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from:	Council (General Affairs)
dated:	13 June 2000
to:	European Council, Feira 19/20 June 2000
Subject :	NORTHERN DIMENSION
	- Action Plan for the Northern Dimension with external and cross-border policies of the European Union 2000-2003.

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1. The Helsinki European Council of 10/11 December 1999 invited the Commission to prepare, in cooperation with the Council and in consultation with the partner countries, an Action Plan for the Northern Dimension in the external and cross-border policies of the European Union with a view to presenting it for endorsement at the Feira European Council in June 2000.
2. On 13 June 2000 the Council agreed to recommend to the European Council to endorse the attached Action Plan.

**Action Plan for the Northern Dimension in the external and cross-border policies of the European Union 2000-2003****I INTRODUCTION:**

1. The Northern Dimension concept which covers the following geographical area, from Iceland on the west across to North-West Russia, from the Norwegian, Barents and Kara Seas in the North to the Southern coast of the Baltic Sea has the backing of the EU and the non-EU Northern Dimension partner countries Estonia, Iceland, Latvia, Lithuania, Norway, Poland and the Russian Federation. Its aim is to provide added value through reinforced coordination and complementarity in EU and Member States' programmes and enhanced collaboration between the countries in Northern Europe.
2. The Helsinki European Council of 10/11 December 1999 invited the Commission to prepare, in cooperation with the Council and in consultation with the partner countries, an Action Plan for the Northern Dimension in the external and cross-border policies of the European Union designed to derive maximum added value from Community and MS programmes through better co-ordination and complementarity, thereby achieving a more coherent approach to addressing the specific problems and needs of the North and to developing its potential.
3. This Action Plan constitutes the Community's position and relates to those policy positions, objectives, priorities and guidelines for implementation which have been agreed by the partner countries since the Northern Dimension was first put on the EU agenda during the Luxembourg European Council of December 1997:
  - the Communication of the Commission, which was presented to the Vienna European Council of December 1998, set out the relevant EU policies and instruments as well as operational recommendations on a Northern Dimension for the policies of the Union.

- the Guidelines for the implementation of a Northern Dimension, adopted by the European Council in June 1999.
- The Conclusions of the Helsinki Foreign Ministers' Conference (November 1999), which was the first gathering of all partner countries and took the Northern Dimension beyond general discussion to concrete action by identifying priorities and suggesting that an Action Plan be drawn up.

4. The Action Plan consists of two parts:

- a *horizontal part*, which recalls the major challenges associated with Northern Europe, the priorities for action agreed by the partner countries and the legal, institutional and financial framework for activities relating to the Northern Dimension;
- an *operational part*, which sets out objectives and perspectives for actions during 2000-2003 in those sectors where expected added value is greatest.

5. The Action Plan will be a reference document for actions planned or implemented in the Northern Dimension during 2000-2003. This period is considered appropriate for achieving tangible results. The Action Plan serves as a political recommendation to be taken into account by relevant actors whenever appropriate, inter alia in preparing strategies for and projects to be funded by the relevant EU and MS budgetary instruments.
6. Given that the Northern Dimension is an on-going process without a specific budgetary appropriation, the Action Plan will require regular review in relation to frameworks and programmes and their respective priorities as they are developed.

## II CHALLENGES, FRAMEWORKS, INSTRUMENTS AND ACTORS:

- **The Challenges associated with Northern Europe**

7. The European Union and its partner countries believe that the Northern Dimension will contribute to reinforcing positive interdependence between them thereby enhancing security, stability, democratic reforms and sustainable development in the region.
8. Northern Europe is of particular significance for the EU. It is a region of great natural resources, with considerable human and economic potential. But it also faces big challenges in overcoming long distances, management of sparsely populated areas with harsh climate, bridging over wide socio-economic gaps and ensuring preservation of cultural identities including minority languages. There are also major challenges which require co-ordinated action and closer **cooperation** between all partners.
9. 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 conservation and sustainable development of the Northern European forests is of global environmental significance.
10. The present safety level of nuclear plants and the absence of adequate storage facilities and treatment of radioactive waste and irradiate nuclear fuels is a major concern to public health, the environment and sustainable development in the region. Enhanced international cooperation including all Northern Dimension partners, International Financial Institutions and the business sector is needed in order to promote nuclear installation safety and to explore further ways of managing nuclear waste. It should also be recalled that ensuring political and economic stability is an essential factor.
11. The enlarging EU relies on imported **energy** and needs secure and reliable deliveries. The long term exploitation potential for oil and gas as well as non-energy raw materials in the region is great but will require substantial improvements in cross-border energy, transport and telecommunication infrastructure. In the candidate countries and Russia the energy sector requires huge investments in restructuring and environmentally sound production and use.

12. 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 cooperation 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 cooperation and business traineeships.
13. There are significant differences in levels of **health** and living standards in the northern regions bordering the EU. Communicable diseases, drug abuse and pollution-related health problems in particular require the strengthening of public health systems, significant improvements in the delivery of health services and information exchange and contacts between relevant national, regional and sub-regional administrations.
14. As EU enlargement progresses the interdependency between the EU and Russia will increase. It will be a priority that regions bordering the enlarged EU also benefit from the prosperity and expertise of those countries which are now candidates for EU membership. At the same time, the need to fight against illegal economic activities, illegal cross-border trafficking in drugs and human beings and against money laundering will become increasingly important. Cooperation with the candidate countries and new eastern neighbours in the **fight against crime** needs to be intensified. Barriers to cross-border **trade and investment** must be removed by upgrading border-crossings, facilitating information exchange and promoting closer cooperation between local authorities
15. **Kaliningrad** deserves special attention because of its geographical situation as a future Russian enclave. The oblast, which Russia sees as a “pilot region” for the development of regional cooperation with the EU, will require particular attention to help it see the possible benefits of its enclave status.

- **EU Legal Frameworks and instruments**

16. This Action Plan will be implemented through existing Community instruments, in particular the Association Agreements concluded between the Community and its Member States and the candidate countries, the Partnership and Cooperation Agreement concluded with Russia, and the EEA Agreement concluded with Norway and Iceland, as well as the relevant Community budgetary instruments TACIS, PHARE/ SAPARD/ISPA, INTERREG and relevant Community

programmes such as TEMPUS which are open to the participation of above mentioned countries.

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.

17. The Europe Agreements with Estonia, Latvia, Lithuania and Poland provide for political dialogue, continued financial support and other forms of cooperation. Association Councils, assisted by Association Committees, manage the implementation. The *Accession Partnerships* between the EU and the candidate countries set out the priority areas for further work identified in the Commission's Opinions, the financial means available to help them implement these priorities and the conditions which will apply to that assistance.
18. The EU-Russia PCA contains provisions on political dialogue, trade in goods, business and investment (labour conditions, establishment of companies, cross-border supply of services), payments and capital, competition, IPR, approximation of legislation, economic cooperation, cultural and financial cooperation, science and research, energy and transport and cooperation to prevent illegal activities. The EU-Russia Cooperation Council oversees the implementation of the PCA and is assisted by the EU-Russia Cooperation Committee which has established specialised sub-committees.

The EU's *Common Strategy* on Russia, adopted in June 1999, aims to strengthen the strategic partnership with Russia through increased coherence of EU and Member States actions. Its principal objectives are the consolidation of democracy, the rule of law and public institutions in Russia, the integration of Russia into a common European economic and social space, increased cooperation in strengthening stability and security in Europe and beyond as well as addressing common challenges on the European continent. The Common Strategy reinforces the PCA framework by introducing new initiatives such as strengthening of the political dialogue, cooperation in the field of non-proliferation and disarmament and an action plan to fight organised crime in Russia. Bilateral and common measures will be co-ordinated to promote further cooperation with those Russian regions that are of special interest to the Union, such as north-west Russia including Kaliningrad.

