



European Economic and Social Committee

REX/217
Future of the Northern
Dimension policy

Brussels, 5 July 2006

OPINION
of the
European Economic and Social Committee
on
The future of the Northern Dimension policy
(exploratory opinion)

On 17 November 2005, in connection with the activities of the upcoming Finnish Presidency of the European Union, H.E. Mari Kiviniemi, Minister for Foreign Trade and Development of Finland, requested by letter an exploratory opinion of the European Economic and Social Committee on

The future of the Northern Dimension policy.

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 1 June 2006. The rapporteur was Mr Hamro-Drotz.

At its 428th plenary session, held on 5 and 6 July 2006 (meeting of 5 July), the European Economic and Social Committee adopted the following opinion by 162 votes, with five abstentions.

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Summary

- At their meeting in November 2005, ministers from the Northern Dimension (ND) countries (EU, Iceland, Norway, Russia) agreed on guidelines for the continuation of the ND policy which were to serve as the basis for drawing up a common policy to take effect from 2007 onwards.
- Finland, as the country due to hold the EU presidency in the second half of 2006, asked the EESC to deliver an exploratory opinion on how the ND policy could be strengthened and how civil society involvement in the policy could be improved.
- The EESC supports the guidelines and calls on Finland, as the country holding the EU presidency, to press for the achievement of the new policy.
- The EESC proposes the following priority areas:
 - existing cooperation projects in the environmental and national health sectors;
 - infrastructure, transport and logistics;
 - energy and related safety matters;
 - strengthening civil society and civil society cooperation networks and improving public information.
- Following on from the previous point, attention needs to be drawn to the need to establish constructive and open relations with civil society in Russia and effective social dialogue. In addition, cross-border civil society networks should be supported and public information efforts stepped up.

- The EESC stresses the need for adequate funding for ND projects and a related project application procedure which is clear, swift and simple.
- The EESC proposes that strong, joint mechanisms be established for administering the Northern Dimension and that a decision be taken on where its operational centre be located. It further suggests that the existing regional bodies represent a natural starting point for administering the Northern Dimension.
- The EESC proposes that civil society be involved in a consultative capacity in the formal mechanisms for administering the Northern Dimension, along the lines of the Barcelona Process for the Mediterranean. The EESC is prepared to make an active contribution to such an arrangement.

1. **Background**

A meeting of ministers from the EU Member States and Northern Dimension partner countries (Iceland, Norway, Russia) was held in November 2005 at which new guidelines for the continuation of the Northern Dimension (ND) from 2007 onwards were agreed (*Guidelines for the development of a political declaration and policy framework document*)¹.

The ND parties have set up a joint steering group to carry out the preparatory work in line with these guidelines. In autumn 2006 the parties will decide on the continuation of the Northern Dimension on the basis of this work.

With a view to its EU presidency in the second half of 2006, Finland asked the EESC in November 2005 – with reference to its previous contributions on the Northern Dimension policy – to present an exploratory opinion on the future of the policy. Finland requested that the opinion set out views and recommendations in particular about how the policy should be strengthened from the beginning of 2007 and how civil society involvement in the policy and its implementation could be improved.

Brief background information on the Northern Dimension and the EESC's previous contributions is provided in the Appendix.

2. **The EESC's recommendations for developing the Northern Dimension**

The EESC issued an opinion on the development of EU-Russia relations² in July 2005 and an opinion on the future of the EU's Northern Dimension³ in September 2005. The conclusions

¹ http://europa.eu.int/comm/external_relations/north_dim/doc/guidelines05.pdf.

² EESC opinion on *EU-Russia relations*, OJ C 294 of 25.11.2005, p.33.

³ EESC opinion on the *Northern Dimension and its Action Plan*, OJ C 24 of 31.1.2006, p.34.

and recommendations presented in these documents remain topical and relevant even though they are not restated here. The present opinion complements the above-mentioned opinions, and these will also be referred to when the recommendations set out in this opinion are presented to the Northern Dimension parties.

