



*The Nordic Council of
Ministers' performance of the
second Northern Dimension
Action Plan 2004–2006*

April 2004

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second Northern Dimension Action Plan 2004–2006**

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The Nordic Council of Ministers

was established in 1971. It submits proposals on co-operation between the governments of the five Nordic countries to the Nordic Council, implements the Council's recommendations and reports on results, while directing the work carried out in the targeted areas. The Prime Ministers of the five Nordic countries assume overall responsibility for the co-operation measures, which are co-ordinated by the ministers for co-operation and the Nordic Co-operation committee. The composition of the Council of Ministers varies, depending on the nature of the issue to be treated.

The Nordic Council

was formed in 1952 to promote co-operation between the parliaments and governments of Denmark, Iceland, Norway and Sweden. Finland joined in 1955. At the sessions held by the Council, representatives from the Faroe Islands and Greenland form part of the Danish delegation, while Åland is represented on the Finnish delegation. The Council consists of 87 elected members – all of whom are members of parliament. The Nordic Council takes initiatives, acts in a consultative capacity and monitors co-operation measures. The Council operates via its institutions: the Plenary Assembly, the Presidium and standing committees.

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Foreword

2004 is an exciting year for co-operation around the Baltic Sea. Estonia, Latvia, and Lithuania will become members of the EU. At the same time the EU will be developing new co-operative relations to the north. A new co-operation programme with Russia is being prepared and the Northern Dimension is beginning work on its second Action Plan.

The Nordic Council of Ministers has a long history of supporting and acting as a partner of Estonia, Latvia, Lithuania, and North-western Russia respectively. Since the beginning of 2004 the Council of Ministers has also been a partner in the Northern Dimension Action Plan.

Concurrently with the Council of Ministers' aspiration to contribute more to the work of the EU in Northern Europe, its activities in the countries on the other side of the Baltic are also being evaluated this year. The co-operation with Estonia, Latvia, and Lithuania will be enhanced on the basis of the new relations that EU membership will lead to with regard to these countries. At the same time, the Council of Ministers is also broadening its existing co-operation with North-western Russia.

This status report describes the work performed by the Nordic Council of Ministers on the EU's Northern Dimension. This work first and foremost addresses the Nordic Council, which has been engaged in the Northern Dimension for a long time. In addition it will also serve as a source of information for the EU Commission and – last but not least – as a source of accounts and inspiration for the individual Council of Ministers and committees of senior officials.

This report was prepared by the secretariat of the Nordic Council of Ministers.

Copenhagen, April 2004

Per Unckel
Secretary General

1 The Nordic Council of Ministers and the Northern Dimension Action Plan

1.1 The Nordic countries in the new Europe

The Nordic Council of Ministers is actively participating in the performance of the EU's second Northern Dimension Action Plan 2004–2006. The Council of Ministers welcomes the initiative of involving regional organisations in this work taken by the EU Commission. Since the Council of Ministers submitted a written contribution¹ to the preparation of the second Action Plan in March 2003, much progress has been made, both in connection with concrete projects and initiatives, and in connection with the organisation and types of co-operation.

When the EU is enlarged to include 25 member states on 1 May this year, with a total population of 450 million, and a GDP of almost EUR 10,000 billion it will mean that the EU's political, geographical, and economic weight will be changed appreciably, see the table below. After the enlargement the EU's economy will be the equal of the US economy.

In and through the change the EU will have new neighbours in Russia, the Ukraine, Moldavia, Belarus, and countries in the southern Mediterranean area². In a report on this Wider Europe³ the EU

1. Submission of the Nordic Council of Ministers in preparation for the new Northern Dimension Action Plan 2004–2006, Nordic Council of Ministers, ANP 2003:725, March 2003. <http://www.norden.org/pub/velfaerd/europa/sk/ANP03-725northerndimension.asp?lang=1>

2. Southern Mediterranean: Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, the Palestinian Authority, Syria, and Tunisia.

3. Communication from the Commission to the Council and the European Parliament – Wider Europe – Neighbourhood: A new framework for Relations with our Eastern and Southern Neighbours, COM(2003)0104 final.

Commission formulated its vision on what the relations with the new neighbours will be in the long term. In the report the EU Commission points out that several of the Union's policy areas – such as trade, development, and environmental policy – must be able to take up the challenges that the involvement of the new neighbours will lead to. Basic objectives are to avoid new dividing lines in Europe and to promote stability and prosperity within and beyond the EU's new borders.