In October 1999, the Russian Government adopted a mid-term strategy for the development of relations between the Russian Federation and the European Union (2000-2010).

19. **TACIS** is the financial instrument for EU activities in Russia. In January 2000 the new TACIS Regulation entered into force. The programming of assistance will be guided by the criteria of partnership as established by the PCA and the Common Strategy. Priorities will be set out as the result of an EU-Russia dialogue reflecting areas of common interest.
20. The focus of **PHARE** is on preparing the candidate countries for accession to the EU by providing assistance on institution building across all sectors and supporting investments in priority accession related areas. Two additional financial instruments support the preparation of the candidate countries from 2000 onwards: **SAPARD** for future participation in the Common Agricultural Policy and **ISPA** in the Community's Cohesion policies. All three pre-accession instruments help the candidate countries among the Northern Dimension partners to develop and strengthen the institutions required for adopting and applying the "acquis communautaire".
21. **INTERREG**, the EU's **Structural Funds** facility for financing cross-border cooperation activity, is another EU financing instrument relevant to the Northern Dimension. INTERREG is a multi-annual framework programme for cooperation between public authorities, firms and associations in border regions as defined in the Structural Funds Regulation. Its aim is to stimulate local and regional economic development through cooperation and better communications, thereby removing barriers to integration and mutual understanding.

- **Actors**

22. 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.

23. The International Financial Institutions, in particular the EIB, the EBRD, the World Bank Group and the NIB/NEFCO, where appropriate and according to their respective mandate, play a significant role with regard to facilitating investment in the region. The implementation of the Action Plan would benefit from enhanced cooperation and joint financing from Community funds and national programmes with these institutions and the private sector. The Commission will actively contribute to this end in relevant cases.
24. The EU and the US, like the EU and Canada, have made joint statements committing themselves to furthering the Northern Dimension within the context of the New Transatlantic Agenda. The inclusion of 'Northern Dimension' topics in the agenda of the existing EU bilateral relationship with the US and Canada may have favourable synergy gains in policy areas such as energy, environmental cooperation, nuclear safety, legal reform, health and the promotion of sustainable development in circumpolar and adjacent northern regions, thereby also including the concerns of the indigenous peoples of the region in the process.

### **III ACTIONS 2000-2003:**

25. An explicit objective of the Northern Dimension concept is to provide added value by co-ordinating the various EU programmes, including multi-sectoral programmes, and those activities carried out by non-EU bodies in the same fields. To this end, the possibilities of regional cross-border co-operation, partnership and twinning arrangements as well as public-private partnerships in project-finance should be explored and used.
26. A key target for action are sectors in which expected added value is greatest, such as infrastructure, including transport, energy, and telecommunication, environment and nuclear safety, education, research, training and human resources development, public health and social administration, cross-border cooperation, cross-border trade and investment as well as the fight against crime, in particular cross-border crime.



## INFRASTRUCTURE

### ENERGY

#### **a) Situation**

27. The energy sector in the region faces ongoing structural reforms, in particular in the perspective of integration with the single market. The region is potentially important for the EU as a source of gas and as a transit region for gas and oil. To this end, investments in infrastructure and field development will be necessary. These must come from the private sector, but suitable political and regulatory frameworks need to be established and constraints removed i.a. through regional cooperation.
28. Suggestions for priorities of energy cooperation in the region can be found in the Energy Council Conclusions of 2 December 1999 “Strengthening the Northern Dimension of Energy Policy in Europe, Conclusions”. Actions listed below are based on the work undertaken to define a programme for energy cooperation in the Baltic Sea Region, as approved by ministers of the region at their Helsinki Ministerial conference on 25 October 1999.
29. The Europe Agreements provide for “national treatment” of enterprises when established and for their operations. The PCA with Russia (art.65) establishes that cooperation in the energy sector shall take place within the context of the market and the European Energy Charter. Ratification and effective implementation by each signatory to the Energy Charter Treaty would facilitate the achievement of the below-mentioned objectives.

#### **b) Objectives**

30. Objectives to be achieved with regard to the energy sectors of the candidate countries and Russia include:
- Creation of conditions for trading energy across borders on the basis of national treatment of companies (non-discrimination on basis of nationality) and development of energy networks aiming at gradual integration of the energy markets, including the production and distribution of natural gas.
  - Promoting efficient use and saving of energy, preference for renewable resources, and environmentally sound production.

- Sustainable development of the energy sector, including mitigation of repercussions caused by energy exploitation on local populations, especially **indigenous peoples**

31. In view of the radical changes taking place in the energy sector and the liberalisation of economies and energy markets, private and public actors should develop a new relationship. The aim is to facilitate international agreements and understandings on arrangements for the energy sector if desirable and compatible with the single energy market.
32. Infrastructure investments and interconnections should be transparent in order to ensure security of supply for all countries and to maximise efficiency and competition. Full transparency needs to be ensured in the debate and emerging solutions within the Union on reciprocity between electricity markets.
33. Access to the west European market for gas from the region is important for European security of supply. The potential for development of gas resources in the Barents Sea is under scrutiny. The EU has a considerable interest in this resource, due to its proximity. Rules for security of supplies in gas need to be established. Actions to facilitate the evolution of transit capacity for oil are necessary, fully taking into account environmental considerations.

### **c) Actions**

34. Priority will be given to actions within the following subject areas:
- An inventory of regionally relevant energy projects and financial sources, accessible to all regional states and member states, should be established. This inventory will describe the relevance of these projects with respect to EU, national and regional energy policies. The purpose of this inventory would be to avoid conflicts or unnecessary duplication.
  - With the IFIs where appropriate and according to their respective mandate the EU will try to promote mutual transparency of our strategic objectives and the availability of financial support for the region.
  - The Commission and the Member States concerned will participate actively in the activities of the Group of Senior Energy Officials, mandated by the ministers of the

Baltic Sea region to define and manage the regional energy cooperation programme and thus contribute to the implementation of this Action Plan

- The EU will monitor energy investments in the region, analyse the effect of public sector instruments on the energy sector, and make periodic recommendations in the light of this analysis. With regional states and industry, the EU will also monitor structural changes in the sector.
- Management capacity in energy companies in the candidate countries and Russia may be critically reviewed. Specific measures to develop management capacity may be developed.
- Existing R&D instruments should be focussed on the R&D needs of the region by developing the Organisation for the Promotion of European Technologies network in Northwest Russia and by promoting open partnerships in research with partners both inside and outside the region where the mutual added-value of the partnership is evident. In this context, emphasis should be made on the development of new technologies and the transfer of available technologies on the basis of the RTD framework programme.
- Dialogue among actors in the electricity and gas sector (eg private and public actors) should be maintained in particular concerning identifying ways to improve conditions for a balanced development of gas and electricity infrastructure in the region, energy sector restructuring and on environmental issues including the Kyoto commitments.
- In the context of the Association Partnerships the EU will assist Estonia, Latvia, Lithuania and Poland to integrate their energy markets and networks and to connect them with those of the enlarging EU.
- International agreements and understandings necessary for regional cooperation and trading in electricity need to be developed. The national regulators and system operators should be brought together to give a proper basis of continuous cooperation during and after regional market integration. Accordingly, the Baltic Ring should be completed in order to realise the substantial benefits of electricity trade between Baltic Sea countries.

- The EU and Russia should open discussions on interconnecting EU and Russian electricity infrastructures and markets in order to achieve a common understanding of the way forward.