As part of the preparatory work for the present opinion, the EESC made a fact-finding mission to St. Petersburg to hear the views of local stakeholders on the future of the Northern Dimension. Norwegian and Icelandic stakeholders were consulted through the EESC's EEA contacts.

2.1 The EESC supports regional cooperation consistent with a high-profile, common ND policy involving the EU, Iceland, Norway and Russia

Northern Europe has become increasingly important at European and global level, for example in terms of the energy resources it possesses and environmental and climate policy issues. Northern Europe needs close multilateral regional cooperation, with non-EU states in the region also taking part. Such cooperation complements bilateral relations between countries in the region and the EU's relations with non-EU states. Regional cooperation can help to promote stability, economic growth, well-being and sustainable development in the region and Europe as a whole.

It is clear that the Northern Dimension needs to be given a higher profile in the European Union and the partner countries. It should be made into a clearly structured, high-profile policy in EU (and EEA) institutions, national governments and civil society.

The EESC asks Finland, as the Member State holding the EU presidency, to give high prominence to this issue and to seek to ensure that resolute decisions are taken and a political commitment is made to dynamic policy. With EU enlargement, Member States have joined which constitute a welcome new resource for developing the Northern Dimension. The EESC also endorses the proposed guidelines according to which the Northern Dimension would become an ongoing policy.

The EESC supports the strengthening of the Northern Dimension as a common policy of the EU, Iceland, Norway and Russia. It should be firmly based on key existing instruments for cooperation: the ND policy should form a regional dimension of the four Common Spaces between the EU and Russia, with Iceland and Norway participating in this new overarching framework in accordance with the EEA Agreement.

At the EU-Russia summit in May 2006, the parties stated that they were considering the start of negotiations on a new agreement between the EU and Russia. This would provide further opportunities for developing regional and cross-border cooperation based on a dynamic ND policy. A common ND policy would also provide a framework for building a more soundly based EU Baltic Sea strategy, which is currently under preparation by the European Parliament.

The EESC is pleased to note the adoption by the EEA Consultative Committee in June 2006 of a resolution and report on *The future of the Northern Dimension Policy*, which were drawn up in close cooperation with the EESC during the preparation of the present opinion.

The idea of the "co-ownership" of the Northern Dimension process is crucial and should be emphasised from the outset. Non-EU Northern Dimension countries should play a full part in the process and be allowed to participate on equal terms in the planning, implementing and monitoring of policy.

This requires strong mechanisms, namely: a joint standing ND governing committee, an appropriate number of sub-bodies working under it and an effective body responsible for operational functions. The parties should meet annually to monitor and provide guidance for the implementation of ND cooperation.

As Northern Dimension activities are frequently local initiatives it is important that links between local, sub-regional and national levels of government and regional cooperation bodies function effectively in planning and implementing the ND policy.

2.2 The EESC's recommended priority areas

The EESC believes that the experience obtained to date from cooperation in the various priority areas of the Northern Dimension should serve as the starting point for future policy. There is a need to build upon the positive practical experience gained from private-public partnership projects.

2.2.1 Increased focus on existing cooperation projects in the environmental and national health sectors

As regards existing environmental cooperation within the Northern Dimension, the main emphasis should be on stopping water pollution in the Baltic and the Gulf of Finland, immediate action to reduce the risk of pollution caused by nuclear waste in the Kola Peninsula and support for cross-border cooperation projects in the environmental field in the Pskov region.

The prime concern in national health cooperation is action to combat communicable diseases, in particular HIV/AIDS.

The EESC urges the ND parties to devote greater efforts to these priority areas within the framework of existing partnership projects (NDEP and the Vodocanal project in St. Petersburg, NDPHS). Determined action should be taken to strengthen and expand these projects and ensure that increasing attention is paid to them in the EU.

