

Fourth Theme: Implementation of a Northern Dimension

Implementation of the European Union's Northern Dimension – The Arctic Area*

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The aim of this paper is to present the Northern Dimension, its development and content, and how (Arctic) regional actors may participate in the implementation of it.

The last chapter forms an input to the discussion concerning how Arctic actors may increase co-operation under the Northern Dimension concept.

The Northern Dimension of the Policies of the European Union

The Aim of the Northern Dimension

The aim of the Northern Dimension is to provide added value through reinforced co-ordination and complementarity in EU and Member States' programmes and enhanced collaboration between the countries in Northern Europe, thereby achieving a more coherent approach to addressing the specific problems and needs of the North and to developing its potential.

The Geographical area of the Northern Dimension

The region considered for the purpose of the Commission reports on the Northern Dimension extend geographically from Iceland in the west across to Northwest Russia, and from the Norwegian, Barents and Kara Seas in the north to the southern coast of the Baltic Sea.

This region has approximately 84 million inhabitants of which 24 million live in the five Nordic countries, 7.8 in the Baltic countries, 38.6 million in Poland, and approximately 18.5 million in Northwest Russia including Kaliningrad.

The Development of the Northern Dimension Concept

The concept of a Northern Dimension for the policies of the Union was first introduced by Finland at the European Council in Luxembourg in December 1997. The Council took note in its Conclusion of the proposal and requested the Commission to submit an interim report on this subject at a forthcoming Council meeting in 1998.

The Cardiff European Council in June 1998 recalled the Conclusions of the Luxembourg European Council and reiterated 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.

At the European Council in Vienna in December 1998, the Council welcomed the interim report submitted by the Commission on a "Northern Dimension for the Policies of the Union". It underlined the importance of the subject for both the Union's internal and external policies, notably with Russia and the Baltic Sea region.

* Invited Position Paper

It also underlined the necessity to pursue the exchange of views with all the countries concerned to define together this Northern Dimension notion and invited the Council to define guidelines in the fields concerned, on the basis of the Commission's interim report.

This meant that the European Council had included the Northern Dimension, and a continuous dialogue among all countries concerned, on its agenda.

At the European Council in Cologne June 1999, the Council considered the guidelines adopted as a suitable basis for raising the EU's profile in the region. For the Foreign Ministers Conference on the Northern Dimension, November 1999 in Helsinki, „An Inventory of Current Activities“ was presented. The European Council in Helsinki, December 1999, took note of the Inventory, and decided that an Action Plan was to be elaborated.

The latest official document elaborated by the EU is the „Action Plan for the Northern Dimension in the External and Cross-border Policies of the European Union 2000-2003“. This was adopted in June 2000 by the European Council. The Action Plan specifies what the EU is currently doing within the priority areas, and the actions prioritised for the next three years.

The main task for the Commission now is to follow up the Action Plan and to explore the possibilities for closer co-operation with IFIs and regional fora. During the Swedish Chairmanship (spring 2001) there will be produced a report on this. It will be presented in the Gothenburg Summit in June 2000. In order to produce this report, the Commission has started the work already. It will also be discussed which sectors should be prioritised for further actions, and projects may also be discussed.

The Northern Dimension partners

The ND concept has the backing of the EU and the non-EU Northern Dimension partner countries, Estonia, Iceland, Latvia, Lithuania, Norway, Poland and the Russian Federation. Each of the mentioned countries has been consulted during the formation of

the Northern Dimension. The USA and Canada are also considered actors with which the EU has common interests in this matter. It is emphasised that the Northern Dimension will be based on existing structures, programmes and organisations. The EU is using its ordinary instruments to relate to these five groups of partner actors:

The first group of actors, the EU Member States, have their own bilateral activities in the Northern Dimension area. Each country has its ordinary bilateral relations with the EU.

The second group includes Norway and Iceland, who are members of the European Economic Area. Significant co-operation exists between the EU and Norway regarding the development of Northwest Russia, in particular on nuclear safety, human resources development, transport, energy and environment, and cross-border co-operation.

The third group of actors is comprised of Estonia, Latvia, Lithuania and Poland, who are part of the enlargement process and have Europe Agreements with the European Community and its Member States. All benefit from the Phare, ISPA and SAPARD Programmes, which support their preparation for EU membership.

The fourth actor is the Russian Federation. The relations between Russia and the European Community and its Member States are governed by the Partnership and Co-operation Agreement (PCA) which entered into force in 1997. The PCA established the framework for bilateral co-operation and dialogue in a wide range of areas, notably political and economic affairs. The Russian Federation is a beneficiary of the Tacis Programme. In June 1999, a *Common Strategy of the European Union on Russia* was adopted.

The fifth group consists of the USA and Canada. The European Union and the United States will continue their dialogue on Northern Europe under the New Transatlantic Agenda (NTA), in order to enhance the effectiveness of efforts, by identifying joint or parallel activities within their respective frameworks, the

Northern Dimension for the policies of the EU and the Northern European Initiative of the U.S.

The European Union and Canada have identified common goals and agreed on the usefulness of exchanging information and enhancing synergies in advancing the northern dimensions of their policies. The European Union and Canada will therefore, under the existing co-operation framework, pursue expert level dialogue on the basis of the northern dimension of their respective policies.

Role of Regional Actors in Co-operation

Being an initiative of the European Union, the Northern Dimension aims at, and will be dependent on, close co-operation with other actors active in the Northern Dimension area.

The regional actors mentioned in the Northern Dimension documents, are the regional fora: the Council of Baltic Sea States (CBSS), the Barents Euro Arctic Council (BEAC) and the Arctic Council (AC). In these fora, EU Member States are present. The councils are made up of the nations' ministers, a suitable level for the EU to relate to.

Other regional actors would also be able to take initiatives and give proposals. It would be wise of these actors to promote their views on policies and priorities through the channels of the regional fora.

