unfavourable conditions with sound ecological approaches;*
- 4. an extension to the east and northeast, a geographical proximity to and traditions in dealing with Russia and the Baltic States"...*

The Northern Dimension becomes EU policy

After the accession of Finland and Sweden to the EU in 1995, the Union enlarged beyond the Arctic Circle and attained a 1300-kilometre border with Russia. There was a need in the EU to find out about its northern parts and policies. This stimulated the German and Danish interests in highlighting the Baltic Sea region more strongly in connection with issues related to the regional development of the EU. Supporting these intentions, Finland wanted to emphasize the interdependency between the Baltic Sea and the Arctic regions and between Russia and the EU.

Prime Minister Aho linked the northern dimension with EU policies and described Finland as "a bordering area between the East and the West". After the parliamentary election in Finland in 1995, Paavo Lipponen was appointed Prime Minister. In the new Government Programme, the policy for the Northern Dimension was not yet mentioned among the Government's objectives. The Government and the President noted that thanks to the membership of Sweden and Finland, the Union had also acquired a northern dimension. Opposition leader Aho criticized the Government for following the mainstream and for forgetting the pursuit of the northern dimension. Prime Minister Lipponen rejected the accusations.

The initiative concerning the Northern Dimension for EU policies is regarded as having been officially presented in September 1997 by Prime Minister Lipponen in his speech at an international conference on the Barents region in Rovaniemi:

"With the accession of Finland and Sweden, the European Union now extends from the Mediterranean to just a few kilometres from the Barents Sea. The Union has thus acquired a natural "northern dimension". My thesis this morning is: we need a policy for this dimension, too"

In his speech, Mr Lipponen linked the initiative with the EU's external relations and said that the northern dimension was related to the Union's

internal policies, such as infrastructure and energy. The objective was to make the northern dimension an integral part of the EU's relations with Russia and the other countries of the region. The initiative was based on the wish to increase stability in northern Europe and in the Union as a whole. One of the key objectives was to bring the Baltic States closer to the EU, an aim that also served Finland's security political objectives. Finland emphasized the fact that its common border with Russia opened up opportunities for cooperation and requested the EU to channel resources to projects that would benefit both sides of the border, such as energy, improved transport connections, environmental protection and nuclear safety.

Finland drew the Member States' and the Commission's attention to the opportunities opening up in northern Europe, on the one hand, and to the various challenges the region would present, on the other. The development of cooperation between the enlarging Union and Russia, it was hoped, would contribute to stability and sustainable development and positive interdependency. The Union's Mediterranean cooperation was considered as serving as a baseline of this cooperation.

The northern dimension was first discussed in the EU in the Luxembourg European Council of December 1997. In December 1998, the Vienna European Council adopted a Commission Communication on a Northern Dimension for the policies of the Union. During Germany's Presidency of the Union, the European Council in Cologne in June 1999 adopted guidelines for the implementation of the Northern Dimension. The Northern Dimension had thus become a part of the EU's external relations and cross-border policies.

In November 1999, the Finnish EU Presidency held the first Ministerial Conference on the Northern Dimension, and an *Inventory of current activities under the Northern Dimension* was adopted. The Helsinki European Council of December 1999 invited the Commission to prepare a Northern Dimension Action Plan.

During Portugal's Presidency of the EU, the Feira European Council of June 2000 endorsed the Commission's proposal for an *Action Plan for the Northern Dimension in the external and cross-border policies of the European Union*. The Conclusions of the Feira Summit noted that in the implementation of the Action Plan, special emphasis should be directed to the environment, nuclear safety, the fight against international crime and Kaliningrad.

The first Action Plan for the Northern Dimension covered various sectors, such as energy, transport, telecommunications, the environment and natural resources, nuclear safety, public health, trade and investment, human resources and research, justice and home affairs and cross-border cooperation. The Action Plan defined the objectives and actions in these sectors for the period 2000-2003.

Sweden held the Presidency of the EU in spring 2001 and actively contributed to the promotion of the Northern Dimension. The Presidency placed priority on the EU's relations with Russia and on the Northern Dimension. The second Foreign Ministers' Conference on the Northern Dimension was organized by Sweden in cooperation with the Commission in April 2001 in Luxembourg. The partner countries and representatives of international financial institutions (IFIs) were also invited to attend the Conference. The Göteborg European Council endorsed the Full Report on Northern Dimension Policies; policy guidance and follow-up procedures.

The Second Action Plan for the Northern Dimension 2004-2006 was adopted in the Brussels European Council of October 2003. The new Action Plan was prepared in cooperation between the Member States and regional councils. The Second Action Plan, which is comprehensive and covers a variety of sectors, focuses on the following five priority sectors, namely economy and infrastructure, human resources, environment, cross-border cooperation and justice and home affairs. It also identifies specific priorities within each sector. In respect of geographical areas requiring special attention, the Action Plan noted that not only Kaliningrad but also the Arctic areas needed to be attended to. Provisions on a regular monitoring and review mechanism (ministerial and senior official meetings) were laid down. The establishment of partnerships was also a new form of cooperation in the framework of the Northern Dimension. The ND Environmental Partnership was launched in 2001, the Partnership in Public Health and Social Wellbeing in 2003.

4. European Council Conclusions

The European Council comprises the Heads of State or Government of the EU Member States and the President of the European Commission. It lays down the fundamental political guidelines for the European Union. Decisions made in the European Council are significant from the point of view of the European Union's general political guidance. The following is a résumé of European Council Conclusions related to the Northern Dimension. The numbering refers to the relevant paragraph of each Conclusion.

Luxembourg (12 and 13 December 1997)

67. "Regional cooperation plays a major role in stability and prosperity in Europe. The European Council notes with satisfaction reports submitted by the Commission in line with its undertaking entered into at the Dublin European Council on regional cooperation in the Black Sea, Central Europe and South-Eastern Europe in particular. It takes note of positive developments

in the Baltic Sea (Council of the Baltic Sea States) and in the Bering Sea arctic region. It calls on the Council to examine these reports.”

68. “The European Council noted the Finnish proposal concerning a northern dimension for the policies of the Union and requests the Commission to submit an interim report on this subject at a forthcoming European Council meeting in 1998.”

