Progress report submitted to the Third Ministerial meeting of the Renewed Northern Dimension Policy

Brussels 18 February 2013

*The Northern Dimension Political Declaration* and *the Northern Dimension Policy Framework Document*, adopted at the Northern Dimension Summit on 24 November 2006 in Helsinki at the highest political level, provide the basis for the ND policy. According to the Policy Framework Document “a permanent flow of information is a key element of the Northern Dimension policy. The Steering group will prepare an activity report before every Foreign Ministers’ meeting.” The Steering Group submitted the first progress report to the first Ministerial meeting which took place in St. Petersburg on 28 October 2008. That report took account of the developments that had taken place between the entry into force of the two basic documents and the Ministerial meeting. The second progress report was submitted to the second Ministerial meeting which was organised in Oslo on 2 November 2010. The second progress report, covering a two-year period form 2008 to 2010, took note of the thematic broadening of the Northern Dimension cooperation, marked by the establishment of two new partnerships and two initiatives.

This report constitutes a third contribution from the Northern Dimension Steering Group to the Third Ministerial meeting in Brussels on 18 February 2013. It is a collaborative effort of the Steering Group and attempts to take account of the progress achieved since the second Ministerial meeting. As was the case with the previous progress reports submitted to the first and second Ministerial meetings, the intention of this progress report is not to provide an overview of all the activities which have taken place in the region covered by the ND or activities taken place in the context of the ND policy but rather to highlight those which are of particular relevance to the policy and cooperation and to their further development.

The Steering Group, in submitting this report to the attention of the Ministers, would wish to express its appreciation to the ND partnerships and other ND structures which have provided assistance in the writing of this report.

**Third Senior Officials' meeting in Reykjavik on 8 November 2011**

The third Senior Officials' meeting was convened in Reykjavik on 8 November, hosted by Iceland. The Chairman's conclusions of the meeting are attached to this Progress Report.

The Senior Officials acknowledged the achievements in the ND Partnerships and noted the increasing need and potential in developing cooperation in new thematic areas within the ND partnerships as well as in other ND structures, and to focus efforts on a broad geographic area, involving increasingly also the Barents region.

**Link with the four Common Spaces**

As set out in the Framework Document the ND is a regional expression of the four Common Spaces which will make it a cross-cutting topic and a tool where appropriate for the implementation of the Road Maps with participation of Iceland and Norway in matters relevant to the Northern Dimension.
The linkage between the ND Policy and the Common Spaces continues to serve as a useful conceptual tool and allowing both the European Union and the Russian Federation to provide regular updates on the implementation of the Road Maps for the benefit of Iceland and Norway.

**Link with the Partnership for Modernisation**

Northern Dimension Policies contribute to the Partnership for Modernisation (P4M). This is the case for the Northern Dimension Environmental Partnership (NDEP), the Northern Dimension Partnership on Transport and Logistics (NDPTL) and also in relation to the Northern Dimension Partnership in Public Health and Social Well-being (NDPHS).

The NDEP can contribute to implementing P4M tasks in the energy field, notably in relation to energy efficiency, insofar as ambitious standards are pursued, which qualify projects as “pilot projects”.

The development of enhanced transport integration within the NDPTL helps to deliver on common objectives of ND Policy and P4M in the transport field.

In addition, there are synergies concerning public health, where the NDPHS can contribute to implement some P4M public health objectives. This is the case for cooperation in the field of prevention of non communicable diseases (related to lifestyle and alcohol abuse), infectious diseases (HIV/AIDS and associated infections) and strengthening primary health system.

**Link with the EU Strategy for the Baltic Sea region (EUSBSR)**

The EU Strategy for the Baltic Sea region (EUSBSR) plays an important role in implementing the aims set out also in the ND Policy documents. Northern Dimension plays a key role in ensuring constructive cooperation with the Russian Federation, Norway and Iceland with regard to the external aspects of the EUSBSR in the ND Framework. The EU and the Russian Federation should seek synergies between the EUSBSR and the Federal Strategy of the Russian Federation for the Development of the Russian North-West Region.

**Link with the Council of the Baltic Sea States (CBSS)**

Cooperation between ND and the Council of the Baltic Sea States (CBSS) has been intensified. ND Steering Group, CBSS Committee of Senior Officials and the High Level Group of the EU Strategy for the Baltic Sea Region had a joint meeting during the Baltic Sea Days in Berlin on 24 April 2012 where the representatives discussed questions of coherence in Baltic Sea Cooperation on the basis of a Policy Paper "Creating a Coherent Framework for Baltic Sea Cooperation' produced by the German think tank "Stiftung Wissenschaft und Politik".

In a meeting in Greifswald in May 2012 on the invitation of the German Chair of the CBSS Senior Officials Group for Culture, NDPC Steering Committee and CBSS Senior Officials for Culture decided to have once a year back-to-back meetings of these groups.