The role of the regional actors in the Northern Dimension is not yet defined. The Northern Dimension's Action Plan states:

„With regard to the implementation of the Northern Dimension concept, the participation of Member States and of the Commission in existing regional fora such as the Council of Baltic Sea States (CBSS), the Barents Euro Arctic Council (BEAC) and the Arctic Council (AC) does not affect the internal Community procedures provided for under the relevant provisions of the Treaties and of the Community instruments referred to above.“

„The Council of Baltic Sea States (CBSS), the Barents Euro Arctic Council (BEAC) and the Arctic Council (AC) may assume a significant role in consultation with the Council of the EU in identifying common interests of the Northern Dimension region. Added value may be provided by coming to an agreement on common priorities. The Commission and the Member States concerned will continue to actively contribute to the work of these bodies. Regional and technical bodies such as the Nordic Council of Ministers, the Baltic Council of Ministers, sectoral regional bodies as well as the Barents Regional Council and other subnational organisations may also be consulted in accordance with EU internal rules and procedures when implementing the Action Plan.“

„Regional bodies, in particular CBSS and BEAC, assume an active role in promoting and further implementing co-operation measures consistent with the Northern Dimension. The Commission will continue to contribute to the work of these bodies. In order to establish knowledge and co-operation within the Arctic, the Commission may seek contacts with the Arctic Council to explore further possibilities for co-operation in the Arctic region.“

The EU-Commission is now exploring how the regional fora can be included in the implementation of the Northern Dimension Action Plan.

Who Define and Implement the Northern Dimension?

The ongoing work with the Northern Dimension concept

Being a policy of the EU, the EU itself has the key role. The Presidency Conclusions from June 2000 states: „The European Council... invited the Commission to take a leading role in implementing the Action Plan and to present appropriate follow-up proposals ...“

The EU Commission's DG External Relations is coordinating the Commission's work on the Northern Dimension. An Inter-service group on the Northern Dimension, which consists of all the Directorate

Generals, is the meeting forum within the Commission.

The EU Parliament, represented by the Committee on Foreign Affairs, Security and Defence Policy, has given its report on the matter. The Committee of the Regions, as well as the Committee of Economic and Social Affairs, has given its "Opinions on the Northern Dimension", which are included in the Commission's work.

Guidelines and priority areas

The guidelines, priority areas and other policy related issues have already been defined in the documents produced. The Northern Dimension's focus has been set to include:

- infrastructure, including transport, energy and telecommunication
- natural resources, including environment
- nuclear safety
- education, research, training and human resources development
- public health, and social administration
- local cross-border co-operation, trade and investment
- fight against crime, in particular cross-border crime

The Action Plan - some references

The Action Plan has, furthermore, mentioned several topics within these fields relevant for the Arctic area, also proposing aims and actions. Some references:

From the introductory chapters: „The environment in the Northern Dimension area, including the Arctic region, is vulnerable. Water and air pollution have reached a critical level, in some cases directly affecting the health of the population. Measures are needed for environmental protection and to support an environmentally sustainable management of the region's natural resources such as gas, oil, mining, forests and fisheries.“

„The human and scientific resources of the Northern Dimension region represent its most valuable asset. Direct collaboration between institutions of higher

education and research, including network co-operation between universities in Arctic research needs to be enhanced. There is vast potential to promote direct contacts between students, research persons and young professionals through twinning and exchange programmes, research co-operation and business traineeships.“

Under the chapter on Public Health, in the sub-chapter on actions: „All actions supported by the Community should promote equal opportunities and the special needs of indigenous peoples in Arctic regions.“

Under the chapter on Development of Human Resources Development and Research, in the sub-chapter on actions: „The Community RTD Framework Programme will promote Northern Dimension co-operation in research networking and training in important areas, such as information technology, energy, environment and sustainable development. More specifically Arctic research should be strengthened on a multi-lateral basis in order to support developments in environmental protection/remediation measures, safe and environmentally-friendly exploitation and the transport of natural resources.“

Additionally, the Action Programme mentions the Environment and Climate Programme (Fourth Framework Programme) and its close connection with the activities of the International Arctic Science Committee (IASC), studies on the atmospheric composition of the Arctic, the Space project on sea ice monitoring, the safeguarding of the biological diversity and productivity of the Arctic through sustainable management of marine living resources and ecosystems, the protection of wilderness areas, and the detection of, and protection from, external pollution sources.

EU programmes supporting projects in the Northern Dimension area

The European Commission manages programmes which can be used to finance the concrete activities in the Northern Dimension areas. These programmes includes Phare, ISPA, SAPARD, Tacis and INTER-REG. The Fifth Framework programme for Research

would also be relevant to consider. TEMPUS is open to the participation of the EU and the ND partner countries. Each programme has its own goals and geographical target area:

Phare is working in the Eastern European Countries. Its main aim now is to prepare the candidate countries for accession to the EU, including broad support for accession across all sectors. ISPA and SAPARD work in the same areas as Phare. Their main aim is to support the preparation of the candidate countries in the fields of environment, transport and rural development.

The Tacis programme works in the Commonwealth of Independent States. Its aim is to provide support for the transition to a market economy and to reinforce democracy. Current Tacis priorities include human resources development, enterprise restructuring and development, infrastructure, energy, food production, and the environment, especially nuclear safety, as well as small-scale infrastructure projects in cross-border co-operation. The Tacis Cross Border Co-operation Programme would be the most relevant for the Northern Dimension area, together with the National Programme for Russia.

INTERREG works within the EU, giving support for the development of trans-national, cross-border and inter-regional co-operation through a „bottom-up“ method of implementation. The Commission and the involved Member States design each specific programme. In this process, regional actors generally take active part. The division of responsibilities between central and regional actors may vary in different Interreg Programmes.

The Fifth Framework programme for Research is open for participation by the EU countries, the EEA countries, and also by the Accession Countries.

