

EEA CONSULTATIVE COMMITTEE

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RESOLUTION & REPORT

on

THE FUTURE OF THE NORTHERN DIMENSION POLICY

Rapporteurs:

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RESOLUTION ON
THE FUTURE OF THE NORTHERN DIMENSION POLICY

The Consultative Committee of the European Economic Area (EEA CC)

- A. Having regard to the Second Northern Dimension Action Plan 2004-2006 as endorsed by the European Council held in Brussels on 16-17 October 2003,
- B. Noting the *Guidelines for the Development of a Political Declaration and a Policy Framework Document for the Northern Dimension Policy from 2007* as approved by unanimity at the Northern Dimension ministerial meeting in Brussels on 21 November 2005,
- C. Recalling its own resolutions on *The EU's Northern Dimension* (DI38/2000 – C/20/R/006 of 3 July 2000) and on *The Second Northern Dimension Action Plan* (DI CESE 84/2004 – Ref. No 1044051 of 23 June 2004),
- D. Recalling previous opinions by the EFTA Consultative Committee and the European Economic and Social Committee on the Northern Dimension and related issues,
- E. Recognising that the Northern Dimension policy so far has suffered from a too low profile;
- F. Recalling the osmosis cooperation between EFTA and the EU, which has also successfully been practised during the preparation of this resolution;
- G. Recognising the relevance of the Northern Dimension policy to the EEA EFTA States;
 - 1. Welcomes the new guidelines and underlines the importance of developing a joint, more permanent, ambitious, high profile and structured Northern Dimension policy, replacing the existing EU policy based on short-term action plans; the new policy should actively involve EU and EEA EFTA institutions, national governments, local authorities, social partners and civil society in all the countries concerned;
 - 2. Supports the increased focus on a “joint ownership” of the new policy by all countries involved and specifically welcomes the stronger involvement of Russia in the work on the guidelines and a new framework document; it is crucial that Russia becomes an active partner of the new Northern Dimension policy; the same goes for the other non-EU states in the region;
 - 3. Underlines the importance of the Northern Dimension policy becoming a regional expression of the EU-Russia Common Spaces;

4. Highlights the importance of the Northern Dimension policy to a wider Europe and hence of developing a broader sense of ownership of the policy to include EU Member States to whom the policy should be of as much importance as to the countries in the region itself due to the region's increasingly European and even global role, e.g., in the field of energy, maritime transport and the environment; without the necessary recognition of the importance of the Northern Dimension policy to a wider Europe, its successful implementation could be difficult;
5. Welcomes continued emphasis on cross-border cooperation and underlines the need for closer coordination at various levels among European, national, regional, sub-regional, and local authorities, based on the principle of subsidiarity and the importance of increasing the synergy between the different stakeholders;
6. Urges the regional organisations in the region to increase their coordination and underlines the importance of this cooperation for the successful implementation of the new policy;
7. Recommends that new Northern Dimension public-private partnerships be established, e.g., in the fields of energy and infrastructure/transport/logistics, on the basis of best practice from developing partnerships in fields such as the environment, public health and social wellbeing; in the case of energy the focus should be on sustainable development of existing natural resources, energy efficiency and renewable energy resources, and safety of energy transport;
8. Underlines the need to strengthen public information and calls on the European Commission to further develop the Northern Dimension Information System (NDSys) and for an appropriate office in the region to be re-opened as a ND resource centre responsible for information flow and network coordination; this could be the European Commission office in St. Petersburg;
9. Welcomes a streamlining of the funding of the Northern Dimension policy under the new European Neighbourhood Partnership Instrument (ENPI) and asks the Commission to ensure that sufficient means are allocated from the ENPI to Northern Dimension projects and actions, as well as to the ND administration;
10. Encourages strong involvement of other international and national financing sources in the implementation of the Northern Dimension policy;
11. Requests a practical role for the EEA social partners and civil society organisations in the new Northern Dimension policy; the principle of "joint ownership" should not apply only to the Northern Dimension States, but to all stakeholders; this applies to all individual ND countries including Russia;
12. Asks for a clearer institutional set-up for Northern Dimension cooperation, coordination and consultation, including an annual summit and a joint standing ND committee, with active social partner, civil society, and local and regional participation; the joint standing committee should be responsible for monitoring the implementation of the Northern Dimension policy; it should include a sub-group for civil society and the social partners; it should also have the

opportunity to contribute to the annual summit, including the possibility to propose new initiatives and to make recommendations to all relevant authorities;

