



8 May 2012

WORKING GROUP ON ECONOMIC COOPERATION FIRST MEETING IN 2012

Oslo, 12 April 2012

Report by Norway

1. The Working Group on Economic Cooperation (WGEC) convened for the first time in 2012 under the Norwegian chairmanship of the Barents Euro-Arctic Council (BEAC) on 12 April in Oslo. A joint informal meeting with the Nordic Committee of Senior Officials for Business and Industry – Nordic Council of Ministers, took place on the same day. The meeting was chaired by Deputy Director General, Vibeke Greni from the Norwegian Ministry of Trade and Industry. The agenda and list of participants is enclosed to this report.

2. The Chair welcomed the member countries to the first meeting under the Norwegian chairmanship of BEAC and WGEC 2011-2013 and underlined the main objective for the meeting to agreeing on a working program of the WGEC 2011-2013 and a tentative calendar of events.

3. The agenda was adopted with two additional points. Under item 8 *Any other business*, the Norrbotten Chair of the Regional Working Group on Investments and Economic Cooperation (RWGIEC), Kjell Hjelm, was asked to provide information on the work of the RWGIEC. Furthermore, Mr. Hansen from the Norwegian Ministry of Foreign Affairs would inform the meeting of the work on the Kirkenes Declaration II and a planned seminar on indigenous people's rights and extraction industries scheduled in September.

The Norwegian Chairmanship of Barents Euro Arctic Council 2011-2013

4. The Chair of the Committee of Senior Officials (CSO), Ambassador Stub from the Norwegian Ministry of Foreign Affairs gave a presentation on the Norwegian chairmanship of the Barents Euro Arctic Council (BEAC). During its chairmanship Norway intends to highlight and promote the Barents region as *a resource-rich region in Europe*. The Norwegian chairmanship aims at continuity and adaptability, with three main priorities: 1) Sustainable economic and industrial development; 2) Environmentally safe and climate friendly development based on knowledge; and 3) The human dimension.

5. Ambassador Stub briefly informed the meeting about the preparations for the 20th Anniversary of the Barents Cooperation, on 3-4 June 2013 in Kirkenes.

6. Regarding the economic cooperation in the Barents Region, Ambassador Stub pointed out that the potential had not been fully exploited, and that it was a challenge for the WGEC to facilitate economic cooperation. He said he was pleased with the priorities of the WGEC as outlined in the Norwegian proposal, as they were in line with the overall objectives of the Norwegian chairmanship of BEAC. He suggested that CSR could be included in the work of the WGEAC.

7. Finally, Ambassador Stub emphasized the importance of close cooperation with other relevant working groups, such as transport, tourism, the task force on forest, energy and environment, and other regional structures.

The Action Plan on Climate Change in the Barents Region

8. Turning to the Action Plan on Climate Change in the Barents Region, Ms. Lillehagen from the Norwegian Ministry of Environment gave a presentation of the work on the plan. Lillehagen stated that climate change is high on the agenda of the Barents Council, and that the establishment of an Action Plan on Climate Change in the Barents region is priority for the Norwegian chairmanship.

9. Since climate change is a cross-sector issue, it will be crucial to involve all sectors and working groups under the Barents Council, where the Working Group on Economy is an important one. In this respect, Ms. Lillehagen referred to the declaration from the meeting of the Foreign Ministers of Finland, Russia, Sweden and Norway, in October 2011, where they stated in their joint communiqué that they: *welcome the development of an Action Plan on Climate Change in the Barents region and call upon all sectors to engage in these efforts.*

10. The CSO will have the overall responsibility for the development of the Action Plan. An external coordinator has been designated to coordinate and facilitate the process. By 10 September, all working groups are to propose concrete actions and measures based on the priorities of the working group that could be relevant for an Action Plan on Climate Change in the Barents region.