There are differences between these EU instruments in regard to scope, geographical working area, eligibility, size of projects, management systems and target groups. The programmes work successfully within their fields. When combining the various programmes to finance cross-border and often cross-

sector projects in the Northern Dimension with project actors from different groups of countries, some interference problems may occur. The EU programmes' regulations and management committees have all expressed willingness to co-ordinate their work with that of the other programmes. The end-users continue to urge the programme management to co-ordinate their activities in a way that will facilitate project application procedures.

Opportunities for Northern Communities to Develop Connections under the Northern Dimension Concept

Similarities between the Northern Dimension concept and Arctic co-operation

The EU's Northern Dimension concept could be said to have some similarities to the establishment and development of the Arctic co-operation and the Barents co-operation: The ministers of several countries agree on certain aims and goals and priorities for a geographical area of common interest. The co-operation agreement does not include funding for the actors who are supposed to implement the ministers' aims and goals.

The actors themselves must go out and develop projects along the given guidelines, and work with local, national and international funding sources to realise these. The results of these ventures, the Northern Dimension as well as the Arctic and the Barents, could be said to be the sum of the individual actors' creativity, persistency and national funding opportunities. And there have been significant results under both the Arctic, and the Barents, co-operation.

What are the Northern Dimension's new opportunities?

The new stuff is probably most visible on the political level: the EU has given itself a concept called the Northern Dimension, and also given itself the possibility to prioritise the above mentioned actions here. This is really a big step forward! Southern countries, like Greece, Portugal and Italy, have agreed to prioritise the northern area, seeing the overall importance of this strategy.

But the Northern Dimension, its aim, goals and project proposals, is expected to be developed within existing structures. And this implies no new, ready-to-use opportunities being provided to the actors. Still, there is the possibility of some opportunities opening up within the existing structures.

To further develop these, the following points could be considered:

1. The „Arctic Council Channel“ could be used to convey proposals to the EU through EU Member States.
2. Results from the Arctic co-operation could be used to ensure that the EU’s aims, goals and activities in the Arctic are good, suitable and support the ongoing work in the Arctic.
3. The „Arctic project trademark“ could be developed and marketed towards decision makers.
4. The Northern Dimension Action Plan could be used to promote Arctic projects within the EU funding schemes.
5. If desired, the EU could be invited to become more involved in the Arctic co-operation, especially the Arctic Council, the SAO, and the working groups thereunder.
6. Will there ever be a chance to eventually develop a joint funding scheme for all the major Arctic actors under the Northern Dimension?

Before starting any discussion about the possibilities, it would be best to bear in mind the following:

- The Northern Dimension belongs to the EU, only Member States can effectively influence the development of it.

This should always be remembered, especially in discussions on the Northern Dimension which take place outside the EU. The Northern Dimension is a concept of the EU. The participants in this conference, the Arctic Council, other Arctic co-operations, operative actors in the Arctic included, are in no position to tell the EU what they should or should not be doing regarding their own Northern Dimension concept. This unqualified ownership of the Northern Dimension means that it is only the EU Member

States’ representatives, through their governments and national channels into the EU, who are the ones able to develop the Northern Dimension concept; Northern Dimension Partner States have marginal influence on the process.

Please, keep this in mind at all times. Forgetting this, and stating something like „the EU must understand this or do that“ will result in no other response from Brussels but polite words and hidden laughter. Still, the EU and the EU Commission wisely welcome suggestions and initiatives from Northern Dimension partners, actors who know the field, the science, the real world out there, the Arctic actors. It may seem unnecessary to mention these obvious facts. But real life in the Brussels bureaucracy has shown that this is often forgotten.

1. The „Arctic Council Channel“ could be used to convey proposals to the EU’s Northern Dimension, through the EU Member States

The Arctic Council is the only organisation in the Arctic which could be said to be on a level appropriate to match that of the EU, a ministerial level. The EU Commission, the people representing the 15 European states, cannot be expected to communicate directly with various sub-regional co-operation fora which do not even belong to the EU area.

The Arctic Council is also relatively well known, and some of the key people in the EU know the depths of its work. There are also some EU Member States within the Arctic Council, who can be encouraged to forward the Arctic Council’s views, its working programme and project proposals, in the relevant EU settings.

Defining what role the Arctic Council would like to have in the implementation of the Northern Dimension should perhaps be the first task, later to be followed by proposals of programmes and projects to be prioritised.

2. Results from the Arctic co-operation could be used to ensure that the EU’s aims, goals and activities in the Arctic are good, suitable and support the ongoing work in the Arctic

Even though the Northern Dimension belongs to the EU and EU alone, the EU has seen the necessity of co-operation with other partners active in this area. The Arctic actors, working with, and under, both Arctic conditions and Arctic co-operation for a decade now, will be the ones best equipped to give the EU advice on which aims, goals and activities should be supported by the EU.

The Arctic actors have already, through background research, preprojects and reports, developed and shaped the current aims, goals and projects of the Arctic Council and other Arctic fora. This knowledge should be conveyed through proper channels to the EU institutions, especially to the relevant experts in the EU Commission. This can be done in various ways. The presentation of the results of Arctic co-operation during the seminar „Environment in the Northern Dimension“, held in Brussels last autumn under the initiative of the Icelandic chairmanship of the Nordic Council, would be a good example. It would need, however, to be closely followed up by networking with the persons involved.

3. The concept of an „Arctic project trademark“ could be developed and marketed towards decision makers

For promoting projects co-ordinated with, and accepted by, one of the major Arctic fora or working groups to EU's grant financing programmes, or to any other financing source, it might be helpful to develop a „Arctic project trademark“.

Only programmes and projects accepted by, and co-ordinated under, a defined set of major Arctic fora would have the right to bear this trademark. This would give the financial institutions a „guarantee“ that the project was wanted and prioritised regionally, and also that it had the necessary scientific qualities.

For this „trademark“ to work, such a concept would have to be marketed towards the decision makers – to the financing schemes' decision boards, the management committees, as well as the relevant task managers working within the bureaucracy. For example, the Management Committee of the Tacis programme is made up of one representative from

each of the 15 Member States. It is unlikely that all of these representatives have sufficient understanding for independently evaluating activities within the various Arctic fora.