13. Suggests to relevant authorities to use the existing structure of the EEA CC to establish meetings with civil society and social partner organisations in Russia by creating an informal “EEA CC+1” which could meet in the margins of the EEA CC to discuss the progress of Northern Dimension cooperation;
14. Calls on the Finnish EU Presidency to set a strong pace in the development of a new and more permanent ND policy from 2007 and to ensure that this represents a clear shift towards a strategy based on more specific and coordinated action;
15. Calls on the EEA Council
 - to put the future of the Northern Dimension higher on its agenda, starting with its next meeting in December 2006, and this way encourage a stronger focus on this region among all EEA States, not only those directly linked to the policy in the Northern Dimension region;
 - to support efforts by economic, social and political actors in the region to establish and strengthen their cross-border relations, as well as to promote their engagement in Northern Dimension projects.
16. Declares the preparedness of the EEA CC to contribute to the actions proposed in this paper.

Annex: Report on the Future of the Northern Dimension Policy.

REPORT ON

THE FUTURE OF THE NORTHERN DIMENSION POLICY

I INTRODUCTION

1.1. The Consultative Committee of the European Economic Area (EEA CC) is composed of representatives of the key socio-economic interest groups in the 28 EEA Member States. The Committee acts as a voice for workers, employers and organisations representing various interests in these countries and forms part of the EEA institutional set-up.

1.2. The following resolution and report on *The Future of the Northern Dimension Policy* was adopted at the 14th meeting of the EEA CC in Höfn, Iceland, on 25 June 2006. The rapporteurs were **Ms Wenche Paulsrud** from the EFTA Consultative Committee (EFTA CC) and **Mr Filip Hamro-Drotz** from the European Economic and Social Committee (EESC).

1.3. The EEA CC Bureau in December 2005 decided to prepare this resolution since it was clear that the Northern Dimension (ND) policy in 2006 would find itself at a crucial stage, with the Second Action Plan (NDAPII) coming to an end, and with the recent publication of the guidelines on how to best develop the policy from 2007. Additionally, the EEA CC Bureau took into consideration the specific relevance of the Northern Dimension policy to the EEA EFTA States, above all for those in the north. The intention is to create a joint Northern Dimension policy for the EU, Iceland, Norway and Russia.

1.4. The Northern Dimension region is one of the most challenging in Europe and its future development is of importance not only to the countries in the region itself but to the whole of the EU, the EEA, and to a wider Europe. The region offers obvious opportunities for economic growth, linked partly to the rich resources of the Barents and Baltic seas; at the same time, a vulnerable environment requires long-term strategies for sustainable development and cross-border cooperation, taking the specific characteristics of the region into account, including the wishes of its indigenous people.

II BRIEF BACKGROUND TO THE NORTHERN DIMENSION

2.1. The European Union's Northern Dimension Policy (ND) was established in 1999. ND is part of the EU's external relations policy, whose objective it is to improve welfare in the northern part of Europe through regional and cross-border cooperation. ND covers the Baltic Sea Region and the Arctic area. The ND is implemented within the framework of the Partnership and Cooperation Agreement (PCA) with Russia, as well as the Agreement on the European Economic Area (EEA – Norway and Iceland). After the enlargement of the EU, the ND has led to enhanced activities with Russia, especially in the north-western regions of Russia.

