

Cross-Border Cooperation in the European North since the 1990s

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Over the centuries, communication between Russia, Finland and Scandinavia (Norway, Sweden) has assumed its form and methods according to the existing economic and political circumstances.

The position of Finland in this context has been exceptional because it has functioned as an independent actor for less than one hundred years. Prior to the year 1917 it was a part of the Russian empire, although it maintained steady connections with Sweden, its former mother country.

During the Soviet rule the relations between North-European countries were subject to strict state control. Cooperation between the Finnish and Scandinavian citizens was facilitated by an agreement made in the 1950s. It granted them the right to travel and work without restrictions in the Nordic countries. However, the relations of these countries with the Soviet Union were kept under tight control throughout the Soviet rule.

The collapse of the Soviet Union at the beginning of the 1990s created a new situation in northern Europe. This provided an opportunity for the Norwegian foreign minister **Torvald Stoltenberg** to forward cooperation between the North-European nations and states to enhance peace and stability in the area. He has stated the following regarding this issue¹:

"We had a situation after the wall was torn down, the Berlin Wall, where we sensed what I think Stefan Zweig called *sternstunden*, "stellar moments". Moments of immense opportunities, but none of us could know how long these moments would last. How long the time of opportunities would last? And I for one wondered what I should answer my grandchildren, after twenty-

five years, if they ask me, "Were you a foreign minister at that time?" Yes. "What did you do to utilize these starry moments?" So I prepared to answer to my grandchildren, and I think that applied to all of us. I feel and we felt that we should also do our best to contribute to peace and stability."

With these ideas as a starting point, Stoltenberg sent an initiative to the foreign ministers of Russia, Finland, Sweden and Iceland to establish an international cooperation organization for the Barents region. In January 1993 the representatives of these countries signed the Barents Euro-Arctic Region's declaration of cooperation. The foreign ministers involved were Torvald Stoltenberg (Norway), Andrei Kozyrev (Russia), Paavo Väyrynen (Finland), Margaretha af Ugglas (Sweden) and Jon Sigurdsson (Iceland). Based on the declaration the cooperation in the area was organized through the Barents Council with each country represented by the Foreign Minister and through the Barents Regional Council with representatives from the cooperating provinces and their respective areas.

At the regional level the operation got started quickly. The Regional Council set up preparatory organs for the planning and implementation of various development ventures. They handled for example environmental issues, cultural exchange, education, research and cooperation between institutes of higher education. With the aid of national development funding the ventures were mostly directed to Russia on a bilateral basis.

A New Situation: Finland and Sweden Join the European Union in 1995

When Finland and Sweden joined the European Union in 1995 it also affected the countries' participation in the

work of BEAR in terms of funding. Instead of national funding, Finland and Sweden had to use EU's funding instruments. They were more substantial and offered better opportunities than the national ones, but they were also harder to manage. This created big problems particularly at the beginning.

Already at the beginning of EU membership the University of Lapland introduced the idea of a European Union funding program for northern regions identical to the Mediterranean countries' MEDA program. To work on the idea and to point out northern issues we established a special national organization, the *Society for the Northern Policy*, which also received extra-university members mainly from the scientific community and the public administration. I chaired this society during its first years of operation. In addition to our own meetings we were in contact with state actors, the Foreign Office, Prime Minister's office and the Office of the President of the Republic and developed the idea of merging the concept of Northern Dimension into the programs of the European Union.

In autumn 1996 the Society for the Northern Policy introduced the idea of performing an inventory of the BEAR cooperation by calling all the Ministers of Foreign affairs that had signed the cooperation treaty to a common seminar. The idea was also to hear their assessments on the development so far and to bring out their views on the future of the region. A decision was made to arrange the seminar in September 1997 in Rovaniemi, by the University of Lapland and the provincial government of Lapland.

The title of the seminar was *Barents Region today: Dreams and Realities Conference*. All the invited – and by then already former – Ministers of Foreign affairs attended the conference: Stoltenberg, Kozyrev, Väyrynen and Ugglas.