35. In order to establish a common view on how to enhance security of gas supply and most economically connect the Baltic Sea Region gas markets, the Trans-European Network (TEN)-Energy may be used in accordance with the relevant Community rules.

## TRANSPORT

### a) Situation

36. A number of factors are unique to the region: demands of winter transport (use of ice-breakers, expensive road maintenance), long frontiers and associated customs procedures, and the proximity of the Arctic and sub-Arctic areas which means high logistics costs to industry. The TEN-Transport budget line provides a Community financial support to studies and works for the project networks located on the territory of the EU. TACIS, ISPA and INTERREG programmes support both feasibility studies on environment and financing and the realisation of infrastructure at borders. They also co-finance investments with the EIB and IFIs. PHARE also supports transport projects in the context of integrated regional development programmes.

### b) Objectives

37. The development of the region's transport infrastructure and services is central to the development of the economy in general. The overarching objective is to promote the development of a multi-modal transport system improving connections within the region and with neighbouring EU States. This includes: development of Trans-European transport networks (TEN) within the EU and extension of the TENs where appropriate and in accordance with their rules towards the acceding countries. Mutually satisfactory ways to address transport issues should be examined.

38. Cooperation with Russia in the transport sector is also envisaged under the PCA (Art. 70), and in Articles 39.3 and 40 on 'Cross-border supply of services'. TACIS assistance may focus on

the maintenance of available freight infrastructure and the improvement of its productivity with particular emphasis on the Trans-European Networks and inter-modal transport.

### **c) Actions**

39. Priority areas of action may concern:

- Exploring further development of guidelines for the TEN and extension of the TENs where appropriate and in accordance with their rules towards the acceding countries.
- In the framework of the **Accession Partnerships** initiatives aim to improve transport planning in the border regions (e.g. links between public transport systems). Also foreseen are joint feasibility studies for the modernisation of existing infrastructure (e.g. border crossings, port facilities, connecting roads of regional importance), and improvements and innovations in transport-related services (e.g. common telecom and translation facilities for small and medium-sized transport operators).
- Consideration should also be given to exploring the scope for working towards linking the Russian transportation systems (road and rail) with the Trans-European networks.
- The elimination of bottlenecks at border crossings, the improvement of safety record in all transport modes and the harmonisation of transport legislation and regulations on the basis of international agreements.

The special geographical situation of the Kaliningrad oblast means that cooperation on infrastructure projects such as energy and transport may have a multiplier effect, this being another aim of the Northern Dimension initiative. The Lithuanian-Russian agreement to cooperate within the Northern Dimension may prove helpful in this regard.

## **TELECOMMUNICATION/ INFORMATION SOCIETY**

### **a) Situation**

40. Given the climate, long distances and sparse population of the region, telecommunications and information society services are vital for increased cohesion. These sectors of the Northern

Dimension countries are very heterogeneous, ranging from highly developed, fully liberalised sectors in Scandinavia and Germany to rapidly developing sectors moving towards liberalisation in the Baltic countries and Russia., The Baltic States, in particular, are increasingly active in constructing the telecommunication infrastructure for a network-based economy.

41. EU telecom companies have invested heavily in the countries covered by the Northern Dimension. They now have major operations in fixed line services, mobile and satellite operations and Internet services. The success of these investments may result in significant employment increases. This requires a stable and fair regulatory environment in which to compete particularly in those countries with less developed telecommunication markets.

#### **b) Objectives**

42. There is a close relationship between telecommunications, Information Society and socio-economic development.. The objective should be to extend and improve the telecommunications infrastructure, both for social reasons and for the benefit of the economy as a whole. Community policy aims to attract the necessary investment by establishing a fair and stable regulatory framework. Ongoing bilateral actions with the Baltic countries and with Russia designed to establish fair and stable regulatory frameworks need to be completed as soon as possible.
43. In order to benefit from trade, including electronic commerce, the national networks of the region must become more integrated. This requires inter-alia the adoption of common international standards as agreed in the ITU and implemented through the European standardisation process and its institutions (CEN/CENELEC and ETSI). This is a requirement for accession for the candidate countries The acceptance of these standards by Russia would facilitate closer business and social ties.
44. Awareness raising and the promotion of technologies, applications and services would facilitate the establishment of public-private partnerships and the exploitation of synergies to attract investments in this sector.

#### **c) Actions**

45. To increase awareness and demand for Information Society technologies, services and applications and to attract private investment for telecommunication infrastructures, two priority actions are proposed:

- *Information Society Information and Monitoring Service* with the tasks of
  - providing appropriate information services for them to develop strategies, national or regional level programmes and projects,
  - monitoring and analysing the implementation of IS strategies and programmes,
  - promoting cultural content production, like programmes for new electronic media
  - providing a policy platform to foster dialogue and the development of common actions and private-public partnerships, in liaison with the European Information Society Forum.
- The aim would be to help ensure that IS development in these countries is in line with the basic principles of EU policies. A strong visible link to the key players in the countries in question will be needed.
- *Northern Dimension Best Practices Gallery*, with a focus on IS applications and services designed to facilitate cross-border activities. The Gallery should present field-tested cases in which at least two countries in the area have participated. The Gallery could increase positive interdependence between the countries involved and the EU. These activities could be in fields such as transport, communication, culture, tourism, cross-border business operations or exchange of government information.
- A complementary policy of both awareness raising and stimulating Information Society technologies, applications and services, on a regional basis, would contribute to the establishment of public-private partnerships and the exploitation of synergies. The aim would be to reach a critical mass which would then attract investments in advanced telecommunications and telematics services with a trans-national or pan-European character.

## ENVIRONMENT AND NATURAL RESOURCES

### **a) Situation**

46. The environment of the Northern Dimension region is an important resource, but one under threat. Most of the environmental threats facing the northern regions are cross-boundary in nature and thus call for a coordinated international response.
47. The **seas** of the northern region, the Baltic and the Arctic/Barents, are particularly sensitive to environmental problems because of their cold temperatures and low salinity. Pollution “hot spots” do exist in the region: industrial plants and municipal waste water plants that discharge wastewater directly into rivers and seas. Heavy metals and persistent organic pollutants accumulate in the food chain and threaten the health of local populations. Trans-boundary **air pollution** is caused mostly by emissions of sulphur dioxide, nitrogen oxides, volatile organic compounds and toxic substances. The effects of **climate change** may also be observed in the region. According to the EEA report “Environment in the European Union at the turn of the Century” (1999) the world-wide increase in the use of fossil fuels will lead to a 3°C increase in the mean temperature in Finland and Northwest Russia between 1990 and 2050, this being the highest temperature increase expected in Europe.
48. **Forests** play a significant role as a vast renewable natural resource and as a major source of income in rural areas, especially in North-West Russia. They are of major importance for biodiversity; most of the European natural forest areas are situated in the northern parts of Scandinavia, parts of the accession countries and in Russia. There is a continuing risk of forest degradation through encroachment and over-exploitation. The future exploitation of oil, gas, mineral reserves plus mining and metal processing and the construction of related infrastructure poses a threat to the ecology of the region if strict environmental precautions are not introduced as an integral part of the process. Recognising the importance of forestry, the Barents Euro-Arctic Council launched the Barents Region Forest Sector Initiative in March 1999. This initiative aims to improve sustainable forest management and biological diversity conservation, human resource development and the socio-economic sustainability of the Barents region. Mention should also be made of existing EU initiatives to **protect forests against atmospheric pollution** (Council Regulation EEC No. 3528/86), to **prevent forest fires** (Council Regulation



EEC No. 2158/92) and to **support pre-accession measures** for agriculture and rural development in the candidate countries (Council Regulation EC No. 1268/99).