2.2.2 Developing regional infrastructure, transport and logistics is a pre-requisite for promoting entrepreneurship, investment and economic growth

A pre-requisite for entrepreneurship, investment and economic growth in the Northern Dimension region is an efficient transport and logistics system. This calls for dialogue within the ND framework on how to improve transport and logistics in the region so as to create effective links to meet the needs of growing goods and passenger transport in northern Europe. Joint action should be taken to develop land, sea and air transport routes and to link them together across national borders. Special attention needs to be paid to transport safety (e.g. at sea) and cooperation between border authorities (customs clearance, standards, health requirements, visa procedures, etc.) so as to facilitate legal border crossings. Efforts should also be made within the ND framework to find effective ways of preventing all kinds of illegal border crossings (including human trafficking, smuggling and illegal immigration).

A new private-public cooperation project is needed in the area of infrastructure, transport and logistics in the implementation of the Northern Dimension policy and the EESC proposes that the parties do all they can to develop a joint project of this kind.

2.2.3 Promoting energy cooperation and security

EU enlargement and international energy trends underline the importance of increased cooperation in Northern Europe in the field of energy. The EESC calls for coordination of regional cooperation and the EU-Russia energy dialogue so as to improve energy security and availability. The Committee recommends that a ND partnership in energy be established under the new ND policy, with a focus on sustainable use of existing natural resources, energy efficiency and renewable energy resources, and the safety and environmental aspects of energy transport.

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 the EU as a whole. In view of its potentially crucial role in ensuring the security of future supplies of oil and gas to the EU, it deserves the attention of all EU Member States. The increased focus on Northern Europe in the new energy policy for Europe (EPE) points to the importance of the new Northern Dimension policy. Indeed, the Commission in its new green paper on energy⁴ specifically mentions Russia and Norway as important partners in a new, coherent external energy policy for the EU.

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 infrastructures for energy transport and with regard to the exploitation of the

⁴ Commission Green Paper on *A European Strategy for Sustainable, Competitive and Secure Energy*, 8 March 2006.

area's gas resources. Increased investment means economic growth, including increased employment and higher activity levels in industries not directly linked to the exploitation of the resources in the sea. However, it is important that the exploitation of, in particular, the region's vast gas and oil resources be based on sustainable development, the highest level of environmental standards and respect for the wishes of the indigenous people.

A coordinated system for monitoring the marine ecosystems in the north is needed and should be part of ND cross-border cooperation. It is important that the exploitation of gas and oil 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 need to be ensured; this need will increase with growth in the transportation of liquid natural gas (LNG) in the future.

The proposal put forward by the Norwegian government in March 2006 for a new and more coordinated system for monitoring the marine ecosystems in the north is welcome in this context. In addition, the EESC notes with satisfaction the resolution adopted by the EEA Joint Parliamentary Committee in May 2006 on *Europe's High North: Energy and Environmental Issues*, the conclusions of which are in line with the views presented in the present opinion.

The EESC would stress that energy cooperation in the Northern Dimension region must also pay serious attention to energy transport in the Gulf of Finland and the Baltic, which is growing at a rapid pace, particularly with regard to the organisation and safety of transport, and to minimising environmental damage.

2.2.4 Focusing efforts on civil society, cooperation networks and public information

2.2.4.1 Strengthening civil society, common democratic values, human rights and open social dialogue

A precondition for successful cooperation between the Northern Dimension partners is the application of common values in each ND country. Democratic pluralism, a vibrant civil society, open social dialogue and a functioning market economy complement each other. Determined efforts should be made to promote these aspects, particularly in Russia, where there is a need for active civil society involvement and democratic institutions.