4. The Northern Dimension Action Plan could be used to promote Arctic projects within the EU funding schemes

The Northern Dimension concept, guidelines and Action Plan can be used as arguments for promoting good projects in the Arctic, though no new funds are provided for fulfilling the Action Plan.

The practical obstacles and the number of applications for obtaining financing from various sources will be the same as before. But making reference to the Northern Dimension Action Plan, specifying how these projects help materialise the goals mentioned here, could give them a better chance.

5. If desired, the EU could be invited to become more involved in the Arctic co-operation, perhaps especially the Arctic Council, the SAO and the working groups there-under

If the Arctic societies and actors want the EU to become more active in Arctic co-operation, they might consider inviting EU representatives to participate, on a regular basis, in the meetings of Arctic fora. This would ensure more comprehensive and continuous attention from the EU to the Arctic area.

The most relevant fora for the participation of EU institutions, under the EU Commission, would be the Arctic Council. The EU Commission was invited as a guest to the last ministerial meeting in October. This, probably the first time the EU was represented in an Arctic Council meeting, was a good start. Having the EU meet regularly with the Senior Arctic Officials (SAO) under the Arctic Council would be a natural follow-up.

Possibly more important would be to include expert level participants from relevant EU institutions into the working groups of the Arctic Council, and other Arctic fora working on the expert level: maybe just as observers, or as contributors, if possible. If this were desired, the EU representatives would then need to

be invited, as it would not be possible for them to take the initiative in such matters and invite themselves.

6. Will there ever be a chance to eventually develop a joint funding scheme for all the major Arctic actors under the Northern Dimension?

This would certainly be something to long for, the dream for all Arctic actors. To submit the multilateral projects only once, to one address, a common grant financing scheme covering the whole of the Arctic area. Well, it has not yet happened, even within the well established Barents Region, which covers primarily only four countries. It would therefore be rather optimistic to expect that such a scheme could be developed to cover the actors of all eight Arctic nations. And if this is optimistic, how much more so would it not be to expect the EU to come up with

such a fund under the newly established Northern Dimension?

What might perhaps make the work of financing projects in the Northern Dimension area, including the Arctic area, easier for the EU Member States' actors, would be if the EU could make a common fund for Northern Dimension projects, a common fund for projects crossing the geographic borders and topical sectors of the specialised EU funds of Tacis, Phare, Interreg and others. Ideas about such a fund are already being discussed within various EU Member States. But, as yet, there does not seem to be the political will within the EU for this; however, the more, and the better, that EU Member States can argue for such a fund to be established, the sooner it may materialise.

Implementation of a Northern Dimension

Tómas Ingi Olrich

When I am asked, by people who find it strange to live in Iceland, whether the sun ever shines on this god forsaken island, I reply honestly that it sometimes does, and when it does it combines a sense of warmth, purity and brightness that is quite as unique as the brutality of winter storms. I usually get a disbelieving, sympathizing smile in return. It is, however, in the extremes that the secrets of the North lie.

The North is blessed with better things - and plagued with worse problems, because it is marginal both in the natural and in the human sense. I feel urged to remind myself of this when approaching the issue of implementation of a Northern Dimension. The North is marginal and will remain so. Its position is marginal in the geographical and geological sense, since it is a battleground of natural forces. It is marginal in geopolitical terms, since it is perceived by the major players of world politics as a frontier post or a back garden, if it isn't simply regarded as no-man's land. It is marginal in economic terms since it is traditionally regarded as a place where resources are found but enjoyed elsewhere. The North will remain marginal. This we should realize and keep in mind, that we who live here have to remind the world of our existence and our interests.

Being marginal isn't easy. It means that we are subject to extreme views by those who are central, views that are not balanced by the moderation inspired in peo-

ple towards their closest surroundings. Not only negligence and lack of interest, but also sympathy, may become dangerous attitudes. The North, historically, has been considered as the dustbin of the civilized world. Then, when the situation begins to change, it has, in the eyes of many organized groups and sophisticated or academic circles, a tendency to become some sort of a sanctuary where human presence, activity and life styles are perceived as an insult to the natural environment.

Extremes of this kind are not only the privilege of metropolitan citizens of more southern latitudes, fuelled by feelings of adoptive parents of whales and seals; they also exist within our own northern societies, shaking them deeply over a growing number of issues.

The marginal character of the Northern regions makes it particularly important for us all, when implementing policies, to close our ranks, combine the forces of political movements, establish cooperation between scientists and decision makers, traditional cultures and high-tech societies, big players and small players. That process begins with understanding each other. The North meeting the North is a process of understanding. And understanding is sometimes at closer quarters than we realize.

I read with great satisfaction, in the paper submitted

by the Organizing Committee of the Inari Workshop, the passages dealing with broad scale, long-term interdisciplinary research, scorned by researchers, undermined by traditional academic institutions, ignored by reward systems. At the complaints being uttered by social scientists and anthropologists, I couldn't resist saying aloud to myself, when I read them: „Gentlemen, join the club.“ Because if there exists in this world a broad scale, cross-disciplinary field, it is certainly politics. Politics, constantly dealing with interlaced fields of problems, constantly under fire from disciplinary fortresses, challenged by special advisers, blamed by lobby groups for trying to be balanced.

Of course my invitation to join the club may be perceived as provocative. If you are afraid of being diminished as scientists when engaging in interdisciplinary research, you are sure of committing academic suicide if you mingle with politics. I cannot but remember a good friend of mine, who before entering politics was the respected head of one of the major research institutes of Iceland; when quitting the political arena he found it difficult even to be accepted as the head of a small cooperative development institution. So what I am suggesting is a risky business.

When implementing a special Northern Dimension it is certainly one of the major priority tasks to bridge the gap between scientists, decision makers and economic operators in the North. Among the excellent papers presented at this forum, my attention has been particularly drawn to the one emerging from the Inari workshop, as focusing on the role, relevance and input of social science for sustainable development, arctic science and policy in the Arctic regions. The emphasis put in that paper on interdisciplinary research strikes me as promising with respect to relations between science and politics.

