

**THE BARENTS EURO-ARCTIC TRANSPORT AREA
(BEATA)**

ACTION PROGRAMME 2004 - 2008

The Steering Committee of the Barents Euro-Arctic Transport Area
has approved this version of the Action Programme,
Kirkenes, April 26, 2004

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1. Summary of the Second Program

The establishment of a Steering Committee is mandated in the Memorandum of Understanding on the development of the Barents Euro-Arctic Pan-European Transport Area, which was signed by the governments of Finland, Norway, Russia and Sweden, and the Commission of the European Communities in May 1998. The declaration of Archangelsk of the Ministers of Transport, September 1996, defined the fundamental objectives for the transport co-operation in the Barents Euro-Arctic Region.

The Pan-European Transport Conference in Helsinki in 1997 created four Pan-European Transport Areas (PETRAs) for further forums of regional co-operation. The Barents Euro-Arctic Transport Area is one of the four PETRAs.

The elimination of missing links, improvement of border crossings and upgrading of deficient transport connections will be the main focus areas in the BEATA co-operation. Thus, the implementation of the improvement measures will also contribute to strengthening economic links and increasing trade flows between the European Union, Norway and Russia. Furthermore, the intensified co-operation will encourage the reform and restructuring of economy in northern Russia.

According to the Memorandum of Understanding the Steering Committee will co-ordinate development activities in the Barents Euro-Arctic Transport Area. The objectives and activities of the Steering Committee are described in its Action Programme and annual work programmes and reports. The Programme covers all modes of transport: Roads, railways, sea routes, aviation and combined transport systems. It also includes ancillary installations, such as ports, border crossings terminals and telematic systems, which are necessary for the uninterrupted flow of traffic. The Action Programme will generally derive from and is compatible with national transport plans of each BEATA country and with the plan of the Trans-European Networks.

The Steering Committee will transmit annual reports on its work to the Barents Euro-Arctic Council and to the European Commission (Directorate for Energy and Transport, DG TREN).

The national transport authorities of the signatory countries (see Annex IV) will be responsible for the Action Programme implementation in the second five-year period 2004-2008.

The whole region will benefit from co-operation between the EU, Norway and Russia and from opening of new regions to trade exchange. The co-operation will contribute to the development of northern regions of the Nordic countries, i.e. Finland, Norway and Sweden, as new businesses and job opportunities will be opened serving as a driving force to economic growth in the Barents Euro-Arctic Area.

2. Background

2.1 Transport Area

The Barents Euro-Arctic Pan-European Transport Area (BEATA) is a multi-modal transport area defined in the Pan-European Transport Conference in Helsinki in 1997. BEATA covers the northern provinces of Finland, Sweden and Norway, as well as the northwest part of the Russian Federation; Republics of Karelia and Komi, Oblasts of Murmansk and Archangelsk, and the Nenets Autonomous Okrug.

The Barents Region is a large area of 1.3 million sq.km, which is equivalent to over 30 per cent of the surface area of all the current EU countries. The Region has rich natural resources and a diversified economic structure, but it is highly peripheral, with a population of approx. 6 million. Of these 4.5 million are Russian inhabitants. The region's population and economic activity are located in a few central areas, which are wide apart and poorly connected with each other. The existing transport infrastructure and services are not adequate for integrating the dispersed regional structure and, more particularly, for sustaining and developing local and regional economies, social services and social contacts. Current transport infrastructure and services meet only barely these objectives at the national level, but quite poorly at the entire Barents Region level. This creates a situation for industries and businesses where the markets are very far away, distances long and, most importantly, transport costs very high.

The region is historically divided by national borders, which continue to support the concept of separate, national transport systems operating in parallel, as opposed to having only one inter-regional system across the countries. This creates a strong isolating frontier effect. Additional transport bottlenecks are created at the borders, as the current national investment programs in transport do not match as it concerns the nature or timing of investments or other improvement measures on either side of the border.