The NDPHS Secretariat continues to be hosted by the CBSS Secretariat in Stockholm.
Link with the Arctic and Barents region

The Northern Dimension Policy Framework Document stipulates that the Northern Dimension covers a broad geographic area which includes the European Arctic and Sub-Arctic areas from North-West Russia in the east to Iceland and Greenland in the west.

The second ND Ministerial meeting on 2 November 2010 in Oslo noted the untapped potential of the Northern Dimension Arctic Window and instructed the Steering Group to consider further ways of addressing the relevant Arctic issues in close cooperation with the Arctic Council and the Barents Euro-Arctic Council, in order to search for synergies and without duplicating work within the mandate of these organisations. The Ministers invited indigenous peoples' organisations to join this process.

The ND Partnerships have been increasingly expanding their activities in the European Arctic and Barents region. The NDEP's nuclear window project activities take solely place in the Kola Peninsula, whereas the non-nuclear window projects in Murmansk, Archangelsk and the Komi Republic for water and wastewater management complement the Partnership's outreach to the Barents and Arctic regions. The NDPHS' task group on indigenous mental health, addictions and parenting focused on health issues, social problems and lifestyle related diseases among the indigenous population in the northmost part of the ND region. The activities of the NDPTL and NDPC will also contribute to increasingly enhance the ND role in the Barents region and the High North.

Progress in the Partnerships

As noted in the ND Framework Document, the Partners favour the model of Partnerships as an effective way to organize practical implementation of projects in the agreed priority sectors. To date four Partnerships have been established: Northern Dimension Environmental Partnership (NDEP), Northern Dimension Partnership in Public Health and Social Wellbeing (NDPHS), Northern Dimension Partnership on Transport and Logistics (NDPTL) and the Northern Dimension Partnership on Culture (NDPC).

Northern Dimension Environmental Partnership (NDEP)

The Northern Dimension Environmental Partnership (NDEP) remains an important flagship in the Northern Dimension area. The Partnership's ability to foster and facilitate concrete investments across the North-West Russia and Western parts of Belarus have affected positively to the improvement of ecological health of the Baltic Sea and Barents regions. The NDEP policy has served as a model for other multi-donor partnerships and initiatives. NDEP consists of the environmental window which focuses on water and wastewater projects, energy efficiency as well as municipal solid waste, and the nuclear window which deals with the legacy of the radioactive waste and spent nuclear fuel in North-West Russia.

Within the environmental window, NDEP has been successful in making complex and demanding municipal infrastructure projects financially viable by using relatively small grants having a very high value. The NDEP grants donated by the EU and its member states, Russia, and Belarus, have helped leverage significant loans from the International Financing Institutions (EBRD, EIB, NIB, and NEFCO) and secure additional funds from national and federal or regional national budgets and extra bilateral grants from the governments of
Finland and Sweden. So far NDEP grants of 122 million euro have leveraged 417 million euro of IFI loans, 644 million euro of national Russian contributions and 113 million euro of additional bilateral grants. The total value of investments of the whole NDEP portfolio of 29 projects is close to 1.3 billion euro.

At the request of Russia, and in recognition of the NDEP’s success and a growing pipeline of urgent projects, the Contributors extended the operation of NDEP until 2017.

Since the second progress report, during 2011-2012, the NDEP activities in the environmental window focused on mobilising additional financial resources to allow NDEP implement more projects in the new priority areas. The European Union initiated a new replenishment round by contributing 14 million euro in December 2010, followed by Sweden’s 7.2 million euro contribution. NDEP celebrated its 10th Anniversary in June 2011 in St Petersburg with a high level representation of guests representing governments, IFIs and clients of NDEP projects. The Anniversary recognised the Partnership’s good track record in stimulating investments and improving the environment. At the Anniversary event, Russia announced its new pledge of 20 million euro making Russia the largest contributor to the NDEP environmental window with the total of 60 million euro. Additional funds were also received also from Finland (3 million euro), Norway (1.6 million euro), Germany (3 million euro) and Belarus (1 million euro). In the beginning of 2012 there was 62 million euro available for new projects in the environmental window of the Fund. At the NDEP Assembly in 2012, new pledges amounting to 3.7 million euro were announced by Germany and Norway.

With the new funds and extended time-frame, NDEP has doubled its project portfolio by adding 10 new projects for North-West Russia and three new projects for Belarus. These investments were mostly for the water-wastewater improvements in Sosnovy Bor, Petrozavodsk, St Petersburg, Pskov, Murmansk, Gatchina, Tikhvin, and Vyborg and in Vitebsk, Grodno and Brest in Belarus. The objective is to also address smaller municipalities where appropriate.