Improving relations between scientists and politicians is a task that I strongly believe can be tackled in a constructive way through increased interdisciplinary studies. Steps are needed on both sides. If possible, a common philosophical ground is to be sought

and a common language too. Let me just state here that if we politicians are, in general, not immune from science, we are more likely, in particular, to be receptive to broad, interdisciplinary approaches, since they better reflect the problems we are dealing with, than to a narrow in-depth Cartesian analysis. Transdisciplinary approaches are likely to lead to the core of political problems, and consequently such approaches stand a reasonable chance, in my mind, of getting political funding.

Let me add that in our eyes, you, good scientists as you are, are not immune from politics and that your work very often is colored by political values in the good sense and has to be seen and evaluated from some distance. There is an increased need for science that, from some considerable distance, studies science itself, and its relations with society and its impact on it.

I have the feeling that although relations between scientists and politicians will play an increasingly important role in the world in general, those relations will be particularly important in the North. This is, in the first place, because of our marginal position, which has to be overcome by balanced argumentation. It is also due to the fact that science and technology are gradually relieving us from our heavy dependency on natural resources and reducing our geographical isolation. Science and technology are creating foundations for mental „industries“ with a completely new potential, not only for innovation, but also for reassessment of earlier values and for global distribution of existing and dormant values.

I have dwelt here on the relations between politics and science. I have a strong conviction that those links will become extremely important in the future, that the Northern Research Forum may have a role in contributing to that linking, and that a Northern Dimension will benefit from it.

From a politician to a scientist, and having issued an invitation to cooperation let me add a sobering remark: the better we politicians are informed and supported by scientists, the better we realize that

along with the enlarged perspectives of enlightenment, the field of uncertainties may also have widened.

I started this short line of thoughts by characterizing us, the people of the North, as marginal and subject to extreme views by outsiders. Let me finish by claiming that being marginal offers distance, which in politics as in science is necessary to maintain balance. With respect to globalization, the North may be in a unique position to defend values that might otherwise get lost.

One of the major dangers of politics is political correctness. Humanity has a strong tendency to embark on surprisingly narrow tracks, and to yield, for a while, to determinism. One of those tracks collapsed

in 1989. The strong current of so-called globalization certainly creates unique opportunities for small communities hindered by distance. Globalization, however, also presents many aspects of those narrow determinist tracks. It is interesting to find us stressing the importance of biological diversity, while paying little attention to the cultural and social values that are being swept away through globalization.

Combined, scientists, politicians and industrial operators are a powerful instrument. In geographical and geopolitical circumstances that are marginal, the implementation of a Northern Dimension needs a powerful tool. Common lines of thinking, common understanding and a common language are fundamental for shaping and using such an instrument in a successful way.

The Northern Dimension - New Opportunities for the Baltic States

Žaneta Ozoliņa

Baltic accession to the EU is taking place against the background of processes of regionalization and globalization. The greater activities of the EU in the international arena create parallel and overlapping relationships that are of key importance in the short-term and long-term perspective alike. The EU's economic and political growth is related to increased activities to the East. Historically, the Union has devoted more attention to its Southern regions and border countries. The last round of enlargement, however, focused mostly on Northern Europe, and this involved increased interest in the territories to the EU's East. The Baltic States, as a result, have taken on a new importance when it comes to member state policies. They are an integral part of Northern Europe, and because of their geographic placement and infrastructure, they are attractive in terms of shaping relations with Russia and the CIS. Once the Baltic States became candidate countries, a new triangle of relations - West-North-East - gradually began to emerge.

Before it adopted its Common Strategy on Russia in June 1999, the EU became involved in monitoring relations between Russia and the Baltic States, and it viewed the three countries as partners in a common political space. In 1998, when Russia took advantage of a pensioner protest outside the Riga City Council to put economic and political pressure on Latvia, and to try to find support for its thinking among Western

politicians so as to put international pressure on the country, the EU's Foreign Affairs Commissioner, Hans van der Broek, visited Riga. In a speech at the Riga Stock Exchange on June 20, called „The Enlargement of the European Union and Latvia“, he said that the EU does not accept Russia's attempts to mix political and economic issues, and that the EU resists unjustified pressure on an EU candidate country. Russia's pressure on Latvia, said the commissioner, hurts the aims which Russia professes to be pursuing. Pressure will scare non-citizens away from integration into Latvian society rather than encouraging their integration.¹ Similar processes took place while Latvia was debating a national language law. When Russian attacks were made against Latvia and Estonia over supposed failures to implement human and minority rights, the EU issued a statement which stressed that over the course of several months Russia had been attacking Latvia and Estonia in a way that was not acceptable in present-day Europe. The EU urged Russia to refrain from groundless statements of the kind that it was making.²

What can we say about the newly emerging triangle of relations? First of all we must look at Russia's policies toward the EU. Until the mid-1990s, when the EU and NATO announced that they would be enlarging, Russia maintained relations with Europe largely on a bilateral level. It saw the EU more as an economic than as a political or security structure, and so

the Union was the focus of subordinate attention in comparison to relationships with strategic partners such as Germany and France. Can we say now that a new phase has emerged in Russian foreign policy? Judging from the frequency with which Russian President Vladimir Putin meets various EU leaders, we might conclude that there has been a qualitative shift. There are, true enough, pessimistic views about this as well: „It is quantity rather than quality. If Russia does have consistent needs and objectives in the world, it is not explaining them clearly. Indeed, it is debatable whether Russia can be said to have a coherent foreign policy at all. This makes life difficult for the West: When Moscow flirts with ‘rogue states’ on the one hand and offers partnership to Europe and the US on the other, which of these actions is to be believed?“³ At the same time, however, we cannot fail to note a few important trends in these relations - trends which are particularly important to the Baltic States as a part of the West-North-East triangle.