49. Finally, the sustainability of **fisheries and the marine environment** is also a concern. In the Baltic Sea the Fisheries sector has completed an Agenda 21 Action Programme with a view to achieving sustainable fisheries by harvesting within safe biological limits. This should be done by applying a precautionary approach and by gradually achieving balance between the harvesting capacity of fleets and the target reference points for stocks based on long term management strategies for all the fish stocks regulated by IBSFC.

The resolution on the long term management strategy for the cod stocks was adopted in 1999 and the Salmon action plan was adopted in 1997. During 2000 the long term management strategies will be elaborated for sprat and herring.

### **b) Objectives**

50. Most of the serious threats to the environment of the northern region have trans-boundary effects. Thus, effective measures to address them will of necessity be **international and cooperative in nature**. This means that the Russian Federation should be actively involved. Further, action should take account of all existing regional agreements and arrangements, especially those with a direct environmental relevance such as the Environmental Work Programme now being developed with Russia under the PCA, also the proposed EC-Russia Fisheries Cooperation Agreement, the "Environment for Europe" (EfE) process, the European Energy Charter, the Helsinki Commission (HELCOM) and the Agenda 21 for the Baltic Sea Region and Local Agendas 21. In all cases, an objective will be to improve the coherence and efficiency of actions and promote synergy. TACIS, ISPA and INTERREG may provide support in this regard.

51. The EU is bound by Article 3 of the Amsterdam Treaty which requires **sustainable development**. This principle should be applied in the "Northern Dimension" and associated cooperation and assistance programmes. In the case of forestry the objective of the Northern Dimension should therefore be to strengthen sustainable forest development by integrating socio-economic, agricultural, cultural and ecological principles into their management at regional, national, sub-national and local levels. This will contribute to long-term stability, competitiveness and wealth generation in areas which, in some cases, have few other economic alternatives.

52. Environmental considerations need to be integrated into policy development and the planning of all sectors in the light of the Agenda 21 on sustainable development agreed in Rio in 1992.
53. As regards sectors, the following have been highlighted as particularly important in the context of the Northern Dimension: reducing health and environmental hazards with regard to pollution of the Baltic and Barents Seas; improving water quality (including drinking water); addressing global environmental problems such as climate change; protecting and preserving biological diversity by the sustainable use of natural resources in vulnerable areas of north west Russia and the northern part of Scandinavia.

### **c) Actions**

54. To achieve these objectives priority will be given to medium-term (2000–2003) actions in the following areas:

- Supporting investment projects in major "hot spots" through existing Community programmes to reduce pollution of the Barents and Baltic Sea, particularly in Kaliningrad, St. Petersburg and the river Neva catchment area.
- Exploring the possibility of supporting an investment financing facility for small and medium sized environmental and cleaner production projects in the region through TACIS (in accordance with the relevant provisions of the TACIS regulation), alongside international and regional partners.
- Reinforcement of EIA review mechanisms for projects with trans-boundary impact by implementing the UN/ECE Espoo and Aarhus Conventions. Reinforcement of EIA procedures for all projects financed within EU programmes.
- Contribution to a regional programme for combating climate change by launching a regional pilot scheme for climate change joint implementation projects and projects to improve energy efficiency, the use of renewable energy and better monitoring of emissions.
- Support to monitoring and reporting on the environmental problems of the region in cooperation with the European Environment Agency and in the context of the "Environment for Europe" process.

55. In the context of **fisheries** the following actions are under consideration:

- Equipping fishing boats with EU-mandated satellite-based vessel monitoring systems (VMS). (Support may be possible for Poland and the Baltic States.)
- Co-operation in the field of research, scientific work and fisheries management (with possible support for Poland).
- Implementation of a Salmon Action Plan (SAP) to support restoration of damaged habitats, development of fishing surveys and monitoring in Salmon index rivers.
- Achievement of sustainable aquaculture – action to minimise the environmental impact of aquaculture.

56. In the context of the Baltic 21 process an **Action Programme on Forests** was adopted in 1998. This action programme could provide elements for programming of forestry-related co-operation in the context of the Northern Dimension initiative. In this framework attention should also be given to cooperation on sustainable forestry in the Barents region. The programme developed around ten key areas for action and the following priority actions were decided:

- Promotion of sustainable forest management and efficiency in private forestry within the Baltic Sea and Barents regions through the establishment of organisational structures or networks of forest owners and the exchange of information on advisory services.
- A gap analysis on forest conservation areas in the Baltic Sea and Barents Regions.
- Establishment of demonstration areas to illustrate sustainable forest management practices and planning.
- Establishment of a regional group for exchanging experiences and technological know-how, and promoting the sustainable use of wood-based energy.
- Promotion of the use of environmentally sound wood and wood-based products based on a life-cycle analysis.
- Exchange of information and national experiences on criteria and indicators for sustainable forest management.

- Increasing networking and expertise in the forest sector through human resources development.

## NUCLEAR SAFETY

### **a) Situation**

57. Russia's North West region is particularly endangered by the presence of huge amounts of spent nuclear fuel and radioactive waste. In the seas and shores surrounding the Kola Peninsula there are approximately 300 small nuclear reactors (for marine purposes) and thousands of spent nuclear fuel elements.
58. There is inadequate planning and insufficient financing to deal with decommissioned submarine nuclear reactors from Russia's northern fleet. The lack of adequate reprocessing facilities or safe storage capacity for spent fuel and radioactive waste from the reactors of nuclear powered vessels is of concern.
59. Concern also relates to the operation of the Kola and Leningrad nuclear power plants in the Russian Federation and Ignalina Power Plant in Lithuania, all with their Soviet-type reactors. Concerns include technical safety aspects as well as those of infrastructure, legal and regulatory matters and of safety culture.
60. In the spheres of nuclear and radiation safety there is already extensive technical cooperation between western countries and organisations and those of the former Soviet Union. This involves both bilateral and multinational programmes and projects. However, financing is split between a large number of sources, mainly the EU (PHARE and TACIS, bilateral from Finland, France, Germany, Sweden, the UK) the Nuclear Safety Account administered by the EBRD and other bilateral funds from mainly the US, Canada, Norway, Switzerland and Japan.

### **b) Objectives**

61. Given the overall size of the problem, internationally concerted bilateral and multilateral actions are necessary and should concentrate on the most serious nuclear safety problems, notably in

the areas of treatment and storage of radioactive waste and spent nuclear fuel and on the safety of nuclear installations.

62. EU policy aims at the earliest practicable closure of all nuclear reactors at the nuclear power plants in the region, namely Ignalina, Leningrad and Kola (1-2) that cannot be upgraded to internationally accepted levels of safety at a reasonable cost. As regards the Ignalina reactors in Lithuania, the Lithuanian government, in accordance with the principles laid down in the Accession Partnerships, has decided to close down Ignalina Nuclear Power Plant. On 2 May 2000, the Lithuanian Parliament adopted a decommissioning law whereby the work prior to decommissioning Ignalina's first reactor must be finalised by January 1, 2005. As far as effective closure dates are concerned, the EU stresses that Unit 1 should be closed down before the year 2005. With regard to Unit 2, in particular considering the Lithuanian authorities' intention to determine its closure date by the 2004 National Energy Strategy and based on the age difference of both units and other technical data, closure should occur by 2009 at the latest. Moreover, the safe management and ultimate safe disposal of nuclear waste should be ensured.
63. In order to safeguard an early closure of the Ignalina units, the electricity network in the region could be developed in line with the Baltic Ring approach.
64. The implementation of projects in north-west Russia would be facilitated by the conclusion of the "Multilateral Nuclear Environmental Programme in the Russian Federation" (MNEPR). Western donors and Russia are currently negotiating this international agreement, which will serve as an "umbrella" for all projects on nuclear waste and spent fuel in Russia. The agreement will contain a set of obligations for Russia and will establish a mechanism for better co-ordination. The MNEPR agreement should be concluded as soon as possible to create a sound and stable basis for future assistance.