Cardiff (15 and 16 June 1998)

79. “Recalling its conclusion at Luxembourg, the European Council notes the relevance of the Finnish proposal for a Northern Dimension in the policies of the Union and the Commission’s intention to submit a report for consideration at its next meeting in Vienna. It reiterates the commitment of the EU to help Russian efforts to tackle the problem of spent nuclear fuel and nuclear waste in Northwest Russia and notes that such work might be taken forward under the proposed Northern Dimension.”

Vienna (11 and 12 December 1998)

109. “The European Council welcomed the Interim Report on a Northern Dimension for the Policies of the European Union submitted by the Commission. It underlined the importance of this subject for the internal policies of the Union as well as its external relations, in particular towards Russia and the Baltic Sea region. It emphasised the need for further exchange with all countries concerned on the development of a concept on the Northern Dimension and invited the Council to identify, on the basis of the Commission’s Interim Report, guidelines for actions in the relevant fields. It welcomes the Finnish initiative to arrange, in cooperation with the European Commission, a conference on the topic during the second half of 1999.”

110. “With respect to the problem of spent nuclear fuel and nuclear waste in Northwest Russia the European Council noted the results of the EU-Russia Summit in Vienna. It welcomed the common understanding that a number of outstanding questions have to be addressed in intensifying efforts to resolve this major environmental problem.”

Cologne (3 and 4 June 1999)

92. “The European Council considers the guidelines adopted by the Council for a “Northern Dimension” in European Union policy as a suitable basis for raising the European Union’s profile in the region. It welcomes the incoming Presidency’s intention of holding a Ministerial Conference on the Northern Dimension on 11 and 12 November 1999. The Northern

Dimension is conceived as a way of working with the countries of the region to increase prosperity, strengthen security and resolutely combat dangers such as environmental pollution, nuclear risks and cross-border organised crime. To achieve these aims, the European Council believes that after the Conference in November the possibility of drawing up an action plan should be considered. Now that the guidelines have been agreed, it is time to bring about closer involvement of the acceding countries concerned, the Russian Federation, Norway and Iceland, in the process as it unfolds."

Helsinki (10 and 11 December 1999)

62. "The European Council welcomes the conclusions of the Foreign Ministers' Conference on the Northern Dimension held 11 and 12 November 1999 in Helsinki and the intention of the future Swedish Presidency to organise a high-level follow-up. The European Council invites the Commission to prepare, in cooperation with the Council and in consultation with the partner countries, an Action Plan for the Northern Dimension in the external and cross-border policies of the European Union with a view to presenting it for endorsement at the Feira European Council in June 2000."

Feira (19 and 20 June 2000)

76. "The European Council endorsed the Action Plan for the Northern Dimension, with external and cross-border policies of the European Union 2000-2003, as an important step towards implementing the Guidelines adopted in Cologne. It invited the Commission to take a leading role in implementing the Action Plan and to present appropriate follow-up proposals, including on the environment and nuclear safety, the fight against international crime and Kaliningrad. It welcomed the intention of the future Swedish Presidency to prepare, together with the Commission, a full report to the Council on Northern Dimension policies in preparation for the Göteborg European Council in June 2001."

Göteborg (15 and 16 June 2001)

64. "The European Council endorsed the policy guidance and follow-up procedures in the "Full Report on Northern Dimension Policies" prepared by the Presidency and the Commission on the basis of the Foreign Ministers' Conference in Luxembourg on 9 April 2001. Implementation of the Feira Action Plan should be continued, in close cooperation with partner countries in all sectors, with the Commission playing a leading role to ensure continuity. The launch of the Northern Dimension Environmental Partnership (NDEP) by the International Financial Institutions and the Commission will help mobilise support for environmental and nuclear safety projects, *inter alia*, through a pledging conference to be organised before the end of the year.

The Danish Presidency intends to organise a high-level meeting to map out future actions from 2003."

Barcelona (15 and 16 March 2002)

53. "The European Council invites the Council, the Member States, the Commission and the EIB to combine their efforts to find rapidly solutions to the present financial and technical problems which prevent the full implementation of the conclusions of the Göteborg European Council on the Northern Dimension Environmental Partnership."

Brussels (16 and 17 October 2003)

43. "The European Council endorsed the Second Northern Dimension Action Plan 2004-2006 in order to pursue the Northern Dimension policies beyond 2003. It underlined that the Northern Dimension will assume enhanced importance in the context of EU enlargement and will have an important contribution to make in carrying forward the Union's New Neighbourhood policy in the entire region."

5. Ministerial conferences

The First Foreign Ministers' Conference - Helsinki (11 and 12 November 1999)

The Foreign Ministers' Conference in Helsinki in 1999, organized by the Finnish Presidency, provided a common forum for the EU Member States, the partner countries and observers. They considered the Northern Dimension concept as useful from the point of view of enhanced European security, stability, democratic reforms and sustainable development. In order to attain these objectives, the key issues to be reinforced were positive economic interdependency, the rule of law, and human rights. The overall concept was discussed at a general level, but concrete proposals were also brought up for further elaboration.

The Conference noted that the EU's future enlargement would accentuate the significance of the Northern Dimension. Kaliningrad was said to deserve particular attention because of its special geographical location. The Conference welcomed the evolving cooperation on the EU enlargement and Kaliningrad-related issues within the working bodies of the Partnership and Cooperation Agreement between the European Union and Russia. Furthermore, the Conference was satisfied with the increasing interest of the private sector and IFIs in financing the Northern Dimension.

The Conference agreed on common priorities, on the basis of which the Northern Dimension would be developed, and hoped for broad-based participation by the Member States and partner countries in the preparation of the prospective ND Action Plan.

The Conference decided that the integration of electricity markets should be developed step by step. Sustainable and environmentally friendly management of natural resources was considered to be an asset. North European forests were estimated to be of global value not only from the climate policy perspective but also for the forest industries. Sustainable fishing, international cooperation among mining industries and the rights of indigenous peoples in the Arctic region were discussed. The competitiveness of transit and transport services in the future member states should be developed. The Conference recognised that the Pan-European Transport Corridors and the Barents Euro-Arctic Transport Area were important elements in this work. Border crossings should be facilitated, the safety record should be upgraded and transport legislation should be harmonised. Twin city projects were seen as useful and youth exchange programmes as worthwhile. The Conference underlined the importance of networking and closer cooperation among universities specializing in Arctic research.