Our main point of reference here is a shift in Russia’s foreign policy priorities. There has recently been greater interest in the EU as a potential economic and political partner. Putin’s so-called „new foreign policy“ involves a number of key aspects which are of importance in the future development of the Baltic States. At an EU-Russian summit in November 2000, Putin affirmed that Russia welcomes the prospect of EU enlargement. It seems clear that Russia will not be raising any political objections against the inclusion of the Baltic States into the EU.⁴ Russia has begun to focus more on cooperation, rather than on crass attempts to influence the procedure in the way which was common during the last years of Boris Yeltsin’s reign. At a press conference on February 22, 2001, Russian Foreign Minister Igor Ivanov said that Russia was hoping to reach its foreign policy goals toward cooperation and interaction with foreign countries: Russia would continue to defend its national interests, but it would also seek out collective solutions to major contemporary problems.⁵ He also said, at the same time, that Russia was beginning to activate its relationship with the EU, in the hopes that the two entities could become strategic partners. In truth, this has much to do with the processes of interaction which are already underway. According

to preliminary estimations, Russia’s trade surplus with the EU could total about USD 25 billion in 2000. The EU accounts for about 40 per cent of Russia’s exports and is Russia’s biggest market provider, mostly because of geographic proximity and access to Russian exports: 53% of Russia’s oil exports arrives in the EU, representing some 16% of total EU oil consumption; 62% of Russia’s gas exports arrives in the EU, representing some 20% of total EU gas consumption - cooperation in that sector should be enhanced and serious investments are needed to improve technology in the field, but no investments are possible without the energy sector being restructured.⁶ After Russia’s accession to the WTO, trade relations should improve more.

Intensified economic cooperation between Russia and the EU is important for the Baltic States, which shifted their trade activities toward Western markets after the Russian financial crisis in 1998. In 1997 Latvian exports to Russia were worth USD 124.2 million, but in 1999 the figure had dropped to USD 26.4 million.⁷ Despite this fact, Russia is still an attractive partner in the long term. If the relationship between the Baltic States and Russia could be as diverse as is generally the case with EU member states, then trade relations to the East could be expanded. The attractiveness of this process is dictated by the size of the Eastern market and its geographic proximity. Economic relations at this time, however, are overly saturated with political content, and so an improvement in the relationship on a short-term bilateral level is not possible.⁸

The fact that the EU can be critical about Russia was demonstrated at the ministerial conference in Luxembourg where the Northern Dimension was discussed. External Relations Commissioner Chris Patten had several criticisms to make to Russia’s „Mr. EU“, Viktor Khristenko, saying that the official was delaying the attraction of investors to clean up Russia’s environment. At a press conference he said that the EU was disappointed by the discussions on this subject that took place in Berlin in April, arguing that, in fact, the situation had moved backward. Patten indicated that the main problems which hindered the influx of foreign investment into Russia

included the fact that Russia was dragging its feet on liberalizing taxes and the liability of foreign companies, simplifying customs procedures, providing for enforcement of contractual rights and introducing international accounting standards.

In the emerging triangle to which I referred previously, one of the cornerstones is Northern Europe, and this fact gained recognition when the European Commission approved its Northern Dimension. Why is it important for the Baltic States to participate in the Northern Dimension? One reason has to do with the West-North-East triangle, since Northern Europe is the part of the EU in which the economic, political and security interests of the West and the East come together. The area is thus a focal point of elements which are of importance to all involved parties. These include the economic potential of the Northern region, increased stability and reduced confrontation as a result of the logic of cooperation, the ability to participate in the taking of decisions which affect the future of the area, the deficit of energy resources in the EU and the Baltic States, etc. All of these are matters that can be handled within the context of the triangle.

One of the most important factors in the new triangle is the matter of Kaliningrad. Once the Baltic States are admitted into the EU, Kaliningrad will become an enclave surrounded by EU territory. The European Commission released a discussion paper, „The EU and Kaliningrad“ in January 2001 which will help the EU to develop its thinking on the region. There are several important issues here for the EU and its neighboring countries of Lithuania and Poland. Kaliningrad is a very special region of Russia - separated from the rest of the country and squeezed between Poland and Lithuania. In the near future Kaliningrad will be surrounded by the EU and NATO, which means that policies and assistance related to the region will differ from other, similar procedures elsewhere. From the EU's perspective, the most relevant issues are the movement of goods and people, as well as energy supplies. From the PAC point of view, the priorities are the environment, the fight against crime (one of the key issues in Kaliningrad), health care (Kaliningrad has Russia's

highest rate of HIV infection), and economic development. Since 1991 the EC has allocated USD 14.3 million to Kaliningrad through its TACIS program.⁹

When Poland and Lithuania join the EU, there will be new problems. One, which is also of concern to Vladimir Putin, involves border crossings. Lithuania and Kaliningrad have agreed on a relaxed border crossing regimen, but once Lithuania joins the EU it will have to adopt EU law in this area. This will involve a strict visa regime. Nine million crossings each year are registered on the border between Lithuania and Kaliningrad, and local residents are, understandably, asking about the visa terms and procedures that are going to be introduced. The qualitative condition of the 23 border points between Poland and Lithuania is also of importance, because they must be properly equipped and operated, with a modern information system. Lithuania and Russia have established an institutional basis for cooperation through bilateral agreements on Kaliningrad. In February 2000, Russia and Lithuania issued a joint statement on regional cooperation, known as the „Nida Initiative“, and agreed on a set of common project proposals in the framework of the Northern Dimension, including transport, gas pipeline, water management and border crossing issues.¹⁰

On January 22, 2001, under the Swedish Presidency, the work program on Kaliningrad was adopted, stating that actions will be taken in the following fields: consolidating democracy, the rule of law and public institutions in Russia; integrating Russia into common European economic and social areas; fostering energy co-operation; co-operating on security issues (enhanced cooperation will contribute to conflict prevention, crisis management and the promotion of arms control, disarmament and non-proliferation of weapons of mass destruction, and political dialogue on ESDP); continuing the dialogue concerning the impact of the future EU enlargement on Russia; and fostering co-operation on environmental issues, especially nuclear safety.¹¹

Accession negotiations with the EU are proceeding. The membership issue will depend on several factors, including what kind of network of relationships

will emerge in Europe among the EU, NATO and Russia. The Northern Dimension could be an effective tool in providing answers to the above mentioned questions.