Presentation of the International Barents Secretariat

11. The Head of the International Barents Secretariat, Ari Sirén gave a brief presentation of the work of the International Barents Secretariat (IBS) in Kirkenes. The Agreement on the establishment of IBS was signed in the 11th BEAC Ministerial session on 15 November 2007 in Rovaniemi. The purpose of the International Barents Secretariat is to provide technical support for the multilaterally coordinated activities within the framework of the Barents Euro-Arctic Council and the Barents Regional Council. The IBS is aimed at increasing and securing the coherence and efficiency of the Barents cooperation as well as helping the biennial rotation of governmental and regional chairs in their tasks and guaranteeing the seamless continuity of the Barents cooperation.

12. Regarding economic cooperation between the member states, Mr. Sirén believed that the treaty between Russia and Norway on maritime delimitation in the Barents Sea and the Arctic Ocean would enhance the cooperation.

13. Finally, Sirén briefly informed the WGEC about information websites relevant to the Barents Cooperation:

- The International Barents Secretariat www.beac.st;
- The Barents Observer www.barentsobserver.com;
- Barents Info www.barentsinfo.org.

The Norwegian Chairmanship of WGEC 2011-2013

14. Turning to the Norwegian Chairmanship of WGEC 2011-2013, the Chair stated that prior to the meeting, all member states had been invited to give their input to the work of the WGEC under the Norwegian chairmanship. One contribution had been received from Sweden, which was to build on the work from Swedish chairmanship period. This proposal has been incorporated into the Norwegian chairmanship programme.

15. The Chair presented the priorities for the Norwegian chairmanship. In line with the overarching theme “*A resource-rich region in Europe*”, Norway will focus on topics and activities that will enhance the economic potential of the region’s vast resources. More concretely, Norway proposes to have a particular focus on new possibilities for increased economic cooperation in the following areas; maritime traffic in the Arctic Ocean, the mineral sector, marine bioprospecting, cross-border business cooperation and cross-cutting cooperation. Norway plan to organize seminars, conferences and/or meetings related to the suggested topics. The chairmanship will also support initiatives that promote closer cooperation between WGEC and other relevant working groups and regional structures.

16. On *maritime traffic in the Arctic Ocean* the Chair pointed out that the receding ice will open up for new challenges and opportunities for economic growth and industrial development in the Barents region. The Norwegian chairmanship will organise a meeting on maritime transport in the Arctic Ocean, to exchange information and discuss practical experiences. The Norwegian proposal is to organise such a meeting in conjunction with the second meeting of the WGEC, in Kirkenes.

17. The development in the *mineral* and metal prices worldwide has led to a renewed interest in the mining sector and the potential for the mineral sector in the Barents region is significant. The Chair informed that Norway plans to organize a conference on economic cooperation in the Barents region with emphasis on the opportunities for cross border cooperation in the mineral sector next spring, 2013. The Chair also informed the participants about the Norwegian mineral strategy to be launched in 2012.

18. Furthermore, the Chair underlined the growing interest and potential in the field of *marine bioprospecting*. The High North and the Barents region have access to unique Arctic marine organisms, marine industries, and expertise and research infrastructure. The collaboration in the Barents region will be of great importance. The Norwegian chairmanship intends to organise a seminar/meeting on marine bioprospecting in Tromsø during the chairmanship.

19. Finally, the Chair highlighted the importance of cross-border business cooperation and cross-cutting cooperation between the working groups and other regional structures.

Discussion on the work of the WGEC

20. The Chair invited the member states to give their views on the Norwegian priorities for the WGEC, to see if there is any scope for cooperation in the proposed fields. Overall there was broad support and consensus among the member states with respect to the Norwegian proposal.

21. The Swedish representative, Sebastian Stålfors welcomed the Norwegian proposal and said he was pleased that it builds on the work launched during the Swedish chairmanship, especially on minerals. In this regard, Sweden would like to see a reference to the cooperation with the EU and its initiative on raw materials. The Swedish spokesperson also added that Sweden in a few weeks time would present a strategy on minerals.

22. The Finnish representative, Vejo Kavonius echoed the Swedish support to the Norwegian proposal and said he was especially pleased that it was so concrete. Mr. Kavonius also informed the participants that a meeting on environment and the mineral sector, organized by the Working Group on Environment, would take place in April (not in January).