The relevant international transport connections in the East-West direction fall within three categories of very general nature, which complement each other. They are:

- Sea route along the Norwegian and Northwest Russian coast with connections to and from all the major Barents Sea Ports. This northern sea route is also known as the Northeast Passage.
- Railway(s) between Norway and Sweden, which at the Gulf of Bothnia link with the railway between Sweden and Finland. From Finland there are rail connections further on to Russia, particularly the Karelian Republic and the Archangelsk Region.
- Roads between northern Norway, Sweden, Finland, the Murmansk Region and the Republic of Karelia.

2.2 Memorandum of Understanding

The Governments of Finland, Norway, Russia and Sweden, and the Commission of the European Communities signed a Memorandum of Understanding on the Development of the Barents Euro-Arctic Transport Area in Copenhagen on May 26th, 1998 (see Annex I). Co-operation is based on voluntary commitment. Duration of the Memorandum of Understanding is five years, which is automatically prolonged for another five years if none of the Parties objects.

The Memorandum of Understanding:

- defines the area

- establishes a Steering Committee
- mandates the exchange of information between the Parties, and
- creates a framework for co-operation between the transport authorities in the Area. Private parties and international financial institutions are invited to participate in the cooperation.

The Parties have also approved a separate Rules of Procedure (Annex II).

2.3 First Action Programme for years 1999 – 2003

The first Action Programme for BEATA cooperation, dated 9.6.1999, covered the first five-year period 1999 – 2003. The program defined two activity levels: (i) general objectives and priorities of the first five-year period and (ii) detailed annual work programmes.

The aim of the BEATA cooperation is to create an efficient and integrated multimodal transport system of international significance in the Area and to define the prerequisites for the most efficient use of funds and know-how both from public and private sources. More specifically, the creation of a multimodal transport system for the Barents Euro-Arctic Area is seen to focus on the following:

- a. Creating conditions for environmentally sustainable as well as technically and commercially viable sea transport in the Barents Sea area up to, and including, the Nenents Autonomous Okrug.
- b. Improving the infrastructure of the ports, which service maritime transport.
- c. Building missing and improving existing road and railway links between northern Nordic countries and northern oblasts and republics of the Russian Federation, where economically feasible.
- d. Providing facilities and safe operating conditions for aviation.
- e. Facilitating the movement of people and goods at international border crossings.
- f. Introducing new, computer based systems for facilitation of trade and transport of freight within the Transport Area.
- g. In the Program years the Steering Committee of BEATA has implemented the measures specified in the Action Programme, more specifically the following:
 - h. Creating the framework for co-operation in BEATA.
 - i. Defining the first backbone network for transport in the Barents area.
 - j. Developing the BEATA database (GIS) and collecting network data.
 - k. Reviewing the existing traffic forecasts in the Region
 - l. Collecting current and planned project information in the Nordic Countries and Northwest Russia.
 - m. A website has been set up.

3. Program framework

As agreed in the Memorandum of Understanding, the Parties involved in the development of the Barents Euro-Arctic Transport Area are the representatives from the EU Commission and the Governments of the Russian Federation, Finland, Norway and Sweden (see Annex III). A representative of the Barents Regional Council will be invited to all the meetings. Representatives of the local administrative bodies within the Area, non-governmental organisations, international

financing institutions, private sector and other observers may be invited to the Steering Committee meetings as appropriate.

The BEATA Steering Committee has been mandated to report annually to the Barents Euro-Arctic Council (BEAC), to the G-24 Transport Working Group and to the European Commission. Since then, the Commission has terminated the G-24 Transport Working Group and the reporting was limited to BEAC and the EU Commission (Directorate for Energy and Transport, DG TREN).

The EU has also defined the Northern Dimension, which encompasses the whole of the BEATA area. BEATA cooperation is part of the Northern Dimension action plan, which is revised by the EU Presidency of Greece in spring 2003.