Notes

¹ Baltic News Service, 21 July 1998.

² LETA, 29 May 2000.

³ The Financial Times, 21 February 2001.

⁴ At the same time, we cannot exclude the possibility that as the day of accession draws near, Russia will seek arguments against Baltic membership. A member of the Latvian parliament, Boriss Cilevišs, has said, for example, that in addition to the 31 chapters in membership negotiations that are being used right now, there should be a new one - on human rights and the status of minorities in Latvia as far as its laws are concerned.

⁵ Interfax News Agency, Moscow, 22 February 2001.

⁶ Uniting Europe, No.133, p 7.

⁷ Diena, 11 September 2000.

⁸ Latvian President Vaira Vīķe-Freiberga and Lithuanian President Valdas Adamkus have now had their long-awaited meetings with Vladimir Putin, but this has been mostly of symbolic significance, demonstrating Russia's new and cooperative approach to foreign policy. In terms of „domestic consumption“ in Russia, the meetings were portrayed as a means for Russia to defend its own interests.

⁹ The Financial Times, 16 January 2001.

¹⁰ Kaliningrad is already a part of several Euroregions, established to promote cross-border cooperation: the „Baltic“ (Denmark, Latvia, Lithuania, Poland, Sweden), the „Saule“ (18 regional and local authorities from Latvia, Lithuania, Sweden and Russia), and the „Neman“ (Lithuania, Belarus) Euroregions.

¹¹ Uniting Europe, No.129, p. 7

Implementation of a Northern Dimension

Peter Stenlund

The Northern Dimension has, in just a few years, become a concept on everybody's lips. This originally Finnish initiative from 1997 has focused the minds of numerous Northern players. It has given impetus to new strategic thinking not only among governments but also at the sub-national level, within non-governmental organizations, private businesses, and last but not least, northern scientific networks.

In formal terms we have two complementary Northern Dimension concepts. The European Union has included a Northern Dimension in its external and cross-border policies. The Government of Canada has adopted a Northern Dimension for its foreign policies. The Northern European Initiative of the U.S. Government is closely related to these two policy concepts. With these policy concepts in place, the scene is set for deeper transatlantic co-operation on northern issues.

One of the aims of the EU's Northern Dimension concept is to counteract tendencies towards a new European divide along the border between the expanded European Union, after the next EU enlargement, and the Russian Federation. Both partners, the EU and Russia, recognized this risk at an early stage in the transition process following the end of the cold war. The acceding countries in the region, Estonia, Latvia, Lithuania, and Poland, and the EEA countries, Iceland and Norway, can in this context be included in the EU family, having a voice and influence on the ND-agenda.

The most recent phase of enlargement gave the EU a reason to reconsider its northern policies. With the Swedish and the Finnish memberships, the EU expanded beyond the polar circle. The EU had lost an earlier Arctic outreach with the withdrawal of Greenland from EU membership. The EU also became next-door neighbor to the Russian Federation, with a 1300 km common border. The significance of the common border will be further emphasized within a few years when the EU, as assumed, admits four new members in the Baltic Sea region. One aim of the Finnish Northern Dimension initiative was to strengthen the impact of these fundamental geopolitical and economic changes in EU policies.

The EU has prepared its Northern Dimension positions in close co-operation with its partner countries in the European north. The common political platform for the EU's co-operation with the partners was established at the Foreign Ministers' Conference in Helsinki one year ago. On the basis of the results of this conference, an Action Plan on the Northern Dimension was prepared and finally endorsed at the meeting of the European Council in Santa Maria da Feira, Portugal.

The Action Plan consists of two parts: a horizontal part, which recalls the major challenges and priorities for action as well as the legal, institutional and financial framework for activities within the Northern Dimension; and an operational part, which sets out

objectives and perspectives for actions during 2000-2003. This time period was considered appropriate for achieving tangible results.

Key sectors in the Action Plan are energy, transport, telecommunication/information society, environment and natural resources, nuclear safety, public health, trade and business co-operation, as well as investment promotion, human resources development and research, justice and home affairs, regional and cross-border co-operation and Kaliningrad.

The Action Plan is not a list of priority projects, a 'shopping list'. It is rather a political recommendation and a reference document to be taken into account in preparing projects and activities funded by the EU, the member states and other players. Joint financing by Community programs, international financing institutions, national programs and the private sector is regarded as essential.

The incoming Swedish EU presidency has adopted an active role in developing the Northern Dimension and emphasizes especially four priority areas: the environment, nuclear safety, the fight against organized crime, and Kaliningrad. Sweden has requested the Commission to report to a Foreign Minister's Conference in Luxembourg on 9 April, 2001 on actions initiated in line with the Action Plan. For the Gothenburg European Council on 15-16 June, 2001, Sweden will prepare, together with the Commission, a full report on implementation.

There are clear-cut guidelines for implementation of the Action Plan both financially and institutionally. No new budget lines and no new institutions. The question is, is it possible for the EU and the Commission to implement this kind of horizontal policy under these strict terms? The answer is probably - and hopefully - yes, but the Commission needs time, assistance and contributions from all the EU member states, the IFI's and the partners.

The most difficult challenge for the Union is to combine different EU resources (external and sectoral instruments) and also to combine these EU instruments with national funding as well as with funding

from the International Financial Institutions. The need for joint action between such programs as Tacis, Phare and Interreg is widely recognized but seems to be close to an insoluble problem in practice.

Without considerable funding from national resources and from the IFI's, the implementation of the Action Plan will be very difficult. National resources here mean also the partner countries and funding from the private sector. Good homework will be rewarded.