The opening presentation was given by the Finnish Prime Minister **Paavo Lipponen** on our request. The title of his presentation was *The European Union needs a policy for the Northern Dimension*, and it formed the essence of the seminar by pointing out the Finnish government's initiative addressed to the EU Commission to develop "a strategy for the Northern Dimension, based on an analysis of the risks and opportunities that (the region) offers."

According to Prime Minister Lipponen the grounds for the policy of the Northern Dimension were identical to those of the MEDA program developed for the Mediterranean region, that is, the strategy was to concern the EU's foreign relations as well as peace and stability in the area. These same issues were emphasized by For-

eign Minister Stoltenberg in his own initiative on the Barents Euro-Arctic region. Said Lipponen²:

"A policy of the Northern Dimension must be based on a definition of the Union's interests in the region. The ultimate goal of an EU policy is peace and stability, with prosperity and security shared by all nations. To achieve this, we need a comprehensive strategy, an institutional framework and adequate financing arrangements to carry out our plans."

And he added³:

"A policy for the Northern Dimension belongs to the external relations of the EU, excluding traditional security policy. Developing the Northern Dimension, with its wide scope and implications, is an important line of action in making the Union a more effective global actor."

After the speech of the premier the Finnish government began actively to forward the concept of Northern Dimension in the decision-making bodies of the European Union.

The first phase of the process was the Luxemburg summit arranged in the same year, in December 1997. The summit reached a decision to approve Finland's initiative and to start developing it as part of the EU's foreign relations policy. It was the first time that the Northern Dimension was seen in EU documents as a political and operative concept.

The Commission issued a report outlining the scope of the concept and targets of actions. The report was approved a year later (December 1998) by the Vienna summit. The Köln summit six months later (June 1999) resolved to arrange a meeting between Foreign Ministers in November of the same year. A decision was made to invite to this meeting also the non-EU countries that would be regionally affected by the Northern Dimension program. These countries were the Russian Federation, Norway, Iceland, Poland, Estonia, Latvia and Lithuania.

The meeting between the Foreign Ministers was an initiative for the Helsinki summit in December 1999; the commission would draw up an Action Plan for the Northern Dimension program, to be accomplished jointly by the European Council and the partner countries by the time of the summit of Feira, Portugal in 2000.

Also, the Feira summit approved the Commission's initiative *Action Plan for the Northern Dimension in the External and Cross-Border Policies of the European Union 2000-2003*.

Thus, it had taken a bit less than four years from the initiative – Prime Minister Lipponen’s speech – to an approved Action Plan.

Action Plan 2000 – 2003

The geographical area covered by the Action Plan extends from Iceland to north-western Russia, from the Norwegian, Barents and Kara Sea to the southern shore of the Baltic Sea. In addition to the EU countries it also concerns the non-EU countries Poland and the Baltic countries (at that time) as well as Iceland, Norway and the Russian Federation. (See figure below.)

Since the EU does not have an integrated foreign policy but each member state manages its own foreign affairs, the EU can only regulate the *external relations* of the union. The Northern Dimension Action Plan defines these relations and cross-border cooperation within the above-mentioned area that consists of both EU and non-EU countries.

The Action Plan consists of two levels: (1) horizontal and (2) operational. The horizontal level addresses the general operational challenges related to North-Europe. It also addresses the legal, institutional and economical



structures pertaining to the activities of the Northern Dimension.

The operational level brings out the targets that can be expected to bring greatest added value and operational benefit to the development of the northern regions of Europe.

Among the challenges related to North Europe the first one mentioned is the **environment**. It contains a separate problem area in the form of nuclear plants and nuclear waste.

A crucial question concerning the EU and the entire area is **energy**; its availability and distribution. The **human and scientific resources** of the area are one of its most valuable strengths. Therefore, direct cooperation between the different actors and universities and research institutions of the area should be increased. The **health and standard of living** of the population are one of the salient challenges as well as the **fight against crime** and the actions to further **cross-border commerce and investment**.