2.2. The EU-Russia relations have been strengthened by the adoption of the "Four Common Spaces". In May 2005 the Road Maps on how to proceed with the establishment of the common

spaces were agreed. ND is referred to in the EU-Russia Road Maps for the Common Spaces, particularly under the heading of Common Economic Space: "... The implementation of actions under the CES, priorities jointly identified in the framework of regional organisations and initiatives, such as the Council of Baltic Sea States, the Northern Dimension etc., will be taken into consideration."

2.3. The Second Northern Dimension Action Plan (NDAPII)¹ entered into force in January 2004. It is a three-year plan (2004-2006) covering five priority sectors: (1) economy, business and infrastructure; (2) human resources, education, scientific research and health; (3) the environment, nuclear safety and natural resources; (4) cross-border cooperation and regional development; and (5) justice and home affairs. It also pays specific attention to Kaliningrad and the Arctic area. Implementation of the NDAPII is monitored annually and the European Commission prepares progress reports on it.

2.4. A Northern Dimension ministerial conference was held in November 2005 in Brussels where the Foreign Affairs Ministers of the EU Member States and the partner countries (Iceland, Norway and Russia) agreed on political guidelines for the future of the Northern Dimension policy² and set up a joint group to draft a political declaration and framework document in line with these guidelines. The aim is that the group completes its work (the basic texts) by September 2006 and that later in the autumn of 2006 the parties decide on the continuation of the Northern Dimension policy on the basis of these texts.

2.5. The European Economic and Social Committee (EESC) has annually, and in recent years at the request of the EU contributed with opinions and reports on the ND. It has above all drawn attention to civil society's views of, and engagement in the Northern Dimension activities. Also the EEA CC has previously delivered resolutions on the Northern Dimension, one in 2000 and another in 2004.

III STRONG SUPPORT FOR A MORE PERMANENT, HIGH PROFILE AND JOINT NORTHERN DIMENSION POLICY

3.1. Northern Europe needs close multilateral regional cooperation, which also includes non-EU states in the region. The EEA CC believes a joint Northern Dimension policy between the EU, Iceland, Norway and Russia, based on cross-border actions and projects of mutual interest, would be well suited for this aim. Multilateral cooperation would complement existing bilateral cooperation between individual countries in the region and between the EU and individual countries. Enhanced regional cooperation in northern Europe would help promote stability, wellbeing and sustainable development in the region and Europe as a whole.

¹ Source the NDAPII available at:

http://europa.eu.int/comm/external_relations/north_dim/ndap/com03_343.pdf

² Guidelines for the development of a political declaration and a policy framework document for the Northern Dimension Policy from 2007, DG E VI (14358/05 – Annex I)

3.2. It is important that the ND parties agree on a clear-cut, high profile, dynamic policy, with strong political commitment by all stakeholders. The EEA CC is in favour of replacing the existing concept of action plans with a more permanent policy where all efforts can be put into implementation of continuous action rather than spending considerable time making new plans every three years.

3.3. The EEA CC supports the idea of making the ND a regional expression in the North of the EU-Russia “Four Common Spaces”. Appropriate arrangements to link Iceland and Norway to this context should in parallel be created, respecting the EEA Agreement.

3.4. The concept of “joint ownership” is of crucial importance and it should be the core building block of the new policy. The non-EU partner countries should, accordingly, have a fully-fledged involvement and have the opportunity to participate on an equal footing with the EU Member States in the preparation, implementation and monitoring of the ND policy. It will be specifically important to involve Russia as an active partner in the new policy. Efficient, but flat mechanisms for cooperation, a joint standing committee and sub-groups as appropriate, should be established, the latter with strong social partner and civil society participation.

3.5. As Northern Dimension activities are frequently local initiatives, it is important that links between local, regional and national government function effectively in planning and implementing the policy.