	Euro area	EU-15	EU-25	USA
Population 2003 (million)	309	383	453	291
GDP (EUR billion) 2003	7,073	9,170	9,610	12,126

Source: *Ecowin*

Where relations with Russia are concerned the EU's Wider Europe report will be completed by a direct dialogue between the EU and Russia. When this is written the EU Commission will put the finishing touches to a draft of an independent action plan for co-operation between the EU and Russia based on what are known as the four spheres⁴, which were agreed on at the summit meeting in St. Petersburg in 2003.

1.2 Co-operating on the performance of the Action Plan

1.2.1 *A policy for active Nordic co-operation*

The second Northern Dimension Action Plan 2004–2006 is not an independent programme as such and it lacks its own budget. Rather, it involves a way of ensuring a higher degree of co-ordination of the existing programmes, both with regard to content and financing. The successful performance of this rests on co-operation between the EU Commission and other relevant players, and not only on governments and public authorities, but also on regional organisations and NGOs.

4. The four spheres concern a joint economic area, freedom, security, and justice, external security, and research and education.

Since the 1990s several international co-operation organisations have been active in the area of the Northern Dimension. This applies, in addition to the Nordic Council of Ministers, first of all to the Council of the Baltic Sea States (CBSS), the Barents/Euro-Arctic Council (BEAC), and the Arctic Council (AC). The co-operation within these organisations partly covers the same geographical areas (and policy areas).

The task of the Nordic Council of Ministers is to ensure that the objectives the Nordic governments have jointly formulated for their co-operation are fulfilled in the best possible way. The Council of Ministers has therefore taken the initiative for a policy of active Nordic co-operation with other international organisations with the point of departure in the division of responsibilities and competencies that apply to the organisations.⁵ In line with the assignments of the Nordic governments the Council of Ministers is presently engaged in establishing co-operative relations between the players who are now performing the Northern Dimension Action Plan 2004–2006.

1.2.2 *Partnership as a working method*

A successful result requires suitable working methods. As appears from several of the accounts below for the various policy areas, the Nordic Council of Ministers has had satisfactory experience of the *partnership* as a working method when it comes to performing the Northern Dimension Action Plan. The partnership on health and the quality of life in which, among others, eleven EU countries and the EU Commission participate, can serve as an illustration. This partnership includes such areas as public health, social conditions, combating drug abuse, children and young people, equality, the working environment, and other related issues that the Nordic Council of Ministers is working on. Another example is the co-operation on energy under the auspices of BASREC.

5. Norden – En samarbejdende region, (The Nordic Countries – a co-operating region) NSK/MR-SAM 55/2002 rev. 4.

The Nordic Council of Ministers has also had satisfactory experience in connection with being an “implementing partner” in the Action Plan through its own independent initiatives in North-western Russia, Estonia, Latvia, Lithuania, and the Arctic, as well as from co-operation with other players.

1.2.3 *Information as a control instrument*

In the Northern Dimension Action Plan the EU Commission stresses that it is important to create a flow of information on initiatives and results. The NCM welcomes the Commission’s initiative “Northern Dimension Information System” (NDIS)⁶ where facts on all players’ initiatives will be reproduced. The system paves the way for an improved information interchange as well as more effective co-operation between the relevant players. The Nordic Council of Ministers will also be making its activities in connection with the Northern Dimension accessible in the joint information system.

Naturally, a successful performance of the Action Plan does not depend entirely on easy access to information. It is also important that the EU Commission involves regional organisations and that the information gathered in the system is processed and distributed. However, together with the recurrent meetings NDIS will come to constitute an important control instrument for the Action Plan.

1.2.4 *Co-operation between the Nordic Council of Ministers and the Council of the Baltic Sea States on cross-border co-operation*

In accordance with the document, “Norden – En samarbejdende region”⁷ (The Nordic Countries – a co-operating region) approved by the Nordic ministers for Nordic co-operation, the chairmanship and secretariat of the Nordic Council of Ministers have held a series of meetings with corresponding representatives from CBSS with the aim of developing various opportunities for co-operating on issues of mutual interest. During the discussions cross-border co-

6. http://europa.eu.int/comm/external_relations/north_dim/nis/index.htm

7. Norden – En samarbejdende region, NSK/MR-SAM 55/2002 rev. 4.

operation along the EU's new eastern border in Northern Europe was identified as appropriate for a pilot project in a programme that would run for several years. The programme should be common to the two councils and be based on joint financing. The aspiration is to involve the EU Commission in this project.