### **c) Actions**

65. The main financial EC instrument to assist candidate countries in nuclear decommissioning is the PHARE programme. The Commission is setting up a special international Fund at the EBRD to support a coordinated strategy for the funding of decommissioning activities at the Ignalina NPP and subsequent measures in the Lithuanian energy production sector.
66. Potential short- and medium-term actions related to nuclear safety under the PHARE programme are

- Support for the installation of a second shutdown system for Ignalina 2; 19 million € have been earmarked in the PHARE programme for this activity.
- Support to the pre-decommissioning programme for Ignalina-1 under the responsibility of the Plant Operator and the supervision and licensing process established by the Lithuanian nuclear safety authority VATESI.

67. The participation of the candidate countries and of Russia in the EURATOM RTD programme could be envisaged within the existing rules and procedures.

68. In the new TACIS Regulation for the period 2000-2006, the first of the three identified priorities with regard to nuclear safety relates to the promotion of an effective nuclear safety culture in line with the principles of the Convention on nuclear safety. For the concerned NPPs in the region, this activity will be consistent with the EU policy on the early closure of certain reactors, as indicated above. An important part is the support of the supervision and assessment capacity of safety authorities and the adoption of standard regulatory and licensing procedures.

As for "spent fuel and nuclear waste management" a specific reference is made explicitly to "North-West Russia". The successful implementation of this provision is closely linked to two basic conditions: The existence of a Russian strategy for radioactive waste and spent fuel management, and the conclusion of the MNEPR framework agreement. Therefore,

- the European Commission will continue to take an active part in the work of the Contact Expert Group (CEG) for an Overall Strategy for Radioactive Waste and Spent Fuel Management, and
- it will support a rapid conclusion of the MNEPR framework agreement under conditions acceptable for all sides.

Thereafter, the European Community will be in the position to increase its co-operation and to support larger scale projects in the region in the medium term.

69. Possible short term actions for North-West Russia under TACIS are:

- **Assessment of necessary improvements at the submarines' unloading facilities at Iokanga/Gremikha.** Several decommissioned nuclear submarines, from which no nuclear fuel has yet been removed, are in storage at the Iokanga naval base (Gremikha). The main aim of the project is to assess the existing fuel unloading equipment and to

propose and cost actions necessary to refurbish the equipment and facilities that could later be proposed for financing by the international Community. Another complementary project (feasibility study) would analyse the level of environmental contamination and will explore radioactive waste management alternatives.

- **Feasibility study for rehabilitation of Andreev Bay technical base:** The technical base in Andreev Bay (Murmansk region) was built for storage of spent fuel and radioactive waste from nuclear submarines of the Russian Northern Fleet. Over 20 000 spent fuel elements are reported to be on site; facilities do not meet current international safety standards. The base has now been transferred to MINATOM for rehabilitation. Such rehabilitation would be lengthy, complicated and expensive, requiring economic and technical studies. Access and a preliminary technical feasibility study is needed before any longer term projects at the site can be planned.

## PUBLIC HEALTH

### a) Situation

70. In the Northern Dimension region there are considerable social differences between countries. Health problems due to social inequality and environmental pollution as well as infectious diseases pose serious threats to public health and social stability. In Russia and to some extent in the candidate countries communicable diseases such as tuberculosis, syphilis, hepatitis and diphtheria have re-appeared as major public health problems. Alcohol and drug abuse negatively affects work force productivity and rates of violent crime. HIV/AIDS is vastly under-reported. There are huge disparities in the standards of health care, in particular preventive care and in the capacity of public health institutions and social administrations.
71. In the context of the Northern Dimension, existing Community structures and instruments should be taken into account. Article 152 of the Treaty Establishing the European Community (O.J. C340 of 10.11.1997) is of particular significance since it sets out the specific public health competence of the Community. The Community and the Member States are requested to foster co-operation with third countries and the competent international organisations in the sphere of public health. The Commission staff working paper on health and enlargement (SEC/1999/713) identified potential issues related to health in the candidate countries and described the health status and health systems in these countries. In particular, action within the Community network

on communicable diseases (EP/Council decision of 24 September 1998, O.J. No. L 268 of 03.10.1998) could be the subject of further collaboration.

The Commission's Communication on the development of public health policy (15 April 1998) sets out the ideas for a reorientation of public health policy, in view of new challenges to health and the forthcoming enlargement. Proposals for legislative measures to implement the new policy are under preparation.

### **b) Objectives**

72. Future activities should be developed alongside the Commission's framework for action and should therefore cover three main areas:

- improving information for the development of public health and the strengthening and maintenance of effective health interventions and efficient health systems;
- enhancing the capability to respond rapidly and in a co-ordinated fashion to threats to health by the developing surveillance, early warning and rapid reaction mechanisms covering different health hazards and problems; and
- tackling the roots of ill health by formulating and implementing effective policies on health determinants including health promotion and disease prevention.

### **c) Actions**

73. Actions may focus on the following priorities:

- Information on public health and health determinants should be improved by establishing a data base on assistance and technical co-operation between the countries of the Northern dimension. This would be based on the activities of Member States, third countries, international agencies, NGOs and on Community programmes. Areas to be covered by this data base should include health sector reforms, health policy formulation, health financing, health care provision, human resource development and pharmaceuticals.
- The recently established EU surveillance network on communicable diseases should be extended to all Northern Dimension partner countries.



- Best practices in health care and social work should be disseminated through new technologies including tele-medicine. Synergies with the implementation of the BEAC Public Health Programme should be sought.
- Assistance to Russia should help strengthen reform of the health and social system. This is closely linked to the establishment of an adequate legal and institutional framework including the decentralisation of social services to regional and local levels.
- Prevention and public health issues in current systemic reforms should be included. Particular attention will be paid to communicable diseases such as multidrug resistant tuberculosis and HIV/AIDS and to alcohol and drug abuse.
- Activities relating to surveillance and the control of communicable diseases should be implemented in close co-operation with the Community Network for Epidemiological surveillance, Control of communicable diseases, with the EU-US Task Force on Communicable Diseases, as well as the task force set up by the Baltic Sea States Summit in Kolding to elaborate a joint plan to enhance disease control in the region. The inventories of activities to combat tuberculosis and HIV/AIDS in Russia and other central and eastern European countries are being drawn up in the framework of the Task Force on communicable diseases together with the WHO. On the basis of this work, suggestions for further cooperation should be studied jointly by the partner countries.
- A coordinated approach should be sought for Kaliningrad to stop the spread of communicable diseases, mainly HIV and tuberculosis, and to fight alcohol and drug abuse.
- All actions supported by the Community should promote equal opportunities and the special needs of indigenous peoples in Arctic regions.

## TRADE, BUSINESS COOPERATION AND INVESTMENT PROMOTION

### **a) Situation**

74. The economic resources of the Northern Dimension region, in particular Arctic and sub-Arctic energy resources and other raw materials, are largely unutilised due to insufficient investment flows and underdeveloped trade. The business environment - especially in Russia - still lacks stability, predictability and incentives for SME, the latter being particularly important for economic growth and job-creation. In Russia trade and investment related legislation suffers from inadequate clarity and transparency. Existing regional barriers to trade and investment prevent regional economies developing their full growth potential.