The Conference also acknowledged the importance of environmental cooperation in the framework of the Northern Dimension. Sewage water and drinking water treatment, management of waste, air and water pollution abatement, conservation of biological diversity and sustainable forest management were identified as the key environmental objectives. The ministers said that pollution should be addressed regardless of the polluter and required the harmonisation of environmental regulations and the full integration of environmental considerations into sectoral policies. Enhanced energy efficiency was considered essential. Furthermore, the Conference noted that nuclear plants constitute a major radiation risk, which should be contained by enhancing the operational safety of the plants.

The Ministers noted that the Visby Task Force and the Baltic Sea Region Border Control Cooperation Conference form the basis for effective cooperation to combat organized crime. Health and social problems, such as tuberculosis and HIV, could be addressed by means of exchanging experiences and increasing efforts at international, national and sub-national level.

The Conference emphasised the role of existing regional bodies as instruments implementing joint Northern Dimension priorities. In the Arctic, important areas of cooperation are environmental protection, sustainable development and Arctic research. The Arctic Window in the Northern Dimension contributes to closer cooperation between the EU and the Arctic regions and highlights the Arctic indigenous peoples as an element of the Northern Dimension.

The Conference took note of common goals within the Northern Dimension and corresponding initiatives and policies of the United States and Canada. The consequent synergies were recognized by the Conference.

The Second Foreign Ministers' Conference - Luxembourg (9 April 2001)

The Swedish Presidency invited Member States, the Commission, partner countries and the Secretary-General of the EU/High Representative of the CFSP (Common Foreign and Security Policy) to a conference in Luxembourg in 2001 to review the progress made in implementing the First ND Action Plan and to provide guidance for further action related to the initiative. The Action Plan made in Feira was welcomed and the progress in three of its sectors (environment, international crime and Kaliningrad) was commended. Furthermore, the Conference noted that there was a need to accelerate the implementation of the other areas of the Action Plan.

The proposal concerning a Northern Dimension Environmental Partnership was welcomed with enthusiasm. The Commission and IFIs were encouraged to communicate with interested parties in order to prepare the partnership. The Northern eDimension Action Plan, NeDAP, which was created within the Council of the Baltic Sea States (CBSS), was praised as a promising new development.

The Commission was encouraged to start direct dialogue with business community representatives. It was generally recognized that there was a need to simplify the EU's financial instruments in order to increase interoperability among the Union, IFIs and other parties.

The Commission was obligated to produce and submit annual progress reports to the European Council, and a decision was made to convene a Northern Dimension Conference every year. Meetings would be organized at ministerial and senior official levels in alternating years. The Conference also supported the idea of a regular ND Forum, which would be attended by a broad representation of the business community and civil society.

The Third Foreign Ministers' Conference - Luxembourg (21 October 2002)

The Danish Presidency of the EU organized the Third Foreign Ministers' Conference in Luxembourg on 21 October 2002. All Member States, the European Commission, the Baltic States, Poland, Norway, and Iceland took part in the Conference and a representative of the Russian Federation attended as an observer.

The Conference adopted the Guidelines for a new Action Plan. The three-year Action Plan for the Northern Dimension covers the years from 2004

through 2006, and the Presidency was assigned to prepare it in close cooperation with the Commission. The Conference agreed that, in the next few years, the Northern Dimension must support the EU's enlargement process and contribute to the creation of a closer relationship between the EU and the Russian Federation. The new Action Plan should lay stress on various sectors, such as business cooperation, cross-border cooperation, the environment, nuclear safety, energy, transport, and communications.

The Fourth Foreign Ministers' Conference - Brussels (21 November 2005)

The Fourth Foreign Ministers' Conference, which was held in Brussels on 21 November 2005, gave political blessing to the ND's becoming a common policy of the EU, Russia, Norway, and Iceland. The Conference endorsed the jointly prepared Guidelines for the Development of a Political Declaration and a Policy Framework Document for the Northern Dimension Policy from 2007.

The Northern Dimension was linked with the implementation of the four Common Spaces in the North between the EU and the Russian Federation, without ignoring the other special issues in the region. The Action Plan will be replaced by a Political Declaration and Framework Document, which will be of a permanent nature and due to be adopted during Finland's Presidency in autumn 2006. The new Framework Document is scheduled to enter into force after the expiry of the present ND Action Plan at the end of 2006.

Operational sectors of ND cooperation, based on the Guidelines:

- economic cooperation
- freedom, security and justice
- external security (civilian crisis management)
- research, education and culture
- environment, nuclear safety and natural resources
- social welfare and health care

The first four of these sectors are related to the Common Spaces agreed between the EU and Russia, and the two last ones are derived from the present ND Action Plan.

After the entry into force of the Framework Document, the EU-centred Northern Dimension policy will be a common policy involving the EU and the present partner countries, namely Russia, Norway, and Iceland and the goals and operational principles will be determined jointly.

The Fourth Foreign Ministers' Conference was a turning point at which all parties gave their political blessing to the reform of the Northern Dimension. The participation of the Russian Foreign Minister and his constructive address represented an important signal confirming Russia's commitment to the development of the ND. The more active involvement of the Russians contributed to the growth of interest in the ND among the EU Member States. This became evident in the fact that more than half of the EU Member States, as well as Norway and Iceland, had sent a minister to the Conference. The other Member States, candidate countries, plus the USA and Canada, had sent their representatives. In addition, regional organizations of the north and IFIs were present. The European Parliament, the European Social and Economic Committee and the Committee of Regions also took part in the Conference.

6. Content evolves in seminars and forums

The content of the Northern Dimension has been developed in both international and national seminars and forums. In Finland, a National Forum, established by the Prime Minister, was long in charge of the preparative work.

In autumn 2000, Prime Minister Paavo Lipponen set up a multidisciplinary National Forum for the Northern Dimension, consisting of representatives of the civil service, business and industry, universities and research institutes and non-governmental organizations. Esko Riepula, Rector of the University of Lapland, was invited to chair the Forum. The Forum organized several conferences and played a major role in the promotion of the Northern Dimension. It was active until the end of 2003, after which the Ministry for Foreign Affairs took the responsibility for the national preparative work.

The Forum met for the first time in January 2001, in Oulu, where all the operational sectors were discussed. In October the same year, an international colloquium was organized in Lappeenranta, which dealt with business and industry, information and communications technology, the environment, energy, and forests. The development of an eDimension and an environmental partnership were the key issues. In his address to the gathering Prime Minister Lipponen for the first time brought up the development of a partnership in public health and social wellbeing.

