



Action plan for Regional Working Group on Investments and Economic Cooperation (RWGIEC) 2011-2013

1. Background and mandate

The cooperation in the Barents Region is based on the principles drawn up in the Kirkenes Declaration on 11th January 1993. Investments and economic cooperation in the form of trade, investment, industrial cooperation, etc. was recognized as important mechanism for increased economic cooperation in the Region. It was agreed upon to explore ways and means to encourage trade and investments and to provide a framework conducive to broader cooperation on a commercial basis at the enterprise level.

Based on the desire to revitalize the Regional working group on Investments and Economic Cooperation (RWGIEC), the Barents Regional Committee, in its meeting in Tromsø on 10th of June 2010, formally appointed Mr Kjell Hjelm from the Norrbotten County in Sweden as the new RWGIEC chairman for a two year period. The members of the working group should comprise representatives from all member regions and have experience from business life.

Members of the RWGIEC are:

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The mandate of the RWGIEC is as follows:

- to assess business infrastructure from the practical viewpoint of the region's SMEs
- to propose to the officials the improvement of business climate and operational conditions
- to arrange meetings between administrations and business life

- to distribute information
- to encourage SMEs for cross/border economic cooperation
- to build up sub-contractor networks so that SMEs could participate in big-scale projects
- to start a dialogue between the big companies and SMEs in the region
- to combat trade barriers
- to inform about the transportation needs of companies
- to cooperate with different sector programs.

During the first meeting of this working group, held in Luleå 11th April 2011, the members agreed to restrict the mandate of this workgroup. It was a general opinion among the members that the mandate in its present form was too extensive and that the financial side also could be a challenge. Consequently, the working group found it important to concentrate on just a few of the above directives in order to achieve good results. Therefore a decision was made to prioritize two of the above mandates, and an additional issue considering universities, during 2011-2013. The working group will then continue working with the other directions in forthcoming years.

2. Aim and objectives

The overall aim

The overall purpose of this work group is to develop a multilateral cooperation and business climate among the member regions that is productive and progressive for the SMEs.

In order to increase the economic growth in the Barents Region we need to emphasize both long and short term issues. This action plan therefore involves choices focusing on the most urgent problems resulting in long term possibilities. The chosen directions are thus future oriented measures which can be implemented within a reasonably short period of time.

To reach the overall purpose we need to focus on following aims:

- (a) engagement in cross-boarder difficulties in order to encourage enhanced cooperation among the SMEs,
- (b) arranging meetings between administrations and business-to-business,
- (c) reaching out to the universities, since the academia is an important node in the development of SMEs.

The first aim regards communication across boarders including custom duty, visa and other impediments for future cooperation. It also considers hindrance in all member countries, i.e. Norway, Sweden, Finland and Russia. It is thus a prerequisite to engage in cross-boarder difficulties in order to be able to fulfill business meetings with administration and SMEs as well as develop greater cooperation with universities which are the other to goals with this action plan.

Engagement in cross-boarder difficulties in order to encourage enhanced cooperation among the SMEs

Swedish and Finish companies have the past few years been rather cautious when it comes to expanding their businesses towards Russian markets. They aim instead at the Scandinavian and European markets. Time consuming trips and inconvenient detours represent, at current stage, a considerable obstacle in launching a broader cooperation with Russia. We need therefore to overcome these technicalities in the most efficient way. Since it seems difficult for SMEs by themselves to get establish on the Russian market we need to encourage them to

cooperate in a larger extent. This is important because there is a huge economic potential in launching closer cross border cooperation, especially on energy issues.

Arrange meetings between administrations and business-to-business

In addition, to be able to develop well functioning cross boarder cooperation we need to focus our efforts on arranging meetings between local administrations and the business sector, as well as business-to-business meetings linking companies in the region. Contacts are vital for business cooperation and development of future collaborations.

Reaching out to the universities

Finally, we see the universities in the Barents region as important driving forces in the development of investments and economic cooperation. In collaboration with universities and companies in the region we are able to progress innovation and commercialization processes.

3. A working plan.

Activities

To smooth the progress of cross boarder cooperation we need to develop a multilateral Barents Cross Border Forum that considers possible hindrances between all the member countries. This forum needs, in addition, to be connected to the existing cross border forums considering bilateral issues. We thus need to

- gather information of existing rules and regulations
- gather legal and administrative procedures from each country
- identify existing cross border hindrances
- join up other relevant organizations such as the Swedish-Russian Council

There is a lack of information, especially regarding Russia and their business conditions, and this might become quite a challenge for smaller companies. Studies of relevant national legislation and existing practices could thus, in a concise and easy-explained form, serve as a guide for SMEs desiring to expand their businesses abroad, especially to Russia. Such guides could, if time and finance allow, be further translated into all four languages and distributed. Collaboration with the universities in the region in form of a student project could accomplish this task. We therefore need to

- create a project and a pre-study
- seek finance for both projects

To finance the pre-study we will turn to regional and national funding, or to Nordic Council of Ministers. There is a lack of studies considering cross border impediments in Barents today, and at the same time there is a great need of such collected information. To finance a larger project including the creation of a Barents Cross Border Forum we need to turn to EU funding.

Another important activity is to promote cross boarder cooperation. We thus need to arrange meetings between companies and administrations in each country, as well as business-to-business meetings. In this way we facilitate the necessity of important contacts and information. Arrangement of this kind of meetings will thus be held at least once a year in each member region.

In order to promote innovation and commercialization the working group will promote contacts between universities and SMEs. At least once a year in each member region we will

gather academics and business leaders to discuss creative ideas and development of business ideas.

An ongoing activity of the working group is to promote our work, and Barents as a region, at local, national and regional levels as well as in EU. We need to find and use relevant channels to accomplish these lobby activities. One channel is to turn to European offices such as North Sweden and North Norway.

The working group will also invite the Regional Working Group on Transport and Logistics (RWGTL) to cooperate on important issues considering the development of regional transports.

4. Monitoring and evaluation

At every RWGIEC meeting the working group will monitor the execution of the action plan and its planned activities. The information will then be used to further adjust and optimize the plan. The working group will also report annually to BEAC as well as relevant Ministries on the implementation of the action plan.