There is already co-operation between CBSS and the NCM in the energy area (BASREC) as there is in the IT area with the Northern eDimension (NeDAP). Synergy effects are also being sought in the transport area between the two regional councils, and a meeting will be held in 2004 on new co-operation structures. The co-operation between the Nordic ministers for social affairs and health is co-ordinated via the new partnership in the Northern Dimension.

The enlargement of the EU creates a new outer border for the Union. One of the great challenges is to avoid creating new obstacles to border region co-operation in the immediate Nordic surroundings. In order to take up this challenge the new synergy effects that arise through the co-operation of the two regional councils can be utilised, instead of them operating their own, individual projects. It is important to co-ordinate the measures at the borders with Russia, including Kaliningrad and Belarus. The proposed programme would be based, among other things, on experience from two projects in progress under the auspices of the Council of Ministers:

1. The project "Border Region Co-operation in the Adjacent Areas 2002-04" has built up a network for the border regions in the adjacent areas.⁸ The project has been successful and highly appreciated by the local players in the border regions. The project manager is stationed at NCM's office in Vilnius.
2. The Council of Ministers also operates the programme, "Development of Local and Regional Administration", which has the objective of supporting the local Baltic authorities in connection with the enlargement of the EU. The project is administered from the information office in Klaipeda.

8. See www.nmr.lt.

Border region co-operation in the Nordic countries has high political priority. The situation in the adjacent areas today shows that there is still a need to transfer knowledge. The Nordic countries can help by transferring their experience and best solutions to the local and regional players. Among other things, it would be possible to make use of the experience that is available in the Nordic border committees and NORDREGIO. Baltic knowledge should also be used to initiate tripartite co-operation with Russia and Belarus. This would make a contribution to democracy and stability in the adjacent areas. Baltic participation would also help to improve direct contacts with the local authorities in Russia and Belarus.

A pilot project on border region co-operation between the Baltic States and North-western Russia began in 2002 on the basis of a model for Nordic border region co-operation. The initial purpose was to establish a mutual network. This has proved to be a success and aroused great interest in all involved parties. This work should now be continued under the auspices of the NCM and CBSS.

1.2.5 *A gender and equality perspective in the NCM's activities*

Through their endorsement of the final document from the World Conference on Women in Beijing in 1995 the Nordic countries have bound themselves to incorporate a gender perspective into all important political decisions.

In 1997 the ministers for Nordic co-operation adopted an action plan for the integration of equality into the NCM's activities. The integration strategy is laid down in "The Integration of the gender and equality aspect in the Nordic Council of Ministers' activities" from 1999:

"The integration of a gender and equality perspective requires the evaluation, improvement, development and re-organisation of all policy processes, so that a gender and equality perspective is taken into account in all policy areas, at all decision-making levels, and in all phases by the players who are normally involved in this work."

Some councils of departmental ministers have formulated objectives regarding how to integrate a gender and equality perspective

into their co-operation. Guidelines have been introduced in order to ensure an equal gender distribution in the councils' decision-making and administrative bodies and guidelines have also been drawn up as to how the equality aspect should be observed in projects financed by the Nordic countries. The decision must be analysed from a gender and equality perspective in the Nordic co-operation before it is made.

From and including 2003 the Nordic budget must contain a gender and equality perspective. The equality aspect must be in evidence during the budget process. Issues regarding equality must be illustrated during the work of planning and following up. Now, scholarship schemes, co-operation programmes and projects will be analysed from a gender perspective after the gender-distributed statistics have been gathered. The work will continue during 2004 by providing an account from a gender perspective, through relevant project, scholarship, and support schemes financed by the NCM – and which are relevant from the point of view of equality – i.e. how these activities influence women and men respectively and how this possibly influences equality. The objective is also to create a functioning system for co-operation across sectors that will effectively support the realisation of gender equality in connection with the NCM's activities in Estonia, Latvia, Lithuania, and North-western Russia.

1.3 Co-operation with the Adjacent Areas

1.3.1 *Background*

Since 1991 the Nordic Council of Ministers has been active in an area defined as the adjacent area, which includes Estonia, Latvia, Lithuania, and North-western Russia. When the Nordic Information Offices were established in the Baltic States in the 1990s, it was with the desire to contribute to the enhancement of democracy in the region, among other things. At the time the concrete, joint Nordic co-operation with the Baltic States took its point of departure in various measures designed to spread knowledge of Nordic culture in the Baltic States, and included language teaching. From a cultur-

al project the co-operation was extended to include activities related to all councils of ministers. There has been a series of successful co-operation projects, particularly in the fields of education and research, as well as in connection with health and social issues. The many exchange schemes can also be described as success stories.