Years 2011-2012 were a busy construction period for two major NDEP projects. After intensive works, the St. Petersburg Neva Programme, supported by 24 million euro NDEP grant, will achieve the completion of the North Tunnel Collector in 2013. The purpose of the Neva program is to eliminate the remaining discharges of the untreated wastewater into the Neva River with a new tunnel collector and modernize the Northern and Central Wastewater Treatment plants in order to fulfill the commitments made under the HELCOM convention and the new Baltic Sea Action Plan. Once the Northern Tunnel Collector is completed in 2013, the City of St. Petersburg will treat 98% of the discharged wastewater in full compliance with the EU and international recommendations. The Neva Programme is a high priority investment for Russia supported by 462 million euro of national funds. Overall, the volume of waste-water treatment investments in St. Petersburg within the NDEP framework amounts to 863 million euro, with NDEP grants of 40 million euro and IFI loans of 220 million euro. Similarly, the construction of a 104 million euro Wastewater Treatment plant in Kaliningrad is approaching completion in May 2013 with a target to close the current flow of untreated wastewater of 150,000 cubic meters per day.

Responding to the EU-Russia and ND Ministerial calls for more energy efficiency investments, NDEP has taken on board implementation of a number of new projects to rehabilitate district heating networks in Vologda, Novgorod, Gatchina and Lomonosov district of St Petersburg. Kaliningrad is also considering extending the current NDEP project for
district heating renovation. In addition, an innovative project is under implementation to resolve the problem of accumulated waste from poultry farms in Leningrad Oblast polluting the ground waters and having a negative impact on the Baltic Sea.

In 2011 NDEP carried out an assessment of the environmental benefits of its current projects. Once implemented, the NDEP projects will cut phosphorous reductions to the Baltic and Barents Seas by 2,300 tonnes per annum while HELCOM target for Russia is 2,500 tonnes per annum. Nitrogen will be cut by 7,600 tonnes per annum, respective HELCOM target for Russia being 6,970 tonnes per annum. The projects also result in corporate development of clients e.g. utility companies and will improve the quality of life of the local population with cleaner water and improved district heating networks. NDEP has recognised the importance of wastewater treatment projects in Belarus which will result in significant cross-border benefits for Poland, Latvia, Lithuania, Russia and the whole of the Baltic Sea.

Regarding the nuclear window, significant milestones have been achieved during 2010-2012. In 2010 the NDEP Assembly of Contributors approved further 58.34 million euro for four projects: 10 million euro for extension of the Lepse decommissioning project, 35 million euro for extension of the Andreeva Bay project, 11.8 million euro for the infrastructure improvements to allow receipt of the Alfa-type Spent Reactor Cores at NIAR and 1.54 million euro for support to regulatory work on the Lepse project. The United Kingdom made an additional contribution to the nuclear window of the NDEP Support Fund in the amount of 10.2 million euro and Norway added 2.6 million euro in 2011. All the 12 nuclear safety projects, which are entirely funded by NDEP grants, are now under implementation and all the pledged funds have been fully committed.

At the end of 2012, the contributions to the NDEP Support Fund totalled 342 million euro with 177 million euro allocated to the environmental window and 165 million euro for nuclear window projects.

Northern Dimension Partnership in Public Health and Social Well-being (NDPHS)

During the two years that have elapsed since the last Northern Dimension Ministerial meeting, the Partnership continued to run a wide array of concrete and pragmatic activities which ranged from high-level ministerial dialogue and policy shaping to project development and implementation. The major focus of the NDPHS work during this period was on the implementation of the NDPHS Strategy, adopted at the Ministerial level in the Partnership's Annual Conference (PAC) in 2009, and authorizing the legal capacity to the NDPHS Secretariat.

Good progress was made regarding the latter. Six out of ten Partner Countries have signed the Agreement on the Establishment of the NDPHS Secretariat, all of which have informed Russia, serving as the Depositary, of the completion of their respective national procedures necessary for the agreement to enter into force. The Agreement has entered into force on 31 December 2012. The internal regulatory framework for the Secretariat has been put in place by the Parties to the Agreement on the Establishment of the NDPHS Secretariat. A Host Country Agreement was signed between the NDPHS Secretariat and the Government of Sweden on 6 February 2013. It is expected that the NDPHS Secretariat enjoying its own legal capacity will become operational no later than on 1 July 2013.
Regarding the former, the NDPHS Strategy is a tool which facilitates monitoring and evaluating the Partnership’s performance against concrete targets and indicators, as well as planning further actions to achieve its goals. With respect to policy shaping, the NDPHS’ efforts focused on raising the profile of health and social well-being on the regional cooperation agenda. While appreciating the importance attached to the social welfare and health within the Northern Dimension Policy context, the 8th ministerial-level Partnership Annual Conference (PAC) held on 25 November 2011 concluded that these two need to be more widely recognized on other relevant regional cooperation agendas as being of crucial importance for the future of our societies. To that end, the PAC adopted in 2011 a NDPHS position paper aimed to raise the profile of health and social well-being and mandated the respective NDPHS structures to take actions to publicize and promote the ideas and messages contained therein among relevant stakeholders. Policy-related efforts also continued in all thematic areas dealt with by the NDPHS expert structures, most notably in the area of non-communicable diseases. On the sidelines of the above mentioned PAC, the Partnership organized a regional event “Healthy lifestyles – the cornerstone of public health,” the outcome of which was an Action Statement for Implementation of the European Strategy for the Prevention and Control of Non-communicable Diseases in the Northern Dimension area. The Action Statement was subsequently approved by the ministers during the PAC.