The theme of the seminar entitled *Making Cross-Border Cooperation Work*, which convened in St Petersburg from 20 to 21 November 2001, focused on better coordination of the EU's financing programmes. In Turku in April 2002, the National Forum concentrated on the role of research as a supporter of the operational sectors of the ND. An international ND Forum in Kajaani

discussed Arctic technology and cross-border trade. A ministerial seminar in Ilulissat, Greenland, on 28 August 2002, dealt with a possible second Action Plan and the Arctic Window. Public health and social wellbeing was the theme of an international ND Forum in Joensuu in September 2002, which marked a step forward in the development of the public health and social wellbeing partnership. An International Northern eDimension Forum was organized in Pori in November 2002. An international Forum in Helsinki in February 2003 discussed labour market issues, and another international Forum in Kotka in October dealt with logistics.

Since the beginning of 2005, the national preparation of ND issues has mainly taken place in a think tank and an interministerial working group of senior officials at the Ministry for Foreign Affairs in Finland. The multidisciplinary think tank is assigned to give impetus to reform of the Northern Dimension. The interministerial working group, for its part, concentrates on the main goals in each operational sector and their implementation.

The Ministry for Foreign Affairs and the Northern Dimension Research Centre (NORDI) of the Lappeenranta University of Technology organized a seminar entitled *The Future of the Northern Dimension – Successful Partnerships, Cooperation and Business Opportunities* from 10 to 11 October 2005. The seminar focused on ND partnerships, logistics and business and industry. Foreign Ministers Erkki Tuomioja from Finland and Laila Freivalds from Sweden were among the keynote speakers.

Information and material related to the Forums is available on the Internet at http://arcticcentre.ulapland.fi/pohjoinen_ulottuvuus/nd.asp



Sweden's Foreign Minister Laila Freivalds and Foreign Minister Erkki Tuomioja discussed the future of the Northern Dimension in an international seminar in Lappeenranta on 10 October 2005.

7. Practical cooperation and partnerships of the Northern Dimension

The Second Northern Dimension Action Plan introduced partnerships as an established new form of cooperation. The Northern Dimension Environmental Partnership and the Northern Dimension Partnership in Public Health and Social Wellbeing are the two existing partnerships.

Cooperation in the framework of the Northern Dimension Environmental Partnership (NDEP) was launched in 2001. Its principal idea was to pool resources among the EU, its Member States, other countries and IFIs and channel them to jointly agreed projects. Another important aspect of the partnership is cooperation between the private and public sectors. This unique financial structure is called Public Private Partnership, PPP.

The NDEP Support Fund is divided into a general environmental window and a nuclear window. The Northern Dimension Partnership in Public Health and Social Wellbeing, NDPHS, was established in 2003. It is not supported by a fund but each project is financed separately.

The first concrete achievement of the smoothly running NDEP, the Southwest Wastewater Treatment Plant in St Petersburg, was completed in September 2005. Finland supports the establishment of new partnerships, and possible new fields of cooperation are transport and logistics and education and research. The following is a more detailed introduction to the NDEP, the NDPHS and their financial structure.

New financial instrument

Projects carried out in the framework of the Northern Dimension Environmental Partnership are financed by the European Union, individual countries, IFIs and the private sector. As a rule, the main part of the financing is loan money and a small part is covered by grants. The majority of the parties taking out loans are Russian enterprises or municipalities.

The Finnish Government finances ND projects out of its appropriations for neighbouring area cooperation and through the EU's common budget. Bilateral projects funded by Finland in the neighbouring areas, especially those related to the environment and social wellbeing and public health, contribute to the attainment of the objectives of the Northern Dimension.

In the European Union, funds for the Northern Dimension are not derived from any separate ND budget but projects are mainly financed within the framework of the EU's existing financial instruments and programmes

for cross-border and Russia cooperation, such as Interreg and Tacis. Tacis (Technical Assistance to the Commonwealth of Independent States) is the European Union's principal financial instrument for the implementation of the Partnership and Cooperation Agreement (PCA) between the EU and Russia. It is also used to finance projects in countries of the former Soviet Union and regional and cross-border cooperation projects within the framework of the Northern Dimension. Interreg (III) is an instrument of the European Regional Development Fund (ERDF) to finance cross-border cooperation. It provides a multiannual framework for cooperation programmes involving public authorities, enterprises and organizations on both sides of a border.

The European Neighbourhood and Partnership Instrument, ENPI, which will enter into force at the beginning of the new multiannual financial framework in 2007, will replace certain existing financial instruments, including Interreg and Tacis. The purpose of the new instrument is to create a simple and effective mechanism for EU cooperation with the neighbouring areas. ENPI will cover the majority of the EU financing directed to the ND region.

The other channels of EU financing, such as the research budget, will be remain important after the reform of the financial instruments. The European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Nordic Investment Bank (NIB) and the World Bank will also remain important channels of financing.

The Northern Dimension serves as a political foundation on which the European Union bases its considerations before making financial decisions and launching projects. Financing decisions of IFIs are based on their own policies and the general preconditions for investment.

8. Northern Dimension Environmental Partnership (NDEP)

The Northern Dimension Environmental Partnership (NDEP) was established in 2001 with a view to implementing environmental and nuclear safety projects. The NDEP Support Fund was set up in Brussels in July 2002. The Assembly of Contributors convened for their first meeting in November 2002. (Table 1 illustrates the contributions).

The Northern Dimension area, especially the Baltic Sea and the Arctic regions, is environmentally sensitive. Pollutants in the air and water systems spread irrespective of state borders. International measures are required to meet the objectives of the Kyoto Climate Convention. The present safety standards of

nuclear plants and deficient management and storage of radioactive waste constitute hazards to health and the environment.

The NDEP is administered by a Steering Group and an Assembly. The Steering Group comprises representatives of IFIs, the Commission and donor countries. It places projects in order of priority and administers the Support Fund. The Assembly determines strategic policy lines and all partnership countries are members of the body. NDEP projects are financed by the partnership countries, the Commission and IFIs, of which the European Investment Bank, the Nordic Investment Bank and the EBRD are important promoters of the Partnership.