In its opinion on EU-Russia relations issued in July 2005, the EESC drew serious attention to the prevailing situation in Russia with regard to this important issue. The Committee notes that the new law governing civil society organisations has evidently led to a further deterioration in the situation. This must be rectified in future application of the law. When the Russian authorities start developing, in a credible manner, their policies and practices aimed at building constructive and open relations with the country's civil society players, broad support is likely to emerge for close cooperation with Russia. For example, it would be important for the Civic Chamber set up in Russia to develop into credible instrument for strengthening effective social dialogue. Efforts to strengthen the capacity of civil society

players in Russia should be supported so as to also improve their capability to engage in constructive dialogue.

Efforts to try to find a way forward on these issues should also be made in the context of ND regional cooperation, with Russia as a participating party.

2.2.4.2 Promoting cross-border networks for civil society cooperation

Efforts need to be made to strengthen effective and open cross-border dialogue so as to promote progress in the areas identified in the previous point. Civil society players have a key responsibility and role in this regard, and it is essential that civil society groups themselves put forward initiatives for strengthening relations and cooperation in their respective areas of activity. It should be emphasised that the "co-ownership" of the Northern Dimension is not a matter for governments alone but that it also applies to civil society and civil society players in the ND countries. Effective implementation of the ND policy can only be achieved if civil society players are actively involved in the process.

Determined action must be taken in the context of the Northern Dimension policy to support the establishment of networks, dialogue and cooperation between civil society players in various ND countries and sub-regions, such as North-west Russia. Cross-border people-to-people cooperation must be a policy priority. Efforts must be made to promote mobility, development of human resources, exchange of experience, know-how and information, and mutual recognition of diplomas. Cross-border cooperation should cover all civil society stakeholders, including entrepreneurs, SMEs and other enterprises, employees, young people and students, women, scientists and cultural circles, members of minorities, environmental protection groups, farming and forestry circles, and consumers. Cross-border activities should be geared to promoting practical projects and proposals for joint projects involving civil society stakeholders. There must be simple procedures enabling players to make proposals for joint projects within the framework of the Northern Dimension.

The development of effective tripartite relations and labour markets in all parts of the ND area should aim at striking a balance between fair competition for businesses and decent working conditions for workers. Tripartite relations and labour markets are already well developed in many countries and the associated skills and competence should be shared with organisations in countries where they are less developed. The Northern Dimension policy would be a suitable framework instrument for initiating cross-border projects in this field. The social partners in each ND country should seek to ensure that initiatives and legislation aimed at economic and social change and improving employment take their interests into account in a balanced manner. For this to happen, they should be involved in all discussions dealing with labour market issues.

2.2.4.3 Strengthening public information efforts

The Northern Dimension's public profile is very poor. In all countries, both within the EU and in non-EU countries in the ND region, very little is known about it. Therefore the ND parties should try to significantly improve information efforts and information channels. Adequate public information on the Northern Dimension is essential because it is through this that it is possible to stimulate wider interest in the ND within civil society and encourage civil society players to participate in and contribute to the process. Civil society players should also be involved as disseminators of information in society, and necessary education and training measures must be taken to this end.

It is clear that a centre is needed in the Northern Dimension region to take care of the information needs referred to above and the practical coordination of networks, contacts and funding. The ND parties should take a decision on the establishment of such a centre. The EESC suggests that the European Commission office in St. Petersburg, which was recently closed down, be re-opened for this purpose and that it be assigned the operational functions which are jointly recognised as falling under the Northern Dimension. The possibility should also be explored that these functions could be entrusted to the secretariat of one of the regional bodies referred to in point 2.4.

2.2.5 Attention needs to be paid to relations with Belarus

In discussions about the future development of the Northern Dimension policy it has been suggested that it should also cover Belarus in one way or another. Although this is justified for geographical reasons, the country's current political situation rules out the possibility of official cooperation. However, the EESC would stress that the issues mentioned above, particularly in point 2.2.4, are relevant to Belarus as well.

The Committee feels that these issues can be influenced by promoting contacts between civil society players and their counterparts in Belarus. The Committee, for its part, intends to continue to consolidate such contacts and suggests that action along these lines also be supported within the framework of the Northern Dimension.