IV RECOMMENDED PRIORITY AREAS

The EEA CC is of the opinion that the five existing priority areas of the ND APII should serve as the basis for the future ND policy. The positive practical experience gained from public-private partnership projects in the current action plan, particular in the field of the environment, should be built upon, and new partnerships should be developed. Areas of specific priority include:

4.1. Enhanced cooperation in the fields of the environment and public health

4.1.1. The EEA CC notes the positive achievements to date of the ND cooperation in the field of the environment. It is important to further strengthen efforts in this field, with the aim to rapidly reduce the water pollution in the Baltic Sea and the Gulf of Finland, and to reduce the high risks of nuclear waste in the Kola Peninsula. In the Baltic Sea area the value and impact of the ND environmental policy has been especially evident in the case of the St. Petersburg water treatment facility. Further priority should be given to reducing the risk of oil tanker accidents and the risks associated with oil field exploitation, as well as to improve nuclear safety and nuclear waste management.

4.1.2. The EEA CC also compliments the start of cooperation in the field of public health and social wellbeing. The partners should in this field above all concentrate on efforts to reduce communicable diseases.

4.1.3. The EEA CC encourages the ND parties to dedicate the necessary efforts and resources to further strengthen the established partnership and projects in the fields of the environment and public

health (NDEP and NDPHS), and to specifically use achievements in the NDEP as best practice for new partnerships.

4.2. Regional infrastructure, transport and logistics

4.2.1. One of the aims of the ND policy is to increase economic cooperation throughout the region. Economic development depends on useful infrastructure and networks that are able to more easily move goods, persons and services across borders. National borders have so far resulted in separate, national transport systems operating in parallel. A lot of the infrastructure has been built to create north-south links between northern regions and the capitals. The failure to coordinate transport programmes with neighbouring countries has often led to unnecessary bottlenecks arising at the borders. It is crucial that existing projects in the region are continued and new one initiated to better link up road and railway systems, to create cross-border transport systems which can facilitate the efficient movement of goods and persons, and to upgrade roads and border-crossing points.

4.2.2. It is important that the role of Northern Europe in the overall transport system in Europe is enhanced, including the establishment of a ND partnership in infrastructure, transport and logistics. This would need to cover maritime transport and the creation of more efficient maritime transport corridors, including increased cooperation between port authorities and relevant business communities at national, regional and local level throughout the region. Increased maritime transport, partly due to more efficient transport routes, and partly due to increased transport of new energy resources, would pose renewed challenges to an already fragile environment and would require even stronger efforts than today to secure sustainable development. It would also present new challenges to the authorities responsible for the security of transport (e.g., coast guard) in the different ND countries and should also encourage increased cooperation in this field.

4.2.3. In order to increase cross-border movement of services, both private and public, in the ND region, more emphasis should be put on strengthening infrastructure in the fields of telecommunications, and information and communication technology. This is specifically important in the parts of the region where distances between cities and commercial centres are long and the population sparse.

4.2.4. Finally, a new public-private partnership in the field of infrastructure, transport and logistics needs to make it easier for people to move across borders, specifically from Russia to the EU/EEA, for work, education and cultural exchange, while, at the same time, finding ways of preventing all kinds of illegal border crossings (including human trafficking, smuggling and illegal immigration). In the field of justice and home affairs, this would require more integrated border management and better visa regimes. Increased weight should be put on the promotion of student mobility by mutual recognition of degrees and exams and more courses in foreign languages. ND projects and actions to increase the exchange of youth, women's groups, and the indigenous people should also be encouraged.

4.3. Improvement of energy-cooperation and security

4.3.1. The EU enlargement and the international trends in energy underline the importance of increased cooperation in Northern Europe in the field of energy. The EEA CC calls for the

coordination of regional cooperation and the EU-Russia energy dialogue so as to improve energy security and availability. The Committee also recommends that a ND partnership in energy be established under the new ND policy with focus on the sustainable development of existing natural resources, energy efficiency and renewable energy resources, and safety of energy transport.

4.3.2. As a region with vast energy resources, the Northern Dimension area is not only important for the countries in the area itself, but has considerable impact on Europe as a whole. Potentially playing a crucial role in the security of future supplies of oil and gas to the EU, it deserves the attention of a wider group of states than have traditionally engaged themselves in the ND policy. The increased focus on Northern Europe in the new Energy Policy for Europe (EPE) should contribute to raising the profile of the new Northern Dimension policy. It should be noted that the Commission in its new green paper on energy³ specifically mentions Russia and Norway as important partners in a possibly new coherent external energy policy.