In 2003 the future status of BEATA cooperation has become unclear. The Commission launched the revision of the TEN Guidelines in early 2003. Any decision of the final revisions will be taken in 2004 the earliest. Nevertheless, these decisions will have a profound impact on the status and development of the Pan-European Transport Corridors and Areas in general. Those, which are located inside the enlarged European Union, become parts of the TENs and will be terminated as Pan-European corridors. The future status of the corridors and areas extending outside the Community countries and connecting them with the neighbouring areas has not been discussed in the TEN revision process. BEATA belongs to this latter group. A midterm revision of this BEATA action programme will be considered if changes are made in the Pan-European Transport Corridors and Areas.

The Commission will revise also profoundly its funding mechanisms starting in 2007. The EU funds currently being used in neighbouring areas, most notably Tacis, will be terminated in 2006. The funding mechanism will be replaced with a new facility, the Proximity Instrument. These developments are still in the planning stage, but they will impact the way the BEATA cooperation can and will proceed in the second half of this decade.

A significant factor for the developments in the BEATA cooperation is the Interreg III B program, which awarded a significant EU grant for the Sustainable Transport in the Barents Region (STBR) project in December 2002. The implementation will begin in summer 2003. The BEATA Steering Committee is closely involved in the implementation of the STBR project in the years 2003-2005, even if the directly responsible partners are the regional administrations of the BEATA Area; that is the members of the Barents Regional Council. The BEATA Steering Committee acts as an Advisory Board for the STBR project. Chairman and secretary are members of the STBR project steering committee. BEATA members have also arranged considerable financial assistance for the project.

The Barents region is proliferating different fora for cooperation, which address transport issues to a variable degree. They include:

- Northern Periphery Program, which has launched the Northern Maritime Corridor project, with which the STBR project will be coordinated.
- Arctic Council, comprising also the USA and Canada, has its own transport working group.
- Northern Forum, a cooperation arrangement between all the regions in the Arctic. They do not have a specific objective in the transport area.
- ARCOP, an EU sponsored research project aimed at exploring commercial navigation in the Northeast passage.

- Russian programs, most notably the Northern Sea Route, which have connections with the BEATA objectives.

The BEATA Steering Committee will cooperate with all the above fora in a way that is most appropriate at any given instance. However, the main external partners in the BEATA cooperation continue to be:

- BEAC and particularly its Working Group on Economic Cooperation. Intention is to organise at least one joint meeting annually.
- Barents Regional Council and its Communications Working Group, which is responsible for implementing the STBR project.
- Local transport authorities
- Local businesses and industries, with which special effort will be initiated in order to involve them in the BEATA and STBR work.

4. Second Programme for years 2004 – 2008

4.1 Objectives

The primary objective of the BEATA cooperation continues to be the same as specified in the first Action Program; that is, creation of an efficient and integrated multimodal transport network for the Barents Region.

In this second Action Programme, as the Sustainable Transport in the Barents Region (STBR) project will become the centrepiece of the cooperation, the objectives of the STBR will be adopted also as BEATA objectives. They include the following:

- a) Strengthening cooperation between all stakeholders in transport and promoting sustainable development so that the whole of Barents Region is positively affected.
- b) Identifying multinational development needs of transport infrastructure and services in close association with local industries so that the supply of region-wide transport infrastructure and services is improved.
- c) Helping decision makers at all levels reach common understanding of transport problems and see the Region as a single transport area. Creating structured cooperation at all levels (local, regional and national, including ministries of transport and the EU), as well as between the countries concerned, which will motivate and assist transport authorities to plan the region's transport infrastructure and services jointly.
- d) Developing concrete investment programs and improvement plans in the transport sector.
- e) To make efforts so that the adverse effects of borders and lacking infrastructure are to be eliminated.

4.2 Activities

The second Action Programme comprises two main activity levels:

- (i) Formulation of general objectives and selection of priorities for the five year period, and
- (ii) Detailed annual work programmes, which are prepared by the current chairman and mutually agreed between the Parties.