The EESC is in the process of drawing up a separate opinion on EU-Belarus relations.

2.3 Consultation of civil society as an essential element of the Northern Dimension's cooperation mechanism – EESC ready to lend its expertise

An effective consultation mechanism must be created within the Northern Dimension so that key civil society players can influence the implementation and monitoring of the Northern Dimension through their views, recommendations and expertise.

The EESC feels that an annual meeting of civil society stakeholders, with a role similar to that which for years has been a feature of cooperation in the Mediterranean, would be an effective

solution here. The experience gained from cooperation in the Mediterranean has been very positive, as too has been the experience with the Consultative Committee in the context of EEA cooperation. In addition, it would be appropriate to set up a civil society consultative body subordinate to the ND governing committee proposed in point 2.1.4, which would participate regularly in policy monitoring and prepare the annual meeting.

This arrangement would enable those responsible for the ND policy to benefit from the contributions of civil society players to the implementation of the ND in the economic and social sphere.

The EESC has already organised two conferences bringing together civil society stakeholders from ND countries. Over the years the Committee has strengthened its contacts with key civil society players in all non-EU ND countries. It therefore has a pool of practical experience of civil society cooperation in the region which can be drawn upon immediately.

Consequently the EESC is prepared to take an active part in involving civil society players in the implementation of the future ND policy. The Committee intends to set up a special monitoring group and would play a leading role in organising annual meetings of civil society stakeholders. At the same time, existing cooperation within the framework of the EEA would be taken into account. The purpose of the meetings would be to set out guidelines for the implementation of the ND, mainly in the areas identified in point 2.2.4, which have a bearing on the functioning of civil society. The Committee proposes that this arrangement be incorporated into the formal ND cooperation mechanisms.

2.4 Regional bodies – a natural starting point for administering the Northern Dimension

The EESC supports the idea that the existing mechanisms for regional cooperation, mainly the Council of Baltic Sea States (CBSS), the Barents-Arctic Council (BEAC), the Nordic Council of Ministers (NMC) and the Arctic Council, should play a central role in implementing the Northern Dimension. Steps should be taken to actively promote closer coordination and cooperation between these bodies and between them and the proposed ND governing committee referred to in point 2.1 as they constitute a natural starting point for the overall administration of the Northern Dimension.

This framework would give civil society players a genuine opportunity to participate in ND cooperation through the contributions they make via their own regional cooperation networks (e.g. the BASTUN for employees, the BAC for the business community, the BCCA for chambers of commerce and various NGO circles) and the links these networks have established with the above-mentioned organisations.

2.5 Arrangements for financing ND activities must be clear

The priority areas should be given practical expression in the form of ND private-public partnerships (PPP), with clearly defined partners, programmes, timetables and budgets.

Even where, for a given priority area, the partners are not yet in a position to undertake a partnership project, they should, for example, try to agree annually on programmes of measures that are as specific as possible and on their implementation and funding.

As far as concerns measures that are proposed and implemented by civil society players (see, in particular, point 2.2.4), it is of the utmost importance to create a procedure for financing small-scale activities that is based on an application process which is as simple as possible. Technical assistance will be needed to provide advice and guidance on application skills. Similarly, it is essential that the process for handling and approving project proposals be swift and simple. The EESC believes that civil society representatives could also share in the responsibilities involved in operating this procedure.

The European Neighbourhood and Partnership Instrument (ENPI) should be a key source of EU financing for ND activities. An adequate share of ENPI funds should be earmarked for ND projects and activities and adequate resources should also be provided for administering the Northern Dimension.

Funding from Russia and Norwegian and EEA funding mechanisms are needed for implementing regional and cross-border cooperation in the ND region. Similarly, other international and national financing sources that already participate in the ND projects (EBRD), EIB, NIB, etc.) will continue to be crucial for ensuring the implementation of a meaningful and successful common ND policy in the future.