The NDPHS Strategy places focus on project development and implementation. During 2011 and 2012 the Partnership was developing and/or implementing twelve regional projects covering issues such as HIV/AIDS and associated infections, primary health care as well as non-communicable diseases and promotion of healthy life-styles (among them alcohol and drug prevention, and occupational health and safety). These efforts were financially supported by NDPHS countries as well as by the EU through two mechanisms: (i) the ENPI Regional East Indicative Programme 2010-2013, as well as (ii) a technical assistance grant for the implementation of the EU Strategy for the Baltic Sea Region. Some of the developed projects have already been granted funding. Two projects, developed with the NDPHS support, have been granted funding from the call for proposals “Non-state actors and local authorities in the Baltic Sea region,” launched in 2011 by the Delegation of the European Union to Russia. One of them is a project jointly developed by the NDPHS and the Northern Dimension Institute, which is a good example of concrete cooperation between two Northern Dimension policy structures. Further, 300 000 euro has been granted from the ENPI Regional East Indicative Programme 2010-2013 for the implementation of a project addressing the pressing issue of alcohol and drug prevention among youth. In the meantime, Norway continued offering funding through the NDPHS Project Pipeline for projects engaging Russia. The implementation of other project-related activities will start as soon as funding is obtained.

The Partnership took many successful actions to discharge its role as the coordinator for the health component in the EU Strategy for the Baltic Sea Region Action Plan (EUSBSR). These include, but are not limited to coordination, engaging other actors and stimulating them to take up responsibilities, as well as monitoring and reporting on the progress in the implementation of the health component of the EUSBSR. The technical assistance grants provided by the European Union helped the NDPHS discharge its duties as the coordinator. The NDPHS Strategy closely correlates with the EUSBSR to ensure that the health and social well-being related activities in the Northern Dimension area be implemented in a coordinated and efficient way and involve all relevant actors.

1 Available at http://www.ndphs.org/?database.view.paper,67.
The Partnership involved various regional stakeholders in fostering macro-regional cooperation in health and making this cooperation more integrated and inclusive. Fruitful cooperation was also developed with the European Social Fund Baltic Sea Network, aimed at strengthening social aspects in the regional cooperation, with particular emphasis on joint policy development as well as identifying and developing projects. Finally, cooperation was established and pursued with the Baltic Sea Parliamentary Conference, the Union of the Baltic Cities and many other regional stakeholders.

The Partnership continued developing a website and a database, both of which serve as a source of information (along with other information tools, such as the NDPHS e-newsletters and papers) and about conducted activities (as well as projects), organizations, experts and publications in the area of health and social well-being in the Northern Dimension area. The Partnership was also running the NDPHS Project Pipeline, which channels information about funding opportunities for health and social well-being related projects in the Northern Dimension area.

**Northern Dimension Partnership on Transport and Logistics (NDPTL)**

The NDPTL Secretariat became operational in February 2011, as a result of the agreement on the secretariat of the Northern Dimension Partnership for Transport and Logistics signed between the Nordic Investment Bank and the Ministries of the participating countries, and with the recruitment of the assistants to the secretariat and temporal appointment of the seconded experts offered by Finland and Lithuania. The Director of the NDPTL Secretariat assumed his duties as of September 2011.

As a starting point to fulfil the goals laid down in the Memorandum of Understanding (MoU) of the Partnership, the NDPTL Regional Transport Network - which connects the Trans European Transport Network (TEN-T) with the transport networks of the neighbouring territories, Russian, Norway and Belarus - has been adopted in the NDPTL High Level Meeting in Oslo on 21 November 2012.

The NDPTL regional Transport network is the outcome of the study launched to review the planning policies under development in the different NDPTL countries, with a special attention to Russia and Belarus and relevant transport projects.

Furthermore the Steering Committee has on several occasions discussed the actions to tackle bottlenecks caused by administrative or legal constrains, incompatibility of software used in transport management, lack of information sharing along the border of the NDPTL focus area. Two studies were launched to look into the Integrated Cross Border Management issue, which would focus on the bottlenecks at the border crossing points of the Schengen area with Russia and Belarus, although a Working Group on Non-Infrastructure Measures has not been established as yet.

In parallel to the work done to define the Regional Transport Network, the NDPTL Infrastructure Working Group reviewed the projects appraisal methodology, which was elaborated by the NORDIM study. The results of the screened projects incorporating those from NORDIM report were presented to the NDPTL Steering Committee. To meet the NDPTL goals it was emphasized that the transport infrastructure and soft measures projects should be of mutual interest, having cross border implications, which are of particular relevance for international flows, but not excluding those of more sub regional or local focus.
if they contribute to the development of common objectives. The list of the screened projects is to be further elaborated.