It is proposed that the following issues will be agreed in order to implement the Action Programme in 2004-2008:

Activities in the five-year period:

A. Running the cooperation of BEATA as defined in the Memorandum of Understanding and Rules of Procedure:

- Exchange of information and experience with the aim of harmonising transport policies and investment programs across the borders.
- Providing a discussion forum and liaison between the EU, national and regional authorities, existing international cooperation frameworks, as well as other stakeholders in transport in the Region.
- Initiating studies and other relevant projects of common interest, maintaining and updating the BEATA backbone network and list of investment projects in the Area, as well as
- Collection of traffic and network information
- Provide and work for coordination of the different activities in the Area

B. Providing Advisory Board (AB) for the STBR project, which:

- brings to the project the current and proposed views and requirements embodied in the national transport policies
- informs and give advice for national policy making and investment programming about the developments and desires emerging in the STBR process
- coordinates and directs other, possibly parallel, projects to seek cooperation with the STBR project as well as eliminate any double work at national level
- lends political support for the activities, particularly between Russia and the Nordic Countries.

Activities in the annual work cycle:

- a) Specific needs are addressed annually by the current chair -country
- b) Programme preparation for a given year
- c) Meetings in the steering committee
- d) Methods of programme delivery
- e) Monitoring of the progress
- f) Reporting (Barents-Euro-Arctic Council and the EU Commission)

4.3 Implementation

The BEATA cooperation takes primarily place in its Steering Committee or seminars. The country holding the chair as well as the secretariat set up by the Finnish Ministry of Transport and Communications direct largely the work in the BEATA Steering Committee. They will also draw up the annual work programs, initiate any action that may be deemed necessary and draft all the reports that are needed in the BEATA work.

Much of the practical work will be carried out in connection of the STBR project in the years 2003 – 2005. The chairman and secretary will be the key parties, who have the prime responsibility to provide liaison between the BEATA Steering Committee and the STBR project. Chairman and secretary are members of the STBR project steering committee.

4.4 Timetable

According to “Rules of Procedures” the chairmanship follows the BEAC. The schedule of chairmanship in the period of the second Action Program is as follows:

Sweden until October 2003

Norway	autumn 2003 – autumn 2005
Finland	autumn 2005 – autumn 2007
Russia	autumn 2007 – autumn 2009

The STBR project will dictate much of the more specific timetables and deadlines in due time.

4.5 Financing

The BEATA cooperation does not have any own budget. Each party covers its own costs, although the country holding the chair will be responsible for the general costs such as the meetings of the Steering Committee.

The BEATA countries can influence the following funding sources:

- a) National funding for transport services and investments and possibly for transport research and development in the Area. This includes also the national and regional transport authorities in road, railway, sea and aviation sectors, which receive their funding from the governments.
- b) Baltic Sea Interreg III and associated national financing which is available through the STBR project in 2003-2005. Framework for using these funds has already been set up.
- c) Bilateral funds aimed at assisting Russia. Here it is recommended that the use of these funds in the transport sector will be coordinated better, e.g. in the BEATA framework.
- d) The EU funding mechanisms for Russia; that is mainly Tacis CBC until 2006. The situation after 2006 is unclear.
- e) Funds provided by the Nordic Council of Ministers

5. Government Commitments to the Second Programme

The ministers of transport of Finland, Norway, Russia and Sweden as well as the railway minister of Russian Federation and transport commissioner of the EU Commission signed the Memorandum of Understanding on the development of BEATA in Copenhagen, May 26, 1999. The Memorandum is effective for five years and its duration will automatically be prolonged another five years if none of the signatory parties object it. The current Memorandum expires in May 2003 and none of the parties have asked for its termination. As the BEATA cooperation between the above ministries has been quite active in these years, it can be concluded that BEATA cooperation continues to enjoy the commitment of the governments concerned.

In addition, the BEATA cooperation has been recognised in all the fora, which are active in the Barents Region. Most notably, BEATA is recognised in the work of the Barents Euro-Arctic Council, which is a framework of cooperation between the Ministries of Foreign Affairs in the Region. BEATA cooperation has been reaffirmed in the BEAC resolutions concluded annually between the Foreign Ministers as well as Prime Ministers of the countries concerned.