4.3.3. The Northern Dimension is an important element in the balanced development of Europe's energy infrastructure. A considerable level of investment will be needed in the Northern Dimension region to secure a sufficient level of energy supplies in the future, both with regard to infrastructure for energy transport and with regard to the exploitation of the area's gas resources. Increased investment means economic growth, including increased employment and higher activity levels also in industries not directly linked to the exploitation of the resources in the sea. This development is welcome in a region that has experienced decline in several industry sectors over the last years. However, it is important that this positive growth, and specifically the exploitation of the vast gas resources, is based on sustainable development, the highest level of environmental standards and the respect for the wishes of the indigenous people.

4.3.4. A coordinated system for monitoring the marine ecosystems in the north is needed and should be part of the ND cross-border cooperation. It is important that the exploitation of gas resources go hand in hand with a viable fishing industry and a healthy marine environment. The highest possible safety levels for maritime transport of oil and gas in the ND region needs to be ensured; this need will increase with more extensive transportation of liquid natural gas (LNG) in the future. The Norwegian government's proposal of 31 March 2006 for a new and more coordinated system for monitoring the marine ecosystems in the north is welcome in this context.

4.3.5. The EEA CC underscores as well that serious attention should be given to the fast increasing transport of energy in the Baltic Sea and the Gulf of Finland. Topics linked to the arrangement, security and environmental aspects should be addressed in the context of ND cooperation.

4.4. Strengthening civil society, common democratic values, human rights and an open social dialogue: improving information and promoting networks

4.4.1. Successful cooperation between the ND parties requires that common values are applied throughout the region. Democratic pluralism, an active civil society, an open social dialogue, and a functioning market economy are essential elements and complement each other. Efforts need to be made to develop and strengthen these aspects in Russia specifically; ND regional cooperation could

serve as a suitable framework for actions and projects to achieve this, with Russia as an active ND partner.

4.4.2. The members of the EEA Council should encourage the Russian government and authorities to take a positive approach towards creating constructive relations with civil society organisations. Training and trainee opportunities should be facilitated to support capacity building and should help build a solid basis for constructive dialogue between civil society representatives and the authorities. Civil society needs to play its part in these changes. The principle of “joint ownership” should not only apply to ND States, but to all ND stakeholders, including regional and local authorities, social partners and civil society organisations. An adequate implementation of the ND policy will only be achieved by systematically involving all stakeholders in the process and by fostering specific, targeted initiatives and measures.

4.4.3. Of specific interest to the EEA social partners is the development of an open social dialogue and of functioning tripartite relations in all parts of the ND area. This is already well developed in many countries and it is important that the competence linked to this is shared with sister organisations in countries where the social dialogue and tripartite relations are less developed. The Northern Dimension policy should be a suitable framework instrument for initiating cross-border projects where direct contact and training can be established between organisations, providing the necessary funding is available for such projects. Positive development in the ND area requires well-functioning labour markets based on a balance between fair competition for enterprises and decent working conditions for workers. It should be the role of the social partners in each ND country to ensure that initiatives and legislation aimed at economic and social change take their interests into account in a balanced manner. For this to happen, the social partners need to be formally recognised as fully-fledged partners in all discussions dealing with labour market issues.

4.4.4. In all countries, both in the EU and non-EU partner countries, very little is known about the Northern Dimension policy. With regard to action at European level, it is therefore important that the Commission further develops and promotes its Northern Dimension Information System⁴. This could help increase the visibility of the policy in general, and more specifically facilitate increased contact between stakeholders, and increased participation in ND projects. In addition, the EEA Consultative Committee suggests re-opening an appropriate office to be responsible for the information flow and the coordination of networks and contacts; this could be the European Commission office in St. Petersburg. It is also important that local stakeholders, such as regional and local authorities, civil society organisations and social partners, themselves are involved in disseminating information about the Northern Dimension policy and that the necessary funding is provided for this work.