#### **b) Objectives**

75. Regional mainstream flows of goods and services need to be stimulated by further removing barriers to trade and investment. Exchange of information concerning business conditions should be promoted and markets should be improved throughout the region by means of Internet based information systems. Russian accession to WTO should be a priority. Alignment of Russian standards and conformity assessment requirements to those of the EU should be further developed. In particular, on Russia's side progress is required in establishing a favourable and consistent legal environment for investments and private entrepreneurship. Willingness to share common values and resulting sustainable political and economic stability both are necessary preconditions for a favourable climate for investments. Proper implementation by Russia of its trade and trade-related obligations including regulatory reforms in the context of the PCA is an absolute priority. Special support should be given to the promotion of cross-border business cooperation, most appropriately between the Kaliningrad oblast and its neighbours, the Baltic countries and the immediately adjacent oblasts (Pskov and Novgorod), the Russia/Finnish border region, St. Petersburg, Karelia and the rest of the Barents region.

#### **c) Actions**

76. Enhancing customs administrations promoting business cooperation and creating a legal and administrative environment conducive to private investment and trade. Clearly defined activities will be identified during the ongoing implementation of the Europe Agreements and the PCA with Russia with technical assistance being provided through PHARE, TACIS and the EU multi-annual programme for enterprises and entrepreneurship. Action in this area will focus on removing trade barriers through the improvement of the border transit, the exchange of information and the cooperation of regional and national authorities,

- Measures aiming at improving the business environment, alleviating tariff and technical barriers to trade and preparing and promoting entrepreneurship will be supported by PHARE. Support for the promotion of SME development, notably better access to finance and quality support services, will be further increased in the years 2000-2003 under the PHARE investment component within the priority area “social and economic cohesion”.
- In line with the requirements of the **PCA** in the area of trade, economic cooperation and economic policy dialogue, support will aim to stimulate economic growth and job creation by developing a business climate favourable to private entrepreneurship. The adjustment of the legal and institutional framework and to the simplification and streamlining of regulations for SMEs could be a priority. In close collaboration with the IFIs due attention will be given to access to small-scale credit.
- The oblast of Kaliningrad relies on trade and economic interaction with neighbouring areas and thus has an interest in its exports meeting the technical norms and standards which its neighbours increasingly apply. Such technical compatibility would strengthen regional economic integration. Within its competence TACIS could offer support, and Kaliningrad could also exploit “Northern Dimension” synergies by drawing on the accumulated know-how of its neighbours.
- The Commission will further develop **support to business co-operation** through the new **multi-annual programme for enterprise and entrepreneurship (2001-2006)**. Countries and companies in the Northern Dimension area will continue to have full access to the network of Euro-Info-Centres and Euro-Info-Correspondence-Centres in third countries: 2 EICC in Estonia, Latvia and Lithuania, 12 in Poland; 5 EIC in Norway and one in Iceland, to the business co-operation networks and to Partenariat events.
- Encouraging co-operation between companies in the energy, environment, forestry, transport and telecommunications sectors with particular reference to supply chain relationships, subcontracting and public procurement opportunities, would foster the Northern Dimension and at the same time strengthen the competitiveness of supply industries in Europe.

### a) Situation

77. Human resources and scientific capacities require development in the Northern Dimension region. This can be achieved through enhanced cooperation in training and research. There are vast, still unused opportunities for networking in the application of research results and in exchanges of students, research persons and trainees. Extended exchange programmes for young people would reinforce in new generations democratic values, support for further socio-economic reforms and finally a European identity. The provision of research training would facilitate contacts amongst young researchers and foster collaboration in the longer term.
78. Community support for education and training in the EU and the candidate countries is provided through a variety of instruments such as LEONARDO and SOCRATES. The TEMPUS programme for central and eastern Europe has been running since 1990, the Russian Federation joined in 1993. A new phase of *Tempus* will start in 2000. As well as the traditional areas of curriculum development and university management a new field of “institution building” will be included for Russia in line with Article 63 of the PCA. *Tempus Institution Building* projects will focus on the development of the administrative and institutional structures in particular with a view to promoting democracy and the rule of law. These projects will therefore target public and private bodies outside the academic sector, including those more directly linked to the development of civil society. The *new Tempus* programme will no longer be open to the candidate countries, due to the fact that these countries are now participating in LEONARDO and SOCRATES on the basis of PHARE financing. Therefore the final Tempus projects for the Baltic States and Poland lasting two years started in October 1999.

The new *Youth programme* (2000-2004), including youth activities and voluntary service projects, will continue to support the development of youth cooperation with the Northern region.

79. Through the 5<sup>th</sup> **Framework Programme for RTD** and demonstration activities (1998 to 2002), the Community pursues the strengthening of the scientific and technological base and the competitiveness of Community industry. It also promotes any research necessary for other Community policies. The Framework programme includes a horizontal programme called “confirming the international role of Community Research” which is able to promote amongst others the Northern Dimension of RTD co-operation through research projects, networking and

training of researchers. RTD co-operation agreements with EFTA-EEA countries including Iceland and Norway, and agreements with Estonia, Latvia, Lithuania, and Poland, as candidate countries for EU membership, are already in force. The candidate countries participate in the 5<sup>th</sup> Framework Programme on the basis of PHARE financing.

### **b) Objectives**

80. Community instruments in the fields of Education, Training, Youth and Research should actively support institutional cooperation and networking in the area of the Northern Dimension, including the Arctic region. Priority should be given to promoting cooperation between schools, universities and enterprises, to language training, student and youth mobility and to the application of information and communication technology, this being particularly relevant for sparsely populated areas. The Community RTD Framework Programme will promote Northern Dimension cooperation 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. Research should further concentrate on the preservation of bio-diversity, the effects of climate change and the socio-economic and cultural interests of indigenous people. Research in the areas of energy, environment and sustainable development is of special importance. Transatlantic exchange and cooperation possibilities will be explored on the basis of the EU-Canada and EU-US joint statements on northern policies.

### **c) Actions**

81. Human Resources development and research will benefit from the Northern Dimension concept if action is envisaged along the following lines:

- achieving synergies through partnerships between schools, vocational training institutions, universities and research centres including network cooperation between universities in Arctic Research. Workshops could be useful in this regard.
- Individual student mobility should be encouraged through grants provided by partner countries.
- Telecommunication systems should be used to establish or extend distance learning and education schemes throughout the region with link to other EU regions.

- Technical assistance should be provided for employment related training and re-training, for management training, training and for the training of civil servants, in particular judicial authorities and law-enforcement agencies.
- In the context of **TEMPUS** projects for north-west Russia may be identified in consultation with the appropriate interlocutors in that country.
- In preparing for the Annual Work Programme 2000-2003 of the European Training Foundation, the Commission should ensure that due consideration is given to the Northern Dimension.
- The second generation of the three Community programmes targeting human resources and training (Leonardo da Vinci, Socrates, Youth) could be opened to participation from the EEA countries (Norway and Iceland) and the candidate countries of the region - Estonia, Latvia, Lithuania, and Poland - who have already participated in these programmes.
- In the context of the reflection on the "European Research area" (Communication adopted by the Commission on 18 January 2000) which may lead to respective Community programmes, the Northern regions may be selected as a priority area for co-operation.
- Regarding the development of a more comprehensive regional climatic model for the European Arctic a follow-up of a large inter-disciplinary regional impact study will be submitted in 2000. This will cover the environmental, economic, social and cultural consequences of possible global warming in the Barents Sea region. The original study was financed under the Environment and Climate Programme (Fourth Framework Programme) in close connection with the activities of the International Arctic Science Committee (IASC).
- Studies on the atmospheric composition of the Arctic have been undertaken within the Fourth Framework Programme and are being pursued within the Fifth Framework Programme.
- Space: In 1997 the Space service funded a project in the Baltic and Arctic region to explore and test methods for using new satellite Earth observation data in sea ice monitoring and improving the utilisation of these observation techniques in a wider user

community. The results and the information provided by this project could be applicable to the whole Arctic region (Greenland and Northern Sea), where satellite based information is often the only relevant information available to ships, icebreakers and offshore operations.