Kaliningrad is a separate target of the Action Plan. Its location in the middle of the EU zone as an enclave of Russia calls for various types of measures by Russia as well as the EU.

No new judicial or financial instruments have been set up to realize the Northern Dimension Action Plan. Instead, operation was based on existing financing instruments of the EU. These were the TACIS, INTERRAG, PHARE/SAPARD/ISPA and TEMPUS programs.

The very fact that no new monetary instruments were created was a condition set by the so-called old member states for the approval of the Finnish initiative. This is how the Northern Dimension Action Plan differs from the Mediterranean program (MEDA), which has its special and quite substantial financing program for ventures.

In addition to the member states, inter-governmental international organizations with their regional sub organizations were identified as actors behind the Action Plan. These included the Council of Baltic Sea States (CBSS), the Barents Euro-Arctic Council (BEAC) and the Arctic Council (AC). Also financing institutions, such as the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the Nordic Investment Bank / Nordic Environment Finance Cooperation (NIB/NEFCO) and World Bank Group were involved.

The EU and U.S. and the EU and Canada made joint

statements of commitment to forward the Northern Dimension within the context of the New Transatlantic Agenda. This connected the U.S. and Canada with the Action Plan.

Finland's Role in the Implementation of the Northern Dimension Action Plan

As the initiator of the motion Finland had a double role in the implementation of the Action Plan: (1) it furthered the issue politically within the EU, that is, it kept the political process going and (2) it managed the active implementation of the Action Plan at a national level.

During the Swedish chairmanship (2001) the Northern Dimension was on the agenda in Stockholm (March) and in Gothenburg (June). The Stockholm meeting agreed, for example, on funding the construction of a waste water plant in Saint Petersburg, which would have an effect on the state of the Baltic Sea. The Gothenburg meeting's conclusions of the chair state that the participants appreciated development especially on three sectors: (1) environmental issues, including nuclear safety; (2) fight against international crime and (3) Kaliningrad issues.

In addition, the chair's conclusions stated that *"the Northern Dimension (ND) has become a well-established part of policy-making within the EU and the Partner Countries"*. During the Belgian and Danish chairmanships that followed the Swedish chairmanship, the Northern Dimension Action Plan was topical as regards its continuation in 2004—2006.

To secure Finnish national activeness, Prime Minister Paavo Lipponen requested me in August 2000 – that is, already before the mentioned EU meetings – to construct a National Forum for the furthering of Finnish national ventures in the implementation of the Action Plan.

The National Forum functioned in 2000—2003 and its purpose was to make the Northern Dimension Action Plan concrete by activating the related ventures. The forum gathered ideas and practical actions related to areas of interest to Finland. Representatives of research, economy and public administration from Finland and abroad were called to participate in different forums. In addition to the chair, the working group that prepared for the forum included 15 other people from the areas of administration, research and economy.

The working group drafted each forum, reported on them to the Prime Minister, gathered Northern Dimen-

sion -related material to the Internet, and gave out information related to the forums.

The first national forum was arranged in Oulu on 15 January 2001. About 300 people, divided into five working groups, took part in it. The working groups presented conclusions and recommendations for actions⁴, which were delivered to the Prime Minister and Foreign Ministry for further processing. Thinking in retrospect, the most important recommendations concerned the construction of the south-western wastewater plant in Saint Petersburg as an environmental issue, the development of the social and health sector's three-party cooperation, and the emphasis placed on financing instruments.

Indeed, it can be said the Oulu Forum initiated a development leading to a program of environmental partnership and to the founding of the Northern Dimension Environmental Partnership (NDEP) Support Fund between the member and partner states of the EU and financing institutions. The fund, in turn, supported the creation of the south-western wastewater plant in Saint Petersburg and the increasing of nuclear safety in north-western Russia. Analogous developments were accomplished later in the social and health sectors through a similar partnership program.