The existing programs of the Community are not necessarily well shaped for promoting regional and trans-border co-operation. The new TACIS Regulation for 2000-2006 calls for concentration on a limited number of initiatives within three selected priority areas. In the new TACIS Russia program for 2000-2003, such Northern dimension priorities as energy, infrastructure, environment and forestry are left outside of the focus.

The thematic priorities of the newly adopted TACIS CBC program correspond relatively well with the Northern Dimension Action Plan, but the geographical scope of the CBC program is still too narrow for the Northern Dimension purposes. Moreover, the growing need for CBC financing along with the EU enlargement process should be recognized.

The essence of the Northern Dimension concept is to promote positive interdependence in the Baltic Sea and Barents regions. In practical terms, economic co-operation should be facilitated through development of networks as regards infrastructure, telecommunications, energy and transport. No existing EU instrument is well adapted for this purpose. This seems to me a paradox, as the EU is already strongly involved in corresponding actions in the Black Sea and Caspian regions (Inogate, Transeca). We have no EU financing instrument for the entire Northern Dimension region.

When it comes to the International Financing Institutions, it goes without saying that these institutions follow their own rules and policies in making decisions. Political recommendations, like the

Northern Dimension Action Plan, play only a marginal role in their actions. This does not mean, however, that the IFIs and the EU should not co-ordinate their activities in the partner countries.

A model example is a recent decision by the EBRD to finance investments in the Krakow waste water treatment plant in co-operation with the EU's ISPA program. The Nordic Investment Bank has taken the lead in preparing a joint financial solution for the south-western waste water treatment facility in St. Petersburg. Key words here are synergy, better co-ordination, co-financing and joint financing. A third promising example is the Pechenga-Nikel project on the Kola peninsula in which Norway co-operates closely with commercial partners and the NIB. We should also give NEFCO the chance to contribute more to joint financing. A proposal to establish an SME environment facility is under consideration in the TACIS administrative committee.

When speaking about foreign assistance, financing and investments in infrastructure, we should emphasize the real commitment of partner countries in the midst of their transition process. This is particularly relevant today when Russia's oil revenues are rapidly increasing and its trade surplus will reach 50 billion USD by the end of the year.

As for Northern Dimension financing, one could, in fact, say that there is no lack of resources as such. But there is a lack of bankable projects and a lack of commitment from the recipients, including Russia. Enhancement of the investment climate, including concerted actions against corruption and red tape, is indispensable in paving the way for implementation of Northern Dimension policies.

Northern Dimension priorities such as energy, transport, sustainable use of natural resources and environmental protection are highly relevant from an Arctic angle. In the following, I present a few examples of how envisaged activities by the EU correspond to Arctic concerns:

- Energy co-operation is an increasingly important element in a strategic partnership between the EU

and Russia. This will eventually lead to expanded exploitation of oil and gas reserves in the Russian north, including offshore gas- and oilfields such as the huge Shtockmanovskoye field in the Barents Sea. Utilization and transmission of energy have associated environmental risks, which could put at stake the traditional livelihood of local populations, including indigenous peoples. In addition to the enhancement of energy security, the participation of international financiers and western partners could secure proper assessment of environmental impacts.

- The north is rich in forest resources. The Barents Euro-Arctic Council has initiated co-operation on sustainable forestry. The Northern Dimension offers an opportunity to deepen the dialogue between producer, consumer and conservation interests, bearing in mind the significance of northern forests in climate policies. As chair of the Arctic Council, Finland will further strengthen trans-Arctic co-operation on forest issues.
- The EU's Northern Dimension Action Plan enhances financial support for investment projects in critical locations to reduce pollution of the Baltic and the Barents Seas. This priority corresponds excellently with the Arctic Council Action Plan to Eliminate Pollution of the Arctic (ACAP), as well as with the Arctic Council regional program approach, including the envisaged PAME working group's partnership conference for Russia.
- The Northern Dimension Action Plan is also an attempt to reinforce financial co-operation in order to decrease security risks posed by obsolete nuclear power plants still in operation, as well as to assist Russia in managing huge stockpiles of nuclear waste and spent fuel. The outlook depends very much on Russia itself, in finding a solution on liability problems through ratification of the Vienna Convention and in facilitating a breakthrough in the negotiations on the Multilateral Nuclear and Environment Program in Russia (MNEPR).

- The spread of communicable diseases such as multi-resistant tuberculosis and HIV/AIDS is a trans-border concern acknowledged in the Northern Dimension Action Plan. The Prime Ministers of the Baltic States have established a high level task force for the region. An international circumpolar surveillance system for infectious diseases will be developed under the auspices of the Arctic Council. UNAIDS is preparing preventive actions against HIV in Russia. All these activities are timely, but duplication of actions should be avoided.
- The European Commission is already involved in Arctic research. The EU has financed studies on the impact of global warming in the Barents Sea region covering environmental, economic, social and cultural consequences. These studies have relevance for the recently initiated Arctic Council Climate Impact Assessment ACIA. The role of the European Community in Arctic research should be reinforced in the sixth Framework Program for Research and Technical Development.

The Arctic Council should serve as the international voice of the circumpolar region. Co-operation

between the Arctic Council and the European Union is an important step in the quest to develop the Arctic Council in this direction. The similarities between the Northern Dimension policies of the Union and priorities identified by the Arctic Council argue for the participation of the European Commission in Arctic cooperation. Permanent observer status for the European Commission would establish a long-term partnership between the European Union and the Arctic Council.

Effective implementation of the Northern Dimension Action Plan for the External and Cross-Border Policies of the EU sheds light on such Arctic priorities as environment, research, capacity building and sustainable use of natural resources. As chair of the Arctic Council, Finland intends to co-operate closely with the EU Presidencies and the Commission in order to contribute to the implementation of the Action Plan and to corresponding initiatives presented by the United States and Canada. The Arctic Window, a concept initiated by Greenland, offers opportunities to deepen Arctic-European co-operation.