The Steering Committee is examining a possibility to use the information system (TENtec), which is to support implementation of the TEN-T network, as a tool for the Northern Dimension Regional Transport Network as well. The NDPTL Regional Transport network was submitted to implement into the TENtec information system.

Preparations of a study titled “Mapping financial instruments for infrastructure projects in the Northern Dimension Area” have been launched. The study is financed by Norway. The main objective of the study is to identify financial instruments available within the Northern Dimension area for financing cross-border transport and logistics projects and to develop the guidelines for co-financing mechanism.

The NDPTL Steering Committee held in Berlin on 24 September 2012 and the High Level Meeting (HLM) held in Oslo on 21 November 2012 endorsed the establishment of the NDPTL Support fund to strengthen the Partnership's activities. The constituting Assembly of Donors of the NDPTL Support Fund was held in Helsinki on 11 of December 2012. The EU, Norway and Finland announced their contributions and pledges, totalling 2.9 million euro. Recently, Germany has announced a pledge of EUR 150 000 to the NDPTL support fund. Furthermore, the HLM supported prolonging Memorandum of Understanding (MoU) of the NDPTL by additional five years.

Preparations of a study titled “Mapping financial instruments for infrastructure projects in the Northern Dimension Area” have been launched. The study is financed by the Norwegian Ministry of Foreign Affairs. The main objective of the study is to identify financial instruments available within the Northern Dimension area for financing cross-border transport and logistics projects and to develop the guidelines for co-financing mechanism.

Two meetings of the NDPTL Steering Committee and one Infrastructure Group meeting were held under the German Chairmanship during 2012. The High Level Meeting convened under the Norwegian Chairmanship on 21 November 2012 in Oslo.

The Secretariat is establishing and maintaining relationships with other structures in the ND region to ensure coordination of the transport and logistics subject. One of the main regional coordinative events was held in Murmansk, the Russian Federation. The secretariat is closely working with the CBSS on the projects involving Russia. As well the secretariat participated in many other events to raise visibility of the Northern Dimension and the Partnership.

Northern Dimension Partnership on Culture (NDPC)

The NDPC Secretariat was established in 2011 and is being hosted by the Nordic Council of Ministers until the end of year 2013. The Partnership has drafted an NDPC Strategy 2012-2016 proceeding from the Northern Dimension countries’ vision, to strengthen its coordination structure and to facilitate collaboration between partners.

The NDPC strategy emphasizes the importance of strengthening and facilitating dialogue between various actors by creating a focal point for the cultural and creative industries activity, facilitating access to project financing, supporting priority projects. The strategy responses to the implementation of the ND Framework document by contributing to the social
and economic development in the Northern Dimension area by focusing on culture-based creativity setting links between cultural and economic life, visibility of regional cultural identity and heritage.

The NDPC follows the yearly Action plans, proceeding from the acknowledgement that culture is a driving force in regional and international development and a cornerstone for the cooperation in all other sectors across the Northern Dimension area. The NDPC Action Plan 2013 identifies goals to make its work more focused on achieving specific, measurable and time targeted objectives: serving as a focal point, supporting priority projects and facilitating access to financing.

The NDPC serves as a focal point for cultural actors and stakeholders in the ND region. The newly opened home page opens up the Partnership's activities to the public and delivers information to the target groups in the ND area and beyond. The NDPC newsletters are regularly distributed since 2012. NDPC has adopted communication strategy and communication tools. The NDPC secretariat organized the Round table for the Cultural and Creative Industries operators in the Northern Dimension area in Tallinn (Estonia) in 2011 with the purpose to establish integrated sector cooperation. From 2013 the NDPC will closely cooperate with the SMEs sector through the Working group on Cultural and Creative industries (CCI), which will be opened at the Northern Dimension Business Forum on 4 April 2013 in St. Petersburg.

In 2011 two projects “Study on mapping music industry operators” and “Study on the Viking Route Heritage sites” in the North West Russia were carried out in cooperation with the delegation of EU in Russia. Two follow-up seminars were held in April 2012 in Saint-Petersburg to discuss and summarize the recommendations of the studies. Recommendations will form the basis of anticipated flagship projects in the Northern Dimension Area. In 2012 in cooperation between the NCM and the NDPC the project “Financing and legislation in the Cultural and creative industries” was launched; the project corresponding to two priority areas of the Northern Dimension Policy Framework document—economic cooperation; research education and culture. Furthermore the NDPC has established its role in the cooperation with different on-going projects in cultural and creative industries, financed from various sources.

The NDPC has founded the new Creative Industries Platforms Program in December 2012, a long term Open call mechanism, giving a possibility to work with proposals, which could be introduced, assessed and financed via the Program. The target group of the Program involves regional intermediaries contributing to the social and economic development in the Northern Dimension area. The International group of experts was set to provide advice on selection of projects to the Program. The agreement for EUR 300,000 between the EU and the NCM, the host of the NDPC Secretariat has been signed.

