

Russian Chairmanship of
the Barents/Euroarctic Council
(2007 – 2009)

Minutes of the Meeting of
the BEAC Working Group on Economic Cooperation
(Moscow, 21 May 2008)

1. ADOPTION OF THE AGENDA

The draft agenda as proposed was discussed and adopted. The Agenda of the Meeting is attached as the Annex I to these Minutes.

The representatives of following BEAC Members were present at the Meeting:

Finland
Norway
Russia
Sweden
European Commission.

The representatives of Russian ministries, agencies and bodies, as well as of Russian regions from the North-Western Federal District were present at the Meeting. The List of Participants is attached as the Annex II to these Minutes.

2. OUTCOME OVERVIEW OF THE FINNISH WGEC CHAIR IN 2005 – 2007

The representative of the former Chairmanship (Finland) – Ms. S.Mäkeläinen-Buhanist, the Minister-Counselor of the Finnish Embassy in Russia, informed the participants on the results of the Finnish WSEG Chair in 2005-2007. The report of Ms. S.Mäkeläinen-Buhanist is attached as the Annex III to these Minutes.

3. EXCHANGE OF VIEWS ON WGEC ACTIVITIES IN 2007 – 2009

Russia presented Tentative Guidelines of the Russian WGEC Chairmanship for the mentioned period. This proposals were discussed and assessed positively by the WGEC. The two relevant documents are attached as the Annex IV and Annex V to these Minutes respectively.

Following areas of cooperation were marked as worth being touched upon: forestry sector; transport infrastructure and logistics, trade liberalization, possible interaction with BEATA/BEAC; B-BAG activities, participation of local authorities of Member States in the WGEC events.

4. INFORMATION OF WGEC CHAIRMAN ON PRESENTATION BY THE WGEC AT THE BEAC/CSO MEETING ON 8 – 9 APRIL 2008 IN MOSCOW

The WGEC Chairman (Mr. S.Goncharenko) delivered the information on presentation by the WGEC at the BEAC/CSO Meeting on 8-9 April 2008 in Moscow. The participants of the Meeting were provided with the information on decisions taken at the level of BEAC/CSO regarding WGEC. In particular, CSO agreed to delegate to WGEC the authority concerning possible prolongation of the mandate for the Barents Forest Sector Task Force (BFSTF).

5. ISSUES RELATED TO FORESTRY IN BEAC/WGEC

As forestry sector remains to be of great importance for the Barents Region, participants reviewed relevant issues quite thoroughly. The Chairman informed the participants that the BFSTF had been working within the framework of the BEAC for the last two years under the Chairmanship of Finland to promote the cooperation in this sphere.

a. REPORT ON THE WORK OF THE BFSTF IN 2005 – 2007 (MR. KARJALAINEN, FINNISH FOREST RESEARCH INSTITUTE)

Chairman of the BFSTF in 2005 – 2007 (Mr. T.Karjalainen) delivered the report on its work during 2005-2007. It contains some recommendations for the future cooperation proposed on the basis of the results achieved by the BFSTF. The document is attached to these Minutes as the Annex VI.

b. INFORMATION ON RECENT DEVELOPMENT, CURRENT SITUATION AND LEGISLATIVE CHANGES, PROSPECTS FOR THE FUTURE IN THE RUSSIAN FORESTRY SECTOR

Mr. S.Artamonov, the Deputy Head of Division of the Russian Forestry Agency made a relevant presentation. The text is attached to these Minutes as the Annex VII.

c. ISSUES RELATED TO THE BFSTF MANDATE

Having considered delivered information, Chairman raised the question of whether the Member States were interested to continue the cooperation on forestry issues in the format of BFSTF.

The Member States' representatives expressed their positive attitude to the ideas of continuation of the work aimed at promoting interaction in this sector. At the same time some countries expressed different proposals for the organization of BFSTF work: to involve in its activity on more wider scale representatives of forestry business (Sweden, Norway); to provide sustainable financial support for BFSTF in order to ensure its proper work and feasible results (Finland); to conduct efforts consistently to guarantee political support needed to achieve its goals (Russia, Finland, Norway, Sweden).

During further discussion the Member States agreed to prolong the mandate of the BFSTF for the period of the Russian BEAC Chairmanship (up to December 2009). The WGEC has decided to make a request for the BEAC/CSO to propose to approve such a decision at its next meeting.

Representative of the Russian Forestry Agency informed that this Agency may nominate the Chairman for the BFSTF during this period.

6. EXCHANGE OF VIEWS RELATED TO THE TENTATIVE MEETING OF BEAC WGEC IN BRUSSELS

Participants exchanged views on issues that could be discussed at a tentative WGEC meeting in Brussels. The accent could be made at the clarification of the position of the European Commission regarding topics discussed at the WGEC

meetings. Representative of the Commission stressed that any duplication during such a meeting with ongoing formats of cooperation (e.g. negotiations on forest-related issues in the Russia/WTO accession process as well as the work of the Subgroup on the Forest-based Sector of the Russia–EU Regulatory Reform dialogue, etc.) should be avoided.