23. The Russian representative, Sergej Gusjtsjin said too much attention was attached to the mineral sector and added that the Swedish proposal concerning a reference to the EU was difficult for Russia to accept. The Barents region should avoid becoming a supplier of raw materials to the EU. Furthermore, Russia would like to see a reference to the Task Force on Forest.

24. Mr. Stålfors replied that the EU's initiative is very important and crucial to the Barents region. In this respect he reminded the participants of the declaration from the Barents Ministerial Conference in Umeå 2010 concerning minerals.

25. The Chair said this question could not find its solution in the meeting and would have to be further discussed internally in WGEC.

26. Finally, several of the member states underlined the importance of close cooperation and coordination with the working group on transport, BEATA, when discussing maritime transport in the Arctic Sea. Mr. Sirén emphasized the importance of participation from the Russian Sevmorput-administration in such a meeting.

27. The Chair appreciated the open and good dialogue and thanked the member states for their constructive contributions to the discussion on the future work of the WGEC. The Chair underlined the importance of getting the businesses on board and the importance of communication. There is a lot of information available; the challenge is how to distribute the information.

Any other business

28. The Norrbotten Chair of the Working Group on Investments and Economic Cooperation (RWGIEC), Hjelm gave a presentation of the work of the RWGIEC. He said the overall purpose of the RWGIEC is to develop a multilateral cooperation and business climate among the member regions that is productive and progressive for the SMEs. To reach the overall purpose the RWGIEC will focus on; cross border difficulties in encouraging enhanced cooperation among the SMEs, arranging meetings between administrations and business-to-business, and reaching out to the universities. Mr. Hjelm especially emphasized the challenges smaller companies face concerning the lack of information regarding Russia and their business conditions. Partly on this background the regional working group has agreed to develop a manual that provide businesses compiled information on requirements for doing business in the Barents region. The objective is to finalize the manual in 2013. Mr. Hjelm also briefly informed the working group about the “Barents Green Growth Forum”, which will take place in Rovaniemi 4-5 September 2012.

29. The Chair welcomed the work of the RWGIEC and said the work on the manual, should be discussed in the WGEC when ready.

30. Mr. Hansen from the Norwegian Ministry of Foreign Affairs informed the meeting about the work on the Kirkenes Declaration II. He said it would not replace the Kirkenes Declaration I, but be a supplement to and a non-binding political statement. The declaration will have two main components; 1) what has been achieved and 2) point out possibilities in the years to come. There will be an informal process until September/October and Mr. Hansen encouraged the members to come up with ideas to the declaration before the formal process starts. The declaration will be signed in June 2013.

31. With reference to the priorities of the Norwegian chairmanship of BEAC and the rights and needs of the region’s indigenous peoples, Mr. Hansen said that the Norwegian Chairmanship will organize a seminar on indigenous peoples and the extraction industry in the Barents region in Tromsø (Norway) on 7th of September 2012. The objective is to discuss how to establish a dialogue between indigenous peoples, businesses and governmental representatives, to share knowledge and best practice.

32. The Russian representative, Guschin said that the Working Group on regional and cross border cooperation between Russia and Norway also have agreed to look into the possibility of organizing a seminar on the rights and needs of the indigenous peoples back-to-back with the next meeting of the Working Group, which tentatively will take place in late September in Russia.

33. The Chair replied that a letter was under way from the Norwegian chair of the working group State Secretary Ms. Lind to the Russian chair Deputy Minister Mr. Travnikov, to inform him about the seminar in Tromsø and with a suggestion that the Working Group on regional and cross border cooperation participates in the seminar as part of its work on these matters, instead of organizing its own seminar on the topic in Russia only three weeks later.

Next meeting

34. Turning to the last item on the agenda, the Chair suggested that the next meeting takes place in Kirkenes (Norway) in the autumn, preferably in October/November, and that the main theme would be maritime traffic in the Arctic Sea.

35. It was agreed that Norway would come back with a concrete date and draft agenda for the next meeting.