The NDPC facilitates access to financing. NDPC seeks actively funding from various sources, including national funding, EU financing programs and other available funding mechanisms.

The Fourth NDPC Forum “Discussing financial possibilities for Cultural and Creative Industries (CCI) in the Northern Dimension Area” was held in Warsaw on 4-5 December 2012. About 70 participants representing the CCI, business, and financing sectors and administrations attended the conference. The purpose of the conference was to discuss how to financially support the cultural and creative industries in the Northern Dimension area. The main result of the conference is the list of recommendations on opportunities for financing the
CCI operators in the ND area, on key investment priorities, influencing growth, jobs and sustainability, corresponding to cultural and creative industries.

The Partnership is working on the NDPC regional development model, identifying and bringing together important stakeholders for the cultural and creative industries in the Northern Dimension area. During 2011-2012 the NDPC participated and arranged round table meetings and bilateral meetings throughout the ND area. Importantly the NDPC is actively involved into the Northern Dimension Business Council and Northern Dimension Institute cooperation, creating synergies with the business and academic sectors.

**Other Northern Dimension sectors**

**Northern Dimension Institute (NDI)**

Northern Dimension Institute network includes 27 member universities and research institutes from 11 different countries from the EU, Russia, Norway and Belarus. The NDI network collaborates with other networks and relevant stakeholders in the Baltic Sea Region and the Arctic. By bringing together relevant stakeholders and networks, the NDI, on its part, acts as a creator of synergies both in human and financial resources in the wide area of the Northern Dimension.

The NDI has two on-going projects which are financed by the EU Delegation to Russian Federation from the Non-State Actors and Local Authorities Programme for the Baltic Sea Region (within the framework of priorities of the Northern Dimension), namely “RENSOL - Energy efficiency and renewable energy sources in the Kaliningrad region” and “Healthier people: Management of change through monitoring and action”. Further, NDI is conducting a project “Financing Infrastructure for Transport and Logistics within the Northern Dimension” by the request of the ND Partnership on Transport and Logistics. The project is financed by the Norwegian Ministry of Foreign Affairs.

During 2012 NDI has enhanced communication and collaboration between the ND structures and increased the visibility of the ND policy by creating a common website for the ND including a calendar of ND activities and by launching the ND logo competition.

NDI has deepened collaboration with the ND Partnerships. All ND Partnerships are represented in the new Steering Group of NDI and have expressed their expectations towards NDI cooperation. Joint projects are on-going with NDPHS and NDPTL. NDI and NDPTL have organised a multidisciplinary brainstorming on the Northern Sea Routes. Active dialogue maintains between the secretariats and working groups.

**Northern dimension Business Council (NDBC)**

Based on the Northern Dimension Senior officials’ meeting in Stockholm on 12 November, 2009 welcoming the creation of the Northern Dimension Business Council and its concept, the NDBC has developed its activities to involve and integrate companies be a part of the Northern Dimension policy, so that these companies could achieve competitive advantage through their active participation in Northern Dimension cooperation via the NDBC network. NDBC aims to implement in the ND area the idea that competitiveness of any region in the world is based on trust between government and business; with a clear division of tasks, rights and responsibilities between business and government.
NDBC has set the following goals to guide its work. NDBC is a platform for interaction, experience-sharing and networking between companies. NDBC ensures that the view of business community will be taken into account in developing the Northern Dimension policy. NDBC is a platform for the dialogue between business and government structures.

The NDBC co-chairmen have been since its establishment Mr. Tapio Kuula, President and General Director of Fortum Corporation and Mr. Alexey Mordashov, Director General of Severstal.

Based on ND policy priorities and partnerships on the one hand, and business communities initiatives on the other hand, NDBC has established ten thematic working groups all of which have two co-chairmen, one from Russia and one from other ND Partner. In order to retain the flexibility and independence of the NDBC, no formal permanent Secretariat will be established for the time being. The working group structure is flexible, allowing NDBC to establish new working groups or modify existing groups, depending on the current needs coming from business community.

In the working group (WG) level the Ecology Working Group has together with NDEP established in the North-West Russia the Water Excellency Center. Medicine Working Group wants to improve the health care efficiency in all levels. In addition to guaranteeing proper and needed medicine the focus is maintaining availability, rational usage and affordable prices. Moreover, the Medicine WG has emphasized the role of good distribution practices, and utilizing technological solutions in fight against the counterfeits. Forestry WG has concluded that for improving the sector development in Russia there is a need for modernizing the normative-legal base of forest utilization. Forestry WG aims at increasing general awareness of wood as a building material, and as a high-tech modern material which enables huge opportunities for innovative design solutions. General awareness and popularity of wood has to be improved in the ND area, and especially in NW Russia. Establishment of a working group focusing on cultural and creative industries (CCI) in cooperation with the NDPC is underway.