The NDEP Support Fund, which was set up in 2002, is managed by the EBRD. The Fund is worth about EUR 225 million (spring 2006), of which two thirds are tied to nuclear safety projects, and the rest is earmarked for other environmental projects. When this sum is combined with the loans, taken out mainly by the Russian party, the aggregate total of the planned and scheduled environmental partnerships climbs to approximately EUR 2 billion. Finland has designated EUR 2 million for nuclear waste projects and EUR 10 million for other environmental projects. The financing earmarked for nuclear safety projects will be used to improve the nuclear waste storage facilities in the Murmansk region.

The Southwest Wastewater Treatment Plant in St Petersburg is the first environmental partnership project that has been completed. The Steering Group of the Support Fund has also identified 15 projects, of which the Assembly of Contributors has approved eight (see Table 2 on project financing). Each project will receive a share of financing from the Fund, normally a few per cent of the project's total cost. The main part of the financing comes from IFIs and local sources. Of the projects belonging to the nuclear window of the NDEP, the most urgent five have been identified in accordance with the strategic master plan, and the implementation plan is being prepared (January 2006).

Projects of the first phase of the NDEP:

Southwest Wastewater Treatment Plant in St Petersburg (completed), St Petersburg Flood Protection Barrier, St Petersburg Northern Wastewater Treatment Plant Incinerator, Municipal Environment Investment Programme in the Leningrad Oblast, improvement of municipal services in Arkhangelsk, Komi and Novgorod, District Heating Projects in Kaliningrad, Murmansk and St Petersburg, Kaliningrad Solid Waste Management Project, Neva Direct Discharges Closure Project, the Lake Ladoga Environmental Programme, Kaliningrad Water and Environmental Services, Vologda Municipal Water Services.

Southwest Wastewater Treatment Plant in St Petersburg



President Vladimir Putin (left), Governor of St Petersburg Valentina Matvienko, President Tarja Halonen and Prime Minister Göran Persson at the inauguration of the Southwest Wastewater Treatment Plant in St Petersburg.

The most significant NDEP project to date, the Southwest Wastewater Treatment Plant in St Petersburg, was inaugurated on 22 September 2005. The plant is capable of handling the wastewater of 715,000 people. It will reduce the amount of untreated wastewater in St Petersburg to half of the present level. St Petersburg is a city with nearly as many inhabitants as there are in Finland. After the completion of the Southwest Wastewater Treatment Plant, about 85 per cent of the wastewater can be treated. The plant meets the recommendations of the Helsinki Commission, HELCOM, which monitors the marine environment of the Baltic Sea.

Construction of the plant was started in the mid-1980s, but work was suspended in the early 1990s because of financial problems. Work was resumed at the end of 2002. It was commissioned by LCC Nordvod, comprising a limited liability special-purpose building consortium (NCC, Skanska, YIT), St Petersburg municipal water utility, and NEFCO (Nordic Environment Financing Corporation). Nordvod is in charge of the constructor's liabilities. Another company, Ekovod, which has the same ownership base as Nordvod, will take care of the operation of the plant.

The construction costs were EUR 189 million, of which part was in the form of loans and the rest in grants. Most of the financing (EUR 107.8 million), borrowed by Nordvod, was covered by IFIs (NIB, EBRD, EIB) and development finance companies (Finnfund, Swedfund). The joint contribution of NDEP and Finland and Sweden was EUR 26.8 million. This sum was used in its entirety to purchase facilities from Finland, Sweden, and the other NDEP countries. The EUR 10 million from Finland were used to buy equipment from Finland, and the Finnish enterprises that took part in the project received orders worth more than EUR 30 million. The project was financed by 14 different financiers and as many as 856 subcontractors from, *inter alia*, Finland, Sweden, Germany and Russia were involved in the work.

<u>Southwest Wastewater Treatment Plant</u>		<u>Creditors to the project implementor Nordvod (million euros):</u>	
<u>Donors (million euros):</u>			
EU	24	Nordic Investment Bank (NIB)	45
Finland	10	European Bank for Reconstruction and Development (EBRD)	42
Sweden	11	European Investment Bank (EIB)	25
NDEP	5.8	Finnfund	4
		Swedfund	5

Other examples of environmental projects



The St Petersburg Northern Wastewater Treatment Plant Incinerator (picture) will solve the sludge disposal problem of the Northern Wastewater Treatment Plant. The NDEP grant will cover EUR 6.35 million of the EUR 90 million plus that the project costs.

The Municipal Environment Investment Programme in the Leningrad Oblast will improve the water and sewage treatment facilities of four cities (Gatchina, Kirovsk, Tikhvin and Pikalevo). The project will cost EUR 23.3 million, and EUR 4 million have been granted to it from the NDEP Support Fund.



Upgrading of Municipal Water Services in Arkhangelsk and Komi (picture) will reduce the amount of untreated wastewater and improve the quality of drinking water. The total cost of these projects amounts to EUR 57.1 million, and the NDEP Support Fund's contribution to the projects is EUR 14.1 million. The picture on the left illustrates the Arkhangelsk water services project.

Kaliningrad District Heating Rehabilitation is a project to enhance the use of energy, help increase productivity and safeguard the environment. The NDEP Support Fund has channelled EUR 8.2 million to the project, which costs a total of EUR 21.8 million.

Nuclear safety projects

The Northern Dimension area, especially northwest Russia, suffers from a host of environmental problems related to nuclear power. In the Kola Peninsula there are many nuclear-powered surface and submarine vessels. Safe decommissioning of the vessels, along with the storage of nuclear waste and nuclear fuel, plus environmental rehabilitation, pose major problems. In the ND area, there are also old nuclear power plants. To respond to these challenges, the Northern Dimension Environmental Partnership has established a Nuclear Window. It complements bilateral projects involving Russia and other countries.

Even before the NDEP, environmental projects had been conducted in northwest Russia and Lithuania by means of foreign financing for over ten years. Projects have been financed out of the Nuclear Safety Account (NSA) administered by the European Bank for Reconstruction and Development (EBRD), the EU's Tacis and Phare Programmes and national funds of several countries. The NSA-financed projects focused on upgrading the safety of nuclear power plants in the Leningrad region, the Kola Peninsula and Ignalina, and comprised both security surveys and provision of new security facilities. Nuclear safety projects are also carried out within the framework of the Global Partnership Programme of the G-8 countries.