Broader co-operation gradually grew up from the beginning of the 1990s and within a short period of time most of the councils of departmental ministers under the Nordic Council of Ministers were actively involved in co-operation with the Baltic States via what is known as the Adjacent Area Programme. The activities that were included up to 2002 were to a greater degree based on Nordic initiatives rather than on a dialogue with the Baltic States. The separate Adjacent Area Programme includes roughly half of the Nordic Council of Ministers' activities in Estonia, Latvia, Lithuania, and North-western Russia. Other activities are handled directly by the responsible councils of ministers.

1.3.2 *The main emphasis of Adjacent Area co-operation*

Adjacent Area co-operation is divided into information and contact activities, exchange programmes, projects, and political co-operation. The Nordic Council of Ministers' offices in the Adjacent Area handle many of the information and contact activities, scholarship and exchange programmes, and the practical performance of various projects.

Projects comprise both short-term, low-cost projects as well as projects that run for several years, which are individually developed for comprehensive action plans. It is particularly in these areas that co-operation has been broadest and has met the best response in the adjacent areas as action plans and scholarship schemes were established. Examples that can be mentioned in this connection are:

- The Arctic co-operation programme
- Action plan for children and young people, a health and social project
- Action plan for combating drug abuse
- Action plan for equality and combating trafficking in human beings

- Action plan for education, research, and IT (in preparation)
- Nordic environmental action plan (in which co-operation with the Adjacent Area constitutes its own theme)
- Nordplus Neighbour – building up a network between institutes of higher education and other institutes of education
- NordProLink

During the past year the Nordic Council of Ministers has focused on building up a political network between the Nordic Council of Ministers' departmental ministers and the Baltic partners. Most councils of departmental ministers have established contacts, and the process continues to develop.

1.3.3 *Political co-operation*

During 2003-2004 the majority of the councils of departmental ministers will be holding joint ministerial meetings and/or meetings of senior public officials (known as NB-8 meetings) with representatives from the Baltic States, in other words they will be paving the way for technical and political co-operation. There will also be meetings with Polish and Russian representatives.

Ministerial meetings during 2003 and 2004

2003

Meeting of Nordic-Baltic ministers of justice and equality

Meeting of Nordic-Baltic ministers of culture

Meeting of Nordic-Baltic ministers (fisheries, agriculture, forestry, and food)

Meeting of Nordic-Baltic ministers responsible for narcotics-related issues

Meeting of Nordic-Baltic transport ministers

Meeting of Nordic-Baltic-Polish ministers for labour

2004 (*planned meetings*)

Meeting of Nordic-Baltic ministers for housing

Meeting of Nordic-Baltic ministers of justice

Meeting of Nordic-Baltic consumer ministers

Meeting of Nordic-Baltic ministers for equality

Meeting of Nordic-Baltic responsible for narcotics-related issues

Meeting of Nordic-Baltic ministers for education and research

Meetings of public officials during 2003 and 2004

2003

Meeting of Nordic-Baltic public officials on energy issues

Meeting of Nordic-Baltic public officials on building and housing issues

Meeting of Nordic-Baltic public officials on issues related to equality

Meeting of Nordic-Baltic public officials on consumer issues

Meeting of Nordic-Baltic public officials on environmental issues

Meeting of Nordic-Baltic public officials on narcotics issues

Meeting of Nordic-Baltic public officials on transport issues

2004 (*planned meetings*)

Meeting of Nordic-Baltic public officials on energy issues

Meeting of Nordic-Baltic public officials on issues related to equality

Meeting of Nordic-Baltic public officials on food issues

Meeting of Nordic-Baltic public officials on environmental issues

Meeting of Nordic-Baltic public officials on narcotics issues

Meeting of Nordic-Baltic public officials on fishery issues

Meeting of Nordic-Baltic public officials on agricultural and forestry issues

Meeting of Nordic-Russian public officials on educational issues

1.3.4 *Financial means*

Each year the Nordic Council of Ministers reserves about 20% of its total budget, or more precisely, EUR 20 million, for activities in Estonia, Latvia, Lithuania, and North-western Russia. This amount also includes financing for Nordic institutions such as respectively NOPEF's, and NEFCO's activities in the Adjacent Area, among others (see below, item 1.3.5). Co-operation has been taking place for twelve years and must be described as a success. Physical proximity, in the form of the