- Some projects in the fifth framework programme will concern the safety of VVER-type reactors (e.g. the Kola Nuclear Power Plant). A first concerted action would be to identify the safety research needs for this type of reactor.
- As a result of the 1999 **INCO Copernicus** call for tenders, 11 projects will be supported relating to “Sustainable Management of Natural Resources in the Coastal Areas of the Arctic with Special Emphasis on Land-Ocean Interaction: safeguarding of the biological diversity and productivity of the Arctic through sustainable management of marine living resources and ecosystems; protection of wilderness areas; detection of, and protection from, external pollution sources”.

## JUSTICE AND HOME AFFAIRS

### **a) Situation**

82. **Organised crime** is an alarming threat to civic security, trade and investment. Combating cross-border crime, illegal economic activities, trafficking of drugs and human beings, money laundering and illegal migration is considered very important for the region. Efforts are needed to develop efficient, secure and smooth-functioning borders and effective border management between the enlarging EU and neighbouring countries. Those borders are the most demanding ones, and the burden cannot be left to the candidate countries or their eastern neighbours alone.
83. The Task Force on Organised Crime set up by the Baltic Sea States Summit in Visby in 1996 initiates and co-ordinates joint law enforcement activities, including police, customs, border police and prosecutors. The group also deals with and coordinates action on illegal migration, money laundering, stolen cars, highly taxed goods, trafficking in women, drugs and corruption. All partner countries of the Northern Dimension are involved. Co-operation at sub-national level takes place to fight cross-border crime.

## b) Objectives

84. The main objective of cooperation in Justice and Home Affairs is to consolidate legal systems based on the rule of law, to strengthen legal order and to promote the market economy. Creating an appropriate infrastructure, developing vital legislation and supporting institution building will contribute to co-operation in other sectors of the Northern Dimension. A principal objective should be signature, ratification and implementation of relevant international treaties, eg those within the framework of the Council of Europe.
85. Effective border management and trans-border cooperation **require that** all competencies and instruments at the disposal of the Union be used in an integrated and consistent way to build the area of freedom, security and justice. This concerns in particular calls for stepping up co-operation against organised crime without delay as a first step, to combat trafficking in human beings and drugs as well as illegal migration, and to take special action against money laundering.
86. Fight against crime: Progress can be expected from continuous discussions on a wide range of legal and judicial issues between the Community, the candidate countries of the region and Russia within the institutional set up of the Association Agreements and the PCA. Support should be given, inter alia, to the implementation of the EU Action Plan on common action with Russia to fight organised crime, adopted by the EU in March 2000 and endorsed by Russia at the 3<sup>rd</sup> meeting of the EU-Russia Co-operation Council. Work should also continue on judicial cooperation; expanding twinning arrangements between national judicial authorities should be encouraged. In this respect the Visby group offers a successful model.
87. Preventing cross-border crime: all Northern Dimension partners have an interest in effective border management – both preventing cross-border crime and facilitating legal exchange. Further work is needed in areas such as smuggling, illegal immigration and trafficking in human beings. Discussions on an EU-Russia readmission agreement are being considered. Conclusion of the Estonia/Russia readmission agreement currently under negotiation would be useful.
88. A common visa policy, as defined in the Schengen acquis, will be extended to new EU member states. Due attention is being given to this question in the framework of the PCA, particularly as regards Kaliningrad. In order to ensure fluid cross-border co-operation, ways of facilitating the issuance of visas might be examined and supported by appropriate instruments.



This process could benefit from the experience of other northern European Euroregions and of the Fenno–Russian border regime.

### **c) Actions**

89. Future action should develop along the following priorities:

- An EU Action Plan on common action with Russia to fight organised crime has been adopted and is in the early stages of implementation. Russia has endorsed this Action Plan as a basis for co-operation. Activities will focus on combating money laundering, trafficking in drugs and human beings, illegal migration and training of judiciary and law enforcement officials. They will be carried through, inter alia, in fora provided by the PCA. The plan adds substance to the Tampere conclusions and also foresees cooperation with Russia in other fora such as the Visby group, Baltic Sea Region Border Control Cooperation and the UN.
- Expansion of judicial co-operation to be supported by twinning activities between national judicial authorities should be encouraged.
- Support for training of officials active in the fight against organised crime could be foreseen.
- Developing efficient and secure borders with neighbouring countries after enlargement should build on the EU acquis on border management (Schengen) while also learning from the experiences gained at the Fenno-Russian and the German-Polish borders.
- Legal border traffic should be facilitated. Straightforward and efficient customs control operations capable of facilitating the flow of legitimate passengers and trade while ensuring collection of customs revenue need to be implemented.

## **REGIONAL AND CROSS-BORDER COOPERATION**

### **a) Situation**

90. Further enhancing regional and cross-border co-operation is an essential element of the Northern Dimension concept designed to ensure peace, stability and sustainable development. Consequently the promotion of cross-border co-operation remains a key priority for the

Community, as reflected in the new TACIS Regulation. Mainstream regional developments programmes will continue to be co-financed on a high level by the Structural Funds. Programmes for INTERREG III funding, available for cross-border, transnational co-operation and interregional co-operation, are currently being set up on the basis of relevant Council decisions and Commission guidelines. The PHARE CBC programme for the candidate countries bordering the Baltic Sea supports investment projects, notably in the field of transport and environment. It is very important that the candidate countries further develop the skills and capacities needed to manage projects themselves, notably through small project funds supported by PHARE, and be able to fully participate in Community programmes after having become EU Members.

### **b) Objectives**

91. Border management, especially after the enlargement of the EU, may have an enormous impact on areas on neighbouring countries. A concerted and coherent approach, reaching across the Union's three pillars, is required to deal with many of the problems related to CBC and border management. This would imply deepening co-operation with the candidate countries and the new eastern neighbours in a wide range of fields: policing and judicial affairs, customs, economic development, education and culture, cross border links between local and regional authorities and communities.
92. Successful CBC and border management depend on continuous and effective co-ordination. Thus, reinforcing complementarity between EC assistance programmes and pre-accession instruments will be an important task in the coming period. Therefore, all relevant bodies and institutions of the EU should continue to seek consistency between the relevant programmes. The basic rules for doing so should be established through the relevant procedures to be agreed between the institutions.
93. Priority needs to be given to creating new and developing existing networks of contacts between local and regional governments, other public service providers, research and education facilities, and business and non-governmental organisations across national boundaries. In this context, more weight should be given to cross-border institution building, along the lines of the EUREGIOs, which are already widely established in central Europe

94. In the framework of the Accession partnerships, the objective of economic and social cohesion will be pursued by means of integrated development projects in selected regions. Such initiatives could include human resources development (sharing experiences in education and training, establishing operational links between educational institutions), local business development and tourism (creation of links and partnerships, studies, setting up a cross-border service structure for SMEs, tourism offices). Actions oriented towards the integration of the Russian-speaking population and other minorities into the societies of the future EU Member States will be promoted.
95. At the sub-national level initiatives should be launched to improve services to communities in the border region. This would include the exchange of information, know-how and experience on local service provision and the provision of new facilities and similar activities.
96. This could be done in combination with activities promoting local democracy such as twinning programmes of the EU with other Northern Dimension partner countries in the field of administration, management, finance, budgeting and training of elected representatives and officials. To achieve these results the opportunity for regional and local authorities to work together (small project facilities) could be considered.
97. Regional bodies, in particular CBSS and BEAC, assume an active role in promoting and further implementing cooperation measures consistent with the Northern Dimension. The Commission will continue to contribute to the work of these bodies. In order to establish knowledge and cooperation within the Arctic, the Commission may seek contacts with the Arctic Council to explore further possibilities for cooperation in the Arctic region.