The second forum on the Northern Dimension was held in Lappeenranta in 2001. It was an international event attended by the Finnish leaders and, for example, by Russian vice premier Viktor Khristenko, EU commissioner Margot Wallström and the CEOs of many international financing institutions (e.g. EBRD and NIP). Altogether 500 participants participated in the forum.

The most important offering of the forum turned out to be the fact that financing institutions became more closely involved with the ventures of the Northern Dimension. This led to the establishment of the environmental partnership fund as part of the European Bank for Reconstruction and Development (EBRD) in July 2002. The Lappeenranta forum also outlined the operations of future forums, which strengthened their international nature⁵.

Equally significant as the Lappeenranta forum's influence on establishing the environmental partnership was the Joensuu forum's (in September 2002) influence on establishing a partnership on social and health issues. Norway assumed the responsibility for this partnership with Prime Minister **Bondevik** personally attending the forum.

Three more forums were organized in 2002: a conference of researchers in Turku, a forum on arctic technology and arctic research in Kajaani, and a forum in Pori

concentrating on information society and ICT usage⁶.

In 2003 a Northern Dimension labour market forum was arranged in Helsinki, and a partnership forum on social and health issues was held in Norway. Finally, two events were arranged during the Finnish Week at the tercentennial of Saint Petersburg.

More than 2,000 participants attended the forums arranged within the two-year period. The forums forwarded the implementation of the Northern Dimension Action Plan in many ways at the national and international levels.

The change of government in Finland in spring 2003 put an end to the work of the working group. Further planning was left to the new government that concentrated more on working out a new Action Plan for the period beyond 2006 than on forwarding the ventures of the second Action Plan (of 2004 – 2006).

A Northern Dimension Action Plan in the Future

Already the Gothenburg (2001) summit concluded that the Northern Dimension has gained ground as an action plan related to the external relations of the European Union. Therefore, it was easy to continue the Action Plan of 2000–2003 mostly unaltered to cover the years 2004–2006.

The member states have recently (17 Dec. 2005) reached an agreement on EU's new fiscal period 2007–2013, which means that there is solid ground also for the next Northern Dimension Action Plan.

In November 2005 the European Parliament approved a resolution stipulating that the Northern Dimension be given the same attention as other similar regional initiatives. The stand was clearly taken with the following week's (21 Nov. 2005) EU Council meeting in mind, where the Foreign Ministers outlined the activities of the Northern Dimension after the year 2007.

The Foreign Ministers of 25 EU countries and from the Russian Federation, Norway and Iceland attended this meeting. Also the European Commission, regional organizations and financing institutions as well as the candidate states, Canada and the US were represented by their observers. The meeting approved the "*Guidelines for the development of a political declaration and a policy framework document on the Northern Dimension (doc. 14358/1/05REV 1)*". In addition to the EU countries the Guidelines document was approved by the Russian Federation, Norway and Iceland. As a

result, the status of these countries in the implementation of the program will change from partner into full-fledged party.

A Northern Dimension Policy from 2007 Onward

The enlargement of the European Union and the adoption of the Road Maps for the four Common Spaces between the EU and the Russian Federation in May 2005 require some reshaping of the Northern Dimension policy (ND) in order for it to better fit into the new operational environment.

After the Guidelines the new ND should be considered a regional expression of the Common Spaces. Therefore, the new ND policy framework should identify areas of cooperation where a regional emphasis would bring added value. However, it should still include some additional objectives of specific relevance to the North; i.e. its fragile environment, indigenous people's issues, health and social wellbeing.

The current cooperation areas (economy, business and infrastructure, human resources, education, culture, scientific research, health, environment, nuclear safety and natural resources, cross-border cooperation and regional development, justice, and home affairs) should be re-focused to be in line with the Common Spaces between the EU and the Russian Federation.