³ Commission Green Paper on “A European Strategy for Sustainable, Competitive and Secure Energy”, 8 March 2006

⁴ NDSys is accessible at http://ec.europa.eu/comm/external_relations/north_dim/nis/index.htm

V A CLEARER INSTITUTIONAL SET-UP FOR ND COOPERATION, COORDINATION AND CONSULTATION

5.1. An effective consultation mechanism needs to be established as part of the ND framework to give civil society and social partner organisations the opportunity to influence the implementation and monitoring of the Northern Dimension policy through their views, recommendations, and expertise.

5.2. The EEA CC suggests that an annual summit similar to that which for many years has been organised in the Euro-Mediterranean context be organised. It would give relevant civil society and social partner organisations the opportunity to contribute to the assessment and implementation of new policy developments within the ND cooperation framework, as well as to launch initiatives and give recommendations to the ND authorities. The experience of such dialogue in the Euro-Mediterranean area has been positive, as has the experience from the EEA CC cooperation. It should therefore be developed in the ND framework. One specific action could be to use the existing structure of the EEA CC to establish meetings with civil society and social partner organisations in Russia by creating an informal “EEA CC+1” which could meet in the margins of the EEA CC to discuss the progress of ND projects and actions.

5.3 The EEA CC also suggests that a joint standing ND committee for reporting and monitoring, which should meet on a regular basis, be established. The establishment of a civil society and a social partner advisory sub-group to the joint standing committee, as indicated at the end of paragraph 3.4, would be necessary.

VI A KEY ROLE FOR REGIONAL BODIES

6.1. The EEA CC supports the principle that existing bodies for regional cooperation in Northern Europe - the Council of Baltic Sea States (CBSS), the Barents Euro Arctic Council (BEAC), the Arctic Council (AC), and the Nordic Council of Ministers (NMC) – should have a central role in the execution of ND activities. Closer cooperation and coordination between these bodies are absolutely necessary and should be more directly linked up to the Northern Dimension policy. This cooperation is an important element in creating stronger synergies between different initiatives and will be crucial for the successful implementation of a new ND policy. A functioning bridge between the regional bodies and the proposed joint standing ND committee would be crucial to establish as well.

6.2. This framework for increased cooperation and coordination would offer civil society and social partner organisations a better opportunity to participate in ND cooperation through the contributions they make via their own regional networks (e.g BASTUN for employees, BAC for the business community and BCCA for the chambers of commerce) and the links these networks have established with the regional bodies mentioned above.

VII CLEARER FINANCIAL MECHANISMS

7.1. The priority areas should be developed in the form of public-private partnerships which clearly define partners, programmes, timetables and budgets. Even in the case where a fully-fledged partnership has not yet been developed, the partners should seek to agree, for instance annually, on targeted actions with clear deadlines for implementation and clear overviews of financing.

7.2. As regards actions to be proposed and implemented by civil society and social partner organisations, it is important that these organisations have easy access to information on the financing and application procedure of possible ND projects. It is specifically crucial to ensure financing of small-scale projects, based on a simple application procedure. Technical support for preparing applications would also be needed, as well as efficient mechanisms for fast processing and approval of applications and proposals. Representatives of civil society and social partners should be involved in the latter.

7.3. The European Neighbourhood and Partnership Instrument (ENPI) will from the EU's side be the main source of financing for the abovementioned actions. Gathering existing programmes into one, the new overall instrument will hopefully streamline the financing of the Northern Dimension policy and make it more transparent. It is important that an appropriate part of the instrument's resources is allocated to the ND actions, including adequate resources for administrative purposes. It is also essential that the International Financing Institutions (IFIs) and the partner countries also continue to support cross-border ND actions.

7.4. The Committee encourages national governments of all the ND parties to establish programmes and supply appropriate funding for ND activities.