The Multinational Nuclear Environmental Programme of the Russian Federation (MNEPR), which has been the precondition for the opening of the Nuclear Window of the NDEP Support Fund, was signed in Stockholm on 21 May 2003. The Contracting Parties were the Russian Federation, the European Community, EURATOM and the donor countries, of which Finland is one. After a subsequent lengthy preparative period, the programme has now proceeded to a phase of concrete project implementation.

The NDEP countries adopted a Strategic Master Plan (SMP) in 2004. It is a top level work programme that helps decision makers define and prioritise nuclear safety projects. Furthermore, the SMP provides an analytical general view of the status of nuclear safety projects in northwest Russia. The Nuclear Window also finances the implementation of the Strategic Environmental Assessment (SEA). The assessment evaluates the environmental impacts of the SMP.

One of the key tasks is to arrange the transport of highly radioactive waste originating in the fuel of nuclear-powered naval vessels to a waste treatment plant. The liquid waste produced in the vessels must first be solidified. At a later phase, an underground repository similar to those at Olkiluoto and Loviisa in Finland has to be built for low-level and intermediate-level nuclear waste processing.

The most urgent nuclear safety projects identified in the Strategic Master Plan:

- Decommissioning and storage of spent nuclear fuel from submarines in Gremikha; EUR 1 million
- Design for removal of spent nuclear fuel and solid radioactive waste from the open storage pad in Gremikha and design for safe storage of spent nuclear fuel from pressurised water reactors in existing storage facilities; EUR 2.8 million
- Improvement of the physical protection system in Gremikha; EUR 2 million
- Creation of radiation monitoring and emergency response systems in Murmansk region; 4.4 million euros.

Financiers of the NDEP (Spring 2006)
(Table 1)

Participant	Non-earmarked (million euros)	Nuclear window (million euros)	Total (million euros)
European Union	20	40	60
Denmark	10	1	11
Finland	10	2	12
Norway	0.1	10	10.1
Russia	20	-	20
Sweden	16	-	16
France	-	40	40
United Kingdom	-	16.2	16.2
The Netherlands	-	10	10
Germany	-	10	10
Canada	-	20	20
Belgium	-	0.5	0.5
Total	76.1	149.7	225.8

**Projects approved for the NDEP Support Fund's Environmental Window
(January 2006)
(Table 2)**

Project	Bank	Value of total investement EUR	Loan EUR	NDEP financing EUR (%)
St Petersburg Southwest Wastewater Treatment Plant	NIB	192.8	96.6	5.80 (3%)
St Petersburg Flood Protection Barrier	EBRD	492.2	277.5	1.00 (0.2%)
St Petersburg Northern Wastewater Treatment Plant Incinerator	EBRD	90.4	38.2	6.35 (7%)
Municipal Environment Investment Programme in the Leningrad Oblast, phase I	NIB	23.3	5.2	4.00 (17%)
Komi Municipal Water Services Project (Syktyvkar)	EBRD	31.8	15.0	5.90 (19%)
Kaliningrad District Heating Project	EBRD	21.8	12.0	7.30 (33%)
Arkhangelsk Municipal Water Service Project	EBRD	25.3	10.0	8.20 (32%)
Murmansk District Heating Project	NIB	30.0	16.6	5.00 (17%)
Kaliningrad Water and Environmental Services Project	EBRD	11.0	76	10.0 (9%)
Kaliningrad Project Implementation Unit	EBRD	3.7	0	3.0 (81%)
Total		1021	567	56.7 (6%)

Other initiatives of the Steering Committee

The NDEP Steering Group has also proposed the following projects, which the Assembly of Contributors has not yet approved:

Vologda Municipal Water Services	EBRD	16.1	10	3.5 (22%)
Neva Direct Discharges Closure Project (Neva Project)	NIB	300	n/a	n/a
Kaliningrad Solid Waste Management Project	NIB	49	16	10.0 (20%)
Municipal Infrastructure Project in Novgorod	NIB	20	12	2.0 (10%)
St Petersburg District Heating Project	EBRD	n/a	n/a	n/a
Lake Ladoga Environmental Programme	NIB	500	150	n/a
Total		885	178	15.5 (2%)
All projects proposed by to Steering Committee		1906	755	72.2 (4%)

9. Northern Dimension Partnership in Public Health and Social Wellbeing (NDPHS)

The public health of people in northwest Russia and in parts of the Baltic region is a cause of concern, and the situation affects other countries of the ND area, too. The most serious risks to health are the spread of communicable diseases, such as HIV and AIDS, sexually transmitted diseases, tuberculosis, and narcotics abuse. The governments of the ND countries have launched programmes to safeguard the health and wellbeing of their citizens. Many projects are conducted in cooperation with international partners. To coordinate these projects, the Northern Dimension Partnership on Public Health and Social Wellbeing was established in October 2003.

The ND Forum in Joensuu in September 2002 agreed on the preparation of the Northern Dimension Partnership on Public Health and Social Wellbeing. An International Temporary Working Group (ITWG) prepared a proposal on the objectives, structure and procedures of this new partnership, and the Partnership in Public Health and Social Wellbeing was established, based on the work of the ITWG in a high-level conference in Oslo in October 2003. The founding members were the Nordic countries, the Baltic States, Poland, Russia, France, Germany, Spain, the Netherlands, Canada, the European Commission, the World Health Organization (WHO), the International Labour Organization (ILO), the Joint United Nations Programme on HIV/AIDS (UNAIDS), the International Organization for Migration (IOM), the Council of the Baltic Sea States (CBSS), the Barents Euro-Arctic Council (BEAC), and the Nordic Council of Ministers. Spain and the Netherlands later resigned from the Partnership.

The objective of the Partnership is to improve the health and wellbeing of the people of the area by encouraging healthy lifestyles, by preventing the spread of communicable and non-communicable diseases and by promoting cooperation between health care and social welfare service providers. A small secretariat was set up in Stockholm in autumn 2004.

The NDPHS highlights cooperation between regional organizations. The Barents Euro-Arctic Council has a Working Group for Social and Related Health Issues. A Task Force on Communicable Disease Control used to function within the framework of the Council of the Baltic Sea States but it has merged with the Partnership. These actors have conducted an extensive HIV/AIDS survey in northwest Russia. Specialists in the countries of the region exchange information, notify each other about the situation in their area, give recommendations for action, and follow the implementation of the recommendations.