NDBC has organized business forums in St. Petersburg on annual basis. The third annual Forum organized by NDBC in collaboration with AEB, Association of European Businesses took place in St. Petersburg on March 29, 2012. The event gathered altogether over 270 participants representing federal and regional authorities, NGOs, and business representatives, out of which most were SMEs from Russia and abroad.

High level representation from all ND partners is extremely important, as providing a platform for dialogue between decision-makers and business representatives is the fundamental idea of the NDBC work.

All companies regardless of the country of origin are welcome to join the NDBC activities at any point – the only criteria being the interest towards participating in efforts improving the investment climate in the ND area.

**Cooperation with the Regional Councils in the North**
Norway hosted on 19 January 2012 in Oslo a meeting of the Chairs and Secretariats of the four regional councils and of the ND Partners, as a follow up to a similar constellation convened on 29 September 2009 in St. Petersburg, Russia.

The meeting underlined the cooperation between the regional councils and ND as a way to make the region even stronger and more dynamic, including pragmatic cross-border cooperation and partnership in fostering innovations, sustainable growth and modernisation in Northern Europe.

Finland's offer to organise a third meeting in this series during winter 2013-2014 was welcomed.

In a meeting of the Presidents and Secretariats of the Four Regional Councils of the North at the CBSS Secretariat on 29 March 2012, it was recommended to include ND representatives in future meetings of this type.

The regional councils and other regional and sub-regional cooperation structures complement the work done in the ND framework, playing an important role in their respective thematic and geographic areas in fostering regional cooperation in a coherent manner.

**The second Northern Dimension Parliamentary Forum**

The second Northern Dimension Parliamentary Forum, convened on 22-23 February 2011 in Troms, Norway, considered the Northern Dimension cooperation and achievements from the perspective of national and regional parliaments. The second ND Parliamentary Forum presented concrete proposals for further development of the ND cooperation and expressed a wish to ND Partners, participating governments and ND Partnership to continue exchange of views in the third Northern Dimension Parliamentary Forum, to be held in Russia in 2013.

**Annexes:**

1. Meetings of the Steering Group, Senior Officials and Ministers

First meeting of the Steering Group, Moscow 13 March 2007  
Second meeting of the Steering Group, Brussels 19 June 2007  
Third meeting of the Steering Group, Reykjavik 11 October 2007  
First Senior Officials' meeting, St. Petersburg 21 November 2007  
Fourth meeting of the Steering Group, Oslo 28 February 2008  
Fifth meeting of the Steering Group, Moscow, 26 May 2008  
Sixth meeting of the Steering Group, Brussels 23 September 2008  
First Ministerial meeting, St. Petersburg 28 October 2008  
Seventh meeting of the Steering Group, Oslo 5 March 2009  
Eight meeting of the Steering Group, Reykjavik 18 June 2009  
Ninth meeting of the Steering Group, Moscow 28 September 2009  
Second Senior Officials' meeting, Stockholm 12 November 2009  
Tenth meeting of the Steering Group, Brussels 30 March 2010  
Eleventh meeting of the Steering Group, Reykjavik 21 June 2010  
Twelfth meeting of the Steering Group, Oslo 23 September 2010  
Second Ministerial meeting, Oslo 2 November 2010  
Thirteenth meeting of the Steering Group, Moscow 24 May 2011
2. Chairman's Conclusions of the Senior Officials' meeting on 8 November 2011 in Reykjavik

THE THIRD SENIOR OFFICIALS MEETING OF THE RENEWED NORTHERN DIMENSION
(Reykjavík, November 8, 2011)

CHAIRMAN’S CONCLUSIONS

The third meeting of the Senior Officials of the renewed Northern Dimension took place in Reykjavik on the 8th of November 2011. The meeting was hosted by Iceland.

The four Northern Dimension Partners Iceland, Norway, the Russian Federation and the European Union participated in the meeting at the level of Deputy Foreign Minister or equivalent. The representatives of the Regional Councils in the North, the International Financial Institutions (IFI) and the institutions and bodies of the Northern Dimension participated in the meeting. The Representatives of the United States and Canada took part in the meeting as observers.

The participants reviewed the implementation of the Joint Statement of the second Ministerial meeting of the renewed Northern Dimension (Oslo, 2nd November, 2010) and noted the progress that has since been made on the issues highlighted in the statement and other developments in the ND area that have since taken place.

The Senior Officials took note of the information presented on the recent development of the Northern Dimension Environmental Partnership (NDEP) by the Nordic Investment Bank (NIB), as the Chair of the NDEP Steering Group, and by the European Bank for Reconstruction and Development (EBRD) as the manager of the NDEP Support Fund. The Senior Officials stressed the importance of the 10th anniversary of the NDEP as a milestone in regional cooperation and welcomed the replenishments to the Support Fund announced in the Anniversary Meeting in St Petersburg on June 16, 2011. They underlined the central role of the NDEP in environmental cooperation in the Baltic Sea region as well as other ND regions. The current mandate of the NDEP, extended until 2017, provides the Partnership with a solid ground to fulfil its tasks.