There is a need for the effective dissemination in civil society of readily understandable information on the availability of funding, the sources of this funding and the procedures for applying for funding for project proposals.

Brussels, 5 July 2006.

The President
of the
European Economic and Social Committee

The Secretary-General
of the
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Anne-Marie Sigmund

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N.B.: Appendix overleaf.

Brief background to the Northern Dimension

The European Union's Northern Dimension Policy (ND) was established in 1999. The ND is part of the EU's external relations policy, whose objective is to improve the welfare of the northern part of Europe through regional and cross-border cooperation. The 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 and the Agreement on the European Economic Area (EEA – Norway and Iceland). After EU enlargement, ND activities carried out with Russia have increased, especially in north-western regions.

The Second Northern Dimension Action Plan (NDAPII)⁵ 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) environment, nuclear safety and natural resources; (4) cross-border cooperation and regional development; and (5) justice and home affairs. There is also a special focus on Kaliningrad and the Arctic region.

Implementation of the NDAPII is monitored annually and the European Commission prepares progress reports on it. A Ministerial Conference was held in November 2005, and a follow-up meeting of Senior Officials will take place in September 2006. The NDAPII will expire at the end of 2006, and a decision should be taken during 2006 on its renewal in accordance with agreed guidelines.

The EESC's previous work on the Northern Dimension

The EESC has contributed over several years to the EU's Northern Dimension. The EU requested a contribution from the Committee to implementation of the NDAPII: "To provide for the broad participation of civil society groups in reviewing progress under the Action Plan, it would also be helpful if the EESC would be able to organise annual Forums on the implementation of the Action Plan, bringing together representatives from the social and economic organisations represented in the Committee"⁶.

The request was based on the EESC's contributions in previous years: the opinions on *Relations between the European Union and the countries bordering the Baltic Sea*⁷, on *The EU's Northern Dimension including relations with Russia*⁸, on *The Northern Dimension: Action plan for the*

⁵ The NDAPII is available at: http://europa.eu.int/comm/external_relations/north_dim/ndap/com03_343.pdf.

⁶ COM(2003) 343 final, 10.6.2003, p. 16.

⁷ EESC opinion on *EU-Baltic States relations*, OJ C 73 of 9.3.1998, p.57.

⁸ EESC opinion on *The EU's Northern Dimension including relations with Russia*, OJ C 368 of 20.12.1999, p.39.

*Northern Dimension in the external and cross-border policies of the European Union 2000-2003*⁹ and on *The EU/Russia strategic partnership: What are the next steps?*¹⁰; the positions presented to the ND ministerial conferences in 1999, 2001 and 2002; and the conclusions from the two ND conferences (forums) held by the EESC in 2001 and 2003.

The EESC responded positively to the Commission's request and presented a report to the EU's follow-up conference in 2004. In July 2005 the Committee adopted an opinion on EU-Russia relations (which also mentioned the Northern Dimension)¹¹, and in September 2005 it adopted an opinion on *The Northern Dimension and its Action Plan*¹².

The latter was the EESC's contribution to the Ministerial Conference of the EU and its Partner Countries held in March, at which the future of the ND policy was discussed.

Based on a questionnaire carried out by the Committee, the opinion reported on how familiar civil society players in the different countries (including the ND partner countries) were with the ND policy, on their views about the content of the policy, and on how they were involved in implementing it. The EESC also made suggestions on how the Northern Dimension should be developed in the future.

⁹ EESC opinion on the *Northern Dimension*, OJ C 139 of 11.5.2001, p.42.

¹⁰ EESC opinion on the *EU-Russia strategic partnership*, OJ C125 of 27.5.2002, p.39.

¹¹ EESC opinion on *EU-Russia relations*, OJ C294 of 25.11.2005, p.33.

¹² EESC opinion on the *Northern Dimension and its action plan*, OJ C24 of 31.1.2006, p.34.