### **c) Actions**

98. When defining guidelines for Community assistance during 2000-2003 special attention could be given to measures having a significant regional and cross-border cooperation component. In the field of cross-border cooperation, these would include, where appropriate, the establishment or development of shared management structures intended to widen and deepen cooperation between public and para-public agencies as well as non-profit organisations. Planning would be done in close cooperation with the regional and local authorities in the respective border areas.

By making optimal use and seeking best co-ordination of the relevant EU instruments, regional and cross-border cooperation actions are envisaged along the following lines for:

## TACIS-CBC

- assist border regions in overcoming their specific development problems. Special attention should be paid to the creation of co-operation and business development between communities, which, together with the establishment of links between border networks, will develop trade and economy in the region.
- encourage the linking of networks and assistance on both sides of the border, e.g. border crossing facilities and training. These activities should include the improvement of the efficiency and effectiveness of border controls, facilitating transit and in particular local transit across the borders. Priority should be given to provide assistance to border crossings linking the Northern Dimension partner countries as well as to the further improvement of the customs services at the border crossings.
- reduction of transboundary environmental risks and pollution should be a major aim of CBC activities. They should address local transfrontier environmental problems simultaneously on both sides of the border.

## PHARE-CBC

- the alleviation of the administrative and institutional obstacles to the free flow of persons, products or services across the border while taking into account the security aspects of such flows;
- improving infrastructures, in particular communication facilities and the provision of local water, gas and electricity supplies, providing benefits across border areas;
- environmental protection, for instance waste management, environmental management and pollution prevention dealing with problems exacerbated by the proximity to external borders;
- agricultural and rural development measures with particular attention for facilitating cross-border cooperation projects;
- measures in the fields of energy and transport, aimed at complementing the development of trans-European networks in accordance with the orientations adopted by the Commission;

- actions related to Community justice and home affairs policies;
- promotion of business cooperation, enterprise development, financial cooperation and cooperation between institutions representing the business sector (e.g. Chambers of Commerce);
- aid to investment and provision of supporting services and facilities, in particular for technology transfer and for marketing for SMEs;
- training and employment measures;
- local economic development, including tourism;
- measures to promote cooperation in health, particularly the sharing of resources and facilities on a cross-border basis;
- the development or establishment of facilities and resources to improve the flow of information and communications between border regions, including support for cross-border radio, television, newspapers and other media;
- cultural exchanges;
- local employment, education and training initiatives.

#### STRUCTURAL FUNDS INCLUDING INTERREG

- continuation of financing for mainstream regional development programmes in EU areas with the greatest development needs.
- During the 2000-2006 Structural Funds period, INTERREG III has been allocated over Euro 4.875 billion, under which due attention should be given to cross-border activities, in particular in the perspective of enlargement, and for MS which have extensive frontiers with the applicant countries.

## KALININGRAD

- As part of the continuing dialogue between the Russian Federation and the EU within the framework of the PCA, Kaliningrad oblast presents a challenge for enhanced regional cooperation and development. Kaliningrad's capacity to take advantage of the opportunities presented by enlargement would require significant internal adjustment e.g. in the field of customs and border controls, fight against organised crime and corruption, structural reform, public administration and human resources.
- The Copenhagen Conference on the "Northern Dimension and Kaliningrad: European and Regional Integration", held on 17-18 May 2000, provided for a comprehensive, informal discussion on key issues pertaining to co-operation with Kaliningrad as part of the Russian Federation, as well as concrete proposals for the way ahead. The conclusions of the Chair and other contributions presented at the Conference form elements for consideration in further work on the EU Northern Dimension initiative.
- An EU study on the prospects of the Kaliningrad oblast, the support already provided to the region and the possible steps to further promote co-operation between Russia and the enlarging EU could be considered.

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## LIST OF ACRONYMS

ARCDEV	Arctic Development
BC	Business Co-operation
BEAC	Barents Euro-Arctic Council
BEATA	Barents Euro-Arctic Transport Area
BPF	Border Project Facility
BRE	Bureau de Rapprochement des Entreprises
BSPF	Baltic Small Project Facility
CBC	Cross Border Co-operation
CBSS	Council for Baltic Sea States
CEC	Central European Countries
CEE	Central and Eastern Europe
CEEC	Central and Eastern European Countries
CEG	Contract Expert Group
CFSP	Common Foreign and Security Policy
EBRD	European Bank for Reconstruction and Development
ECE	Economic Commission for Europe
ECHO	European Commission Humanitarian Office
EEA	European Economic Area
EfE	Environment for Europe
EFTA	European Free Trade Agreement
EIA	Environment Impact Assessment
EIB	European Investment Bank
EIC	Euro-Info Centres
EICC	Euro Info Correspondence Centres
EP	European Parliament
ERDF	European Regional Development Fund
EU	European Union
EUREGIO	European Region
GDP	Gross Domestic Product
HELCOM	Helsinki Commission
IASC	International Arctic Science Committee
IBSFC	International Baltic Sea Fishery Commission

IDP	Internally Displaced Person
IFI	International Financial Institution
INTAS	International Association for the Promotion of Co-operation with Scientists for the NIS
Interreg	Inter Regional
ISPA	Instrument for Structural Policies for Pre-Accession
ITU	International Telecommunications Union
JHA	Justice and Home Affairs
LIFE	L'Instrument Financier pour Environnement
MINATOM	Ministry for Atomic Affairs (Russia)
MNEPR	Multilateral Nuclear Environmental Programme
MS	Member State
ND	Northern Dimension
NEFCO	Nordic Environment Finance Cooperation
NGO	Non Governmental Organisation
NICE	Nitrogen cycle and effects on the oxidation of atmospheric trace species at high latitudes.
NIS	New Independent States
NPP	Nuclear Power Plant
OECD	Organisation for Economic Co-operation and Development
OPC	Operational Committee
OPET	Organisation for the Promotion of European Technologies
PCA	Partnership and Co-operation Agreement
PETRA	Pan European Transport Area
Phare	Poland and Hungary : Action for the Restructuring of the Economy
PRAQ	Programme for Improvement of Product Quality
R & D	Research and Development
RTD	Research and Technical Development
SAPARD	Special Accession Programme for Agriculture Rural Development
SF	Finland
SIGMA	
SME	Small and Medium Sized Enterprises
SWEBALTCOP	Sweden Baltic Sea Co-operation
SYNERGY	



TAC	Total Allowable Catches (Fishery)
Tacis	Technical Assistance Commonwealth of Independent States
TAIEX	Technical Assistance Information Exchange Programme
TEDIM	
TEMPUS	Programme Trans-Européen de Coopération de l'Enseignement
TEN	Trans-European Network
TSPF	TACIS Small Scale Project Facility
UCLAF	Unite Contre Lutte Anti Fraude
UNHCR	United Nations High Commissioner Refugees
VET	Vocational Education Training
WHO	World Health Organisation
WTO	World Trade Organisation