Senior Officials recalled the importance of further cooperation in the field of energy efficiency as agreed by Ministers in Oslo. They took note of the current project development of the NDEP related to energy efficiency and called for a broader and more systematic approach of the Partnership to these issues as a complement to the other environmental efforts that the NDEP is making.

The participants of the meeting took note of the information presented by the Russian Chairmanship of the Northern Dimension Partnership in Public Health and Social Well-
Being (NDPHS) regarding NDPHS activities which cover a broad range of issues such as non-communicable diseases, healthy lifestyles, primary health care, occupational safety and health, as well as communicable diseases with a focus on HIV/AIDS and tuberculosis. They looked forward to the upcoming signature of the Agreement granting a legal capacity to the NDPHS Secretariat at the Partnership’s Annual Conference to be held in St Petersburg on November 24 – 25, 2011. The meeting took positive note of the recent financial support to the project activities of the Partnership and reiterated the Partnership’s significant role in enhancing expert level cooperation to tackle social and health problems and to foster healthy life styles. The Senior Officials thanked the Russian Chairmanship for the valuable work during its two-year chairmanship, to be succeeded by Finland for the next period 2012-2013.

The Senior Officials noted the information presented by the Norwegian Steering Committee Chairmanship of the Northern Dimension Partnership on Transport and Logistics (NDPTL), emphasising the NDPTL as a main forum to discuss regional transport and logistics issues within the ND. The Partnership can play an essential role in coordinating relevant national transport policies and carrying out projects that help to identify and remove bottlenecks, and to facilitate transport flows. The participants of the meeting highlighted the NDPTL as a cooperation structure that combines the specific transportation needs of the Northern Dimension area with the new opportunities of trade, acknowledging the need to develop the transport sector in an environmentally sustainable manner. The Senior Officials encouraged the NDPTL to vigorously pursue efforts towards the development of an integrated transport system in the ND and the creation of a solid financial base for pursuing its objectives. In this context, they took note of the ongoing work on the idea of the possible development of an NDPTL support fund.

The participants took note of the information presented by the representative of the Northern Dimension Partnership on Culture (NDPC) as it moves through the early stages of development, with the MOU signed in 2010 and the action plan in place following its presentation to the second Northern Dimension Ministerial in Oslo in November the same year. The first, EU funded projects of the NDPC, including the “Viking Routes Project”, focusing on cultural tourism and the music industry, are to be presented in early 2012. It was noted that the NDPC may serve as a forum to create synergies, especially in the field of the creative industries or other emerging branches of cultural activity. Considering the various cultural activities of other organisations, such as the CBSS (Ars Baltica), discussions should be held to help ensure coherence in the cultural activities of the various fora in the Baltic Sea Region. At the same time, the meeting emphasised the necessity to guarantee a solid funding for the Partnerships activities.

The participants welcomed the work of the Northern Dimension Institute (NDI) and noted the information presented as its activities. As an active and growing network of universities and research institutes the NDI brings great value into ND cooperation by publishing independent research and studies with relevance to ND activities.

The Senior Officials took note of the NDI study “Coherent Northern Dimension”, mapping and analysing potential synergies of the Northern Dimension and the four regional councils in the North, and welcomed the announced conferences to be held to deepen the discussion on the priorities and objectives of the regional cooperation.

Underlining the need to increase the visibility of ND cooperation, the meeting welcomed the NDI’s initiative to create a Northern Dimension web page to serve as a focal
point for ND Partnerships and other ND actors. The NDI’s suggestion to launch a contest to create a logo for the ND was welcomed by the meeting. The NDI was invited to report on the results of the contest to the Third Northern Dimension Ministerial meeting in the second half of 2012.

The Senior Officials recognised the important activities of the four Regional Councils and encouraged them to play an active role within all ND partnerships in order to secure coordination, exploit synergies and avoid overlap, in line with their status as Participants in the ND. The Regional Councils’ mandates to approach regional issues within their defined geographic areas should be fully respected in light of the wider approach of the ND partnerships with the overall aim of achieving common and joint results. A closer interaction between all cooperation formats is needed with overall aim of achieving better results at minimum costs.

The Senior Officials took note of the information presented by the representatives of the **Northern Dimension Business Council (NDBC)**, in particular the successful involvement of business actors in the ND Forum in St Petersburg in March, 2011, and at the International Economic Forum there in June, 2011.

The participants noted the work done ahead of the upcoming NDBC Forum in March 2012 in St. Petersburg as part of the ongoing development of the ND business cooperation on tangible economic issues. The Senior Officials invited the NDBC to enhance the cooperation with ND Partnerships and other ND actors, stressing the importance of creating networks combining the strengths of the Business Council, ND Partnerships and the ND Institute.

The Senior Officials reiterated the useful role that the EU strategy for the Baltic Sea region can play in the practical implementation of the Northern Dimension policy.

The Senior Officials took note of the readiness of the EU to convene the next **Northern Dimension Ministerial Meeting** in 2012.