Participants assessed positively this idea and expressed their readiness to take part in meetings with the EC and to contribute in expanding the scope of agenda items. Norway proposed that the item may be included in the agenda of the next BEAC/WGEC Meeting in Brussels concerning the system of contractions and deliveries of goods in the Barents region once such a meeting will be held.

7. INFORMATION ON BBAG ACTIVITIES

Though Mr. T.Rautajoki, the President of Barents Business Advisory Group, was unable to take part in the Meeting, the WGEC took into account the ‘Report and message from the Barents Business Advisory Group (BBAG) to the 11th Session of the Barents Euroarctic Council’ dated 15 November 2007. The participants raised some questions concerning the content of the document and expressed hope that any BBAG representative would be able to be present at the next WGEC meeting (though Mr. T.Rautajoki, of course, is mostly welcomed) in order to conduct a broad discussion with the participation of local entrepreneurs on the issues of business environment in the Barents region.

8. EXCHANGE OF VIEWS RELATED TO THE NEXT BIP CONFERENCE

Russia informed the participants that according to its plans of the BEAC Chairmanship practice of holding annual Barents Industrial Partnership Conferences will be continued. Next Conference is planned for the autumn 2008 in one of the Russian entities. The relevant documents will be sent to the BEAC Member States in due time.

9. EXCHANGE OF VIEWS RELATED TO THE TENTATIVE MEETING WITH THE REPRESENTATIVES OF BUSINESS COMMUNITY

The Chairman informed the participants that some different unions of Russian entrepreneurs expressed their readiness to participate in the BEAC/WGEC activity. At the same time they would like to clarify possible directions of cooperation, e.g. specified projects.

The BEAC Member States were invited to bring down to the WGEC Chairman relevant proposals that could be discussed at the next WGEC meetings.

10. PROSPECTS FOR ECONOMIC COOPERATION IN BEAC REGION (VIEWS OF BEAC MEMBER STATES)

The participants agreed that the BEAC/WGEC is an important mechanism for promoting economic cooperation in the Barents Region and that it should continue its work. In order to raise the effectiveness of the Group and improve practical contribution of the BEAC Member States the Chairman has proposed them to send their relevant observations in a written form.

The Chairman stressed at the same time the necessity to update information on economic development of the Barents region in order to enhance efficiency of dealing with different aspects of international economic cooperation here. The situation has been changed dramatically since the last complex scientific report was made in the framework of BEAC (in the end of the 90-s). Now profound research on economic situation in the Barents region is needed. This report may form a solid base to elaborate matured assessment and recommendation of WGEC concerning BEAC economic cooperation.

The participants agreed that such a research may be useful for the WGEC activities.

11. EXCHANGE OF VIEWS ON FUTURE COOPERATION WITH THE BEAC WORKING GROUP ON TRADE BARRIERS

Under this agenda item Mr. A.Dyshlyuk, the Chairman of the BEAC Working Group on Trade Barriers (WGTB) took floor and informed the

participants that the WGTB is under process of changing the name into the 'Working Group on Customs Cooperation'. This move reflects the changed accents in the activity of the Working Group, which unites the experts charged with public security order.

Mr. Dyshlyuk made several proposals on increasing future interaction of the two BEAC Working Groups taking into account that one of their common goals is to facilitate transportation of goods through the borders of the BEAC Member States, namely:

- to provide exchange of information on current activities between the WGEC and the WGTB;
- to invite representatives of one Working Group to the meetings of another Working Group and vice-versa;
- to consider the possibility of holding a joint meeting of the two Working Groups and prepare 'a food for thought' paper devoted to the issues of common concern.

During the discussion that followed the representatives of Finland and Sweden were of the opinion that it would be good for improving commercial export-import operations in the Barents Region to undertake measures towards optimization of the transport, logistic and administrative infrastructure, especially in the neighboring entities of BEAC Member States.

12. ISSUES RELATED TO WGEC DISCUSSED AT THE MEETINGS OF OTHER BEAC WORKING GROUPS (VISION OF ECONOMIC COOPERATION IN THE BEAC REGION FROM THE MEETINGS OF OTHER BEAC WORKING GROUPS)

Mrs. N.Koroleva, representative of the Russian Ministry of Transport, which is currently chairing the BEATA, informed on the Latter's elaborated program of activities during Russian BEAC Chairmanship. It's planned to convene four meetings devoted to different aspects of the transport infrastructure development in the Barents Region.

The first one was already held in the city of Murmansk on 23–24 April 2008.

The next one is supposed to take place in St.-Petersburg later in autumn 2008 and to focus mainly on the issues of transport safety.

The participants of the BEATA Meeting in Murmansk discussed possible ways and means aimed at coordinating national programs on transport infrastructure development. The continuing work was discussed as well on elaboration of program of cooperation between the entities at the regional level.

Taking into account common issues on the agenda of all three Working Groups mentioned above it was proposed to consider the possibility of organizing a joint three-parties meeting with participation of BEATA, WGEC and WGTB.

The Chairman invited the participants of the Meeting to express their opinions concerning this proposal.

13. ANY OTHER BUSINESS

No issues were raised under this Agenda item.

14. DATE AND VENUE OF THE NEXT MEETING

The date and venue of the next meeting will be communicated to the participants in due way.