10. Other sectors of cooperation

In addition to the present partnership sectors, namely the environment, public health and social wellbeing, the Guidelines adopted in the Fourth Foreign Ministers' Conference of the Northern Dimension (21 November 2005) also identify other cooperation sectors, such as the economy, freedom, security and justice; external security; research, education and culture. In these sectors ND cooperation has not institutionalized into concrete partnerships. Practical cooperation takes place within the framework of the regional councils (Arctic Council, Barents Euro-Arctic Council, Nordic Council of Ministers, Council of the Baltic Sea States) and via cooperation between the EU and Russia.

The agendas of the regional councils are not uniform. Working groups are engaged in and action takes place around at least the following themes: indigenous peoples, culture, youth, children, social welfare and health care, the environment, climate change, sustainable development, fishing, energy, logistics, the economy, customs, barriers to trade, research and education, the information society, rescue services, human trafficking, democracy, civil society, legislation, foodstuffs, narcotic drugs and linguistic cooperation.

This brief publication does not allow a detailed introduction to all the themes that are addressed within the framework of the Northern Dimension. The following short accounts illustrate regional cooperation in some of the most important sectors, namely energy, transport and the information society. These sectors are interrelated; energy and telecommunications fall, in some contexts, under the transport and logistics sector.

Energy

The ND area is rich in gas and oil resources. That is why energy was initially one of the most attractive sectors in ND cooperation. However, energy cooperation that is conducted directly within the framework of the Northern Dimension has so far been nominal. In practice, energy issues are dealt with in the EU-Russia dialogue and in the energy cooperation conducted in the Baltic Sea region, which is a part of indirect ND action.

The Second ND Action Plan underlines the development of infrastructure to provide better security of energy supply to the European continent. Work in the energy sector involves the further development and integration of energy markets, the strengthening of EU-Russia dialogue on energy, the development of energy resources in an environmentally friendly way, and the promotion of energy efficiency and saving.

The energy ministers of the countries of the Baltic Sea region together with the European Commission established Baltic Sea Region Energy Cooperation, BASREC, in their conference in Helsinki in 1999, to provide a regional vantage point for energy policy. The objective of this cooperation is to bring together the business community and public administrators. BASREC produces studies and publications and organizes seminars and workshops. BASREC's activities have contributed to better understanding of the measures that are needed in order to develop rules and regulations in energy markets that take note of environmental issues and efficient energy supply. The BASREC Ministerial Meeting in Reykjavik on 28 October 2005 decided to continue BASREC cooperation until 2008. The members agreed that the most essential challenges for the future are sustainable development, security of energy supply, competitiveness, economic growth and the environment.

Arrangements concerning European Energy Policy are currently subject to negotiation (spring 2006). The content of BASREC is being developed and dialogue is being conducted on alternative regional arrangements.

The volume of oil transports via the Baltic Sea, especially via the Gulf of Finland, is estimated to multiply in the next few years. Finland has drawn attention to environmental impact assessments and prevention of accidents by improving control and management of shipping. The EU's need for energy will increase in the future. The most important energy-related project in the Baltic area is a gas pipeline from Russia via the Baltic Sea to Germany. The Northern Dimension does not play any practical role in this venture. Russian and German companies signed a memorandum of understanding on the matter in autumn 2005.

Transport

In the Northern Dimension area cooperation in the transport sector is conducted in regional councils and bilaterally between countries, but the Second ND Action Plan has identified priorities and objectives for the development of transport. The improvement of transport infrastructure is essential from the perspective of the economic development of the region.

The key priorities, mentioned in the Second ND Action Plan, are the development of a multimodal transport system to improve connections within the region and with neighbouring countries, the creation of an environmentally friendly integrated transport and communications market, more efficient use of existing infrastructure, and the further materialisation of the pan-European transport network in partner countries. Safety levels within all modes of transport must be enhanced and special emphasis must be placed on maritime safety. This includes allocated support for scientific research.

The EU Commission is preparing guidelines for the development of the Trans-European Networks (TEN). They comprise the energy, transport and telecommunications sectors.

From the point of view of the ND, the most significant pan-European transport corridors and TEN priority projects are the Nordic Triangle (Copenhagen-Oslo-Stockholm-Helsinki), Corridor I (Via Baltica and Rail Baltica), Corridor IX (Helsinki-St Petersburg-Moscow) and Corridor II (Berlin-Warsaw-Moscow).

The Finnish, German and Russian Ministries of Transport, together with the Russian Ministry of Railway Transport and the City of St Petersburg, launched a cooperative development programme in the field of transport telematics in 1995. The aim was to streamline the flow of international traffic chains in the Baltic Sea region with the aid of advanced technology. The programme was then called TEDIM (telematics in foreign trade logistics and delivery management). Estonia joined the programme in 1996. Latvia and Poland joined later. The youngest TEDIM member, Lithuania, entered the programme in 2003. Sweden and Denmark take part in individual projects.

The principal objectives of TEDIM:

- to act as a forum where transport and logistics cooperation is developed between the EU and Russia and among the EU Member States;
- to develop common Northern Dimension information management platforms;
- to provide training related to new regulations and best practices in transport and logistics;
- to support the development and introduction of telematic solutions that serve the interests of transport and logistics.

Cooperation between the private and public sector is typical of projects carried out under the TEDIM umbrella. The programme's "public & private" projects seek to enhance companies' operational preconditions in cooperation with other companies and public authorities. The national authorities act only in the role of catalysts and the participating companies establish the content of projects based on their wishes and objectives. TEDIM projects are financed by the companies and organizations that are involved in individual projects. Financial support is also sought from public sponsors in the member countries and from various EU channels of financing.

The Barents Euro-Arctic Council has established working groups to deal with transport issues. The Working Group on Trade Barriers (WGTB)

concentrates mainly on customs cooperation, the Steering Committee for the Barents Euro-Arctic Pan-European Transport Area (BEATA) develops overall transport solutions that promote regional cooperation. Cooperation related to information technology is one element of the transport sector.

The information society and the Northern eDimension

Information and communications technology (ICT) is an important sector from the point of view of the future development of the Northern Dimension. The Northern Dimension area opens up vast prospects for the development of ICT. One major challenge is the creation of an open and democratic information society in the ND area. The idea is to bring about good preconditions for ICT investment and business. Information society development is a central element of the Lisbon Strategy, which aims to make the EU the most dynamic and competitive economy by 2010.