After the Guidelines the following sectoral division of the ND could be established:

- *Economic cooperation* (promotion of trade, investment and business level cooperation, and development of energy, transport and information technology infrastructure);
- *Freedom, Security and Justice* (facilitation of people-to-people contacts, prevention of trafficking in human beings, drugs trafficking, illegal immigration and other cross-border crime, development of border monitoring, rescue services and good governance, and the efficiency of the judicial system);
- *External security* (civilian crisis management);
- *Research, education and culture* (increased cooperation and exchange programmes, people-to-people contacts);
- *Environment, nuclear safety and natural resources* (reduction of the risk of nuclear and other pollution, marine safety, protection of the Arctic ecosystems and biodiversity, forests and fish stocks, cooperation in the

field of water policy, supporting a fruitful continuation of the Northern Dimension Environmental Partnership and its support fund);

- *Social welfare and health care* (prevention of communicable diseases and life-style related diseases, supporting the work of the Partnership in Health and Social Wellbeing).

As can be seen, the objects of development do not differ much from those that were already specified in the first and second Action Plans. The focus is perhaps clearer and – as stated in the Guidelines – the agreed Common Spaces between the EU and the Russian Federation are better observed: (1) economic issues, (2) internal security, (3) external security, and (4) education, culture and science.

It has often been said that the absence of a financing system, such as the MEDA program, is a shortcoming in the implementation of the Northern Dimension Action Plan. Therefore, aside from the Environmental Fund, the only way to finance different ventures has been to use various different sources. Although in its resolution of November 2005 the European Parliament encourages the Commission to consider whether a budget entry could be established for the Northern Dimension, there is no mention of this in the Guidelines document approved by the Foreign Ministers. Rather, it can be interpreted in such a way that the financing is arranged according to the previous model because there is a requirement to get financing from different sources, such as EU programs, national budgets, etc. However, *“as far as the EU is concerned, from 2007 on, the new European Neighbourhood and Partnership Instrument (ENPI) should be a central source of EU financing for ND activities, notably focusing on cross-border cooperation, along the lines of the relevant EU - Russia financial cooperation arrangements to be developed.”*

The upcoming Action Plan of 2007–2013 will be negotiated between the EU, the Russian Federation, Norway and Iceland at the beginning of 2006. The decision on the plan will be made during the second half of the Finnish chairmanship period, which enables its implementation as of the beginning of 2007. It should also be noted that the intention is to keep the activities running on a permanent basis, which provides for continuity also beyond the mentioned Action Plan period.

A significant point in the preparation of the Action Plan is the active involvement of the Russians. This is also ob-

served in the conclusion of the Guidelines document:

*"The ND Ministerial Meeting invites all ND parties and actors to participate in the debate on a new ND. Russian participation in this debate is crucial in order to obtain an active Russian involvement in all ND meetings and activities."*⁷

Due to the complex financing system the Northern Dimension Action Plan's effectiveness has often been criticized without considering the fact that it has already been employed to implement extensive ventures for example in environmental issues with a total value exceeding two billion euros. In addition to the environmental ventures, the Action Plan has been used to develop the municipal services of the Archangelsk and Kola regions as well as the municipal heating infrastructure of Kaliningrad.

The Northern Dimension will be established as a permanent operating area of the EU in autumn 2006 during the Finnish chairmanship. This in many ways symbolizes the role of Finland as a promoter of cross-border cooperation in the northern regions of Europe and the entire world. The idea introduced in the autumn of 1997 in Rovaniemi of placing the northern regions under the EU's special attention in the same manner and in the same sense as had been done in the Mediterranean area will be permanently confirmed.

Notes

- 1 Europe's Northern Dimension: the BEAR meets the south, p. 53-54.
- 2 Europe's Northern Dimension: the BEAR meets the south, p. 30.
- 3 Same, p. 31.
- 4 Results of the Oulu Northern Dimension Forum 15.1.2000. Valtioneuvoston kanslian julkaisusarja 2001/6.
- 5 Results of the Northern Dimension Forum in Lappeenranta 22.-23.10.2001. Prime Minister's Office: Publications 2001/14.
- 6 See International Northern eDimension forum in Pori 11.-12-November 2002. Final Report. Prime Minister's Office: Publications 2003/1 and www.ndforum.net
- 7 Guidelines for the Development ... p. 4.

References

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