The Northern eDimension was established in the Council of the Baltic Sea States to respond to these challenges. The Northern eDimension Action Plan (NeDAP) introduces a regional perspective to the EU's wider eEurope and e-europe+ programmes, enabling also northwest Russian participation. The first Northern eDimension Action Plan for 2002-2004 was adopted in a Foreign Ministers' Conference in 2001. The second Northern eDimension Action Plan for 2005-2006 was adopted in the Baltic Sea States' Summit in Laulasmaa, Estonia, in June 2004.

The main objectives of NeDAP:

- to accelerate the Northern Dimension region's transition to the Information Society
- to ensure closer cooperation between the countries involved, with due regard to the improvement of EU-Russia cooperation
- to improve the environment for ICT initiatives and investments

To implement the main objectives, seven action lines with corresponding working groups have been set up (lead country/actor in parenthesis):

- High speed Infrastructure and research networks (Norway)
- ICT security (Estonia)
- eSkills, including training and business development in Kaliningrad and St Petersburg (Finland and Germany)
- Electronic commerce (Russia)
- eGovernment (Sweden)
- Indicators (Denmark)
- eEnvironment (GRID Arendal)

A steering committee known as SOIS (Senior Officials for the Information Society in the CBSS Countries), has been established to be responsible for the overall implementation of NeDAP.

Reform and development projects related to communications technology and telecommunications have been carried out in Karelia, northwest Russia and the Baltic States under financing by the Commission through the Tacis programme. Many studies and short-term projects have also been carried out.

Cooperation dealing with the information society and information technology has taken place not only within the framework of the Northern eDimension but also in the Council of the Baltic Sea States and other regional councils. The Ministries of Transport and Communications of the participating countries usually take responsibility for the working groups that have been set up to promote cooperation.

11. Regional bodies in the Northern Dimension area

The regional bodies, that is, the Council of the Baltic Sea States (CBSS), the Barents Euro-Arctic Council (BEAC), the Arctic Council (AC) and the Nordic Council of Ministers (NCM), are forums of coordination and exchange of information that bring added value to the Northern Dimension and help identify and set priorities. The tasks of the regional bodies were further elaborated in the Full Report on Northern Dimension Policies produced by the Göteborg Conference. According to the report, the CBSS, could organize civic activities related to the Northern Dimension, and its role could be heightened in the fields of health care, telecommunications technologies and

education. The BEAC would be an important factor in transport and energy issues. Common priorities agreed in the regional bodies do not necessarily represent EU policy even if the Commission participates in the meetings.

The Arctic Council (AC) was established in Ottawa, Canada, in 1996, by the Nordic countries plus Russia, Canada, the USA, the Inuit Circumpolar Conference, the Saami Council, and RAIPON (Russian Association of Indigenous Peoples of the North). The Council promotes cooperation in the area related to sustainable development and environmental protection. The Rovaniemi Process, a strategy to protect the Arctic environment, which was launched on Finland's initiative in 1991, falls under the administration of the Arctic Council. (www.arctic-council.org)

The Barents Euro-Arctic Council (BEAC) was established by the Kirkenes Declaration in 1993. The members of the BEAC are the Nordic countries, Russia and the European Commission. Finland took over the chair of the Council after Norway in autumn 2005 and will hold it until late 2007. The Barents Regional Council was set up in 1993 with membership from the provinces and regions of the north of Europe. The BEAC seeks to promote regional stability and security. The Council appoints working groups to operate to the benefit of economic cooperation, the environment and other issues. (www.beac.st)

The Council of the Baltic Sea States (CBSS) was established in Copenhagen in 1992. Its members are the Nordic countries, the Baltic States, Germany, Poland, Russia, and the European Commission. Through regional cooperation the CBSS is engaged in the promotion of infrastructural improvements, economic and cultural development and upgrading of democratic structures. (www.cbss.st)

The Nordic Council (NC) was formed in 1952 to promote cooperation among the parliaments of Iceland, Norway, Sweden and Denmark. Finland joined the Council in 1955. The Council works in ordinary session, and through a presidium and standing committees. **The Nordic Council of Ministers (NCM)** was established in 1971. It submits joint proposals from the five governments of the Nordic countries to the Nordic Council, implements the NC's recommendations and reports on the results achieved. (www.norden.org)

Links to websites

European Union

European Commission, Nordic Dimension: http://europa.eu.int/comm/external_relations/north_dim/

Delegation of the European Union to Russia: <http://www.delrus.cec.eu.int/>

Delegation of the European Union to Norway and Iceland: <http://www.europakommisjonen.no/>

Partnerships

Northern Dimension Environmental Partnership: <http://www.ndep.org>

Northern Dimension Partnership in Public Health and Social Well-being: <http://www.ndphs.org>

Regional councils

Arctic Council: <http://www.arctic-council.org>

Council of the Baltic Sea States: <http://www.cbss.st>

Barents Euro-Arctic Council: <http://www.beac.st>

Finnish Chairmanship of the Barents Euro-Arctic Council: <http://formin.finland.fi/beac>

Nordic Council: <http://www.norden.org>

Financing institutions

European Bank for Reconstruction and Development: <http://www.ebrd.com>

Nordic Investment Bank: <http://www.nib.int>

European Investment Bank: <http://www.eib.org>

Nordic Environment Finance Corporation: <http://www.nefco.org/>

Nordic Project Fund: <http://www.nopef.com/>

Universities

Northern Dimension Research Centre NORDI at the Lappeenranta University of Technology: <http://www.lut.fi/nordi/>

The University of Lapland's Arctic Centre: <http://www.arcticcentre.org/>

The Barents portal maintained by the Arctic Centre: <http://www.barentsinfo.org>

The University of the Arctic: <http://www.uarctic.org/>

International Arctic Science Committee: <http://www.iasc.no/>

Other

The Standing Committee of Parliamentarians of the Arctic Region: <http://www.arcticparl.org/>

Arctic Council Indigenous Peoples' Secretariat: <http://www.arcticpeoples.org/>

Baltic Development Forum: <http://www.bdforum.org/sideindhold.asp>

Canada's Northern Foreign Policy and Circumpolar Affairs: <http://www.dfait-maeci.gc.ca/circumpolar/>

The US Enhanced Partnership in Northern Europe: <http://www.state.gov/p/eur/rt/epine/>

The Northern Forum: <http://www.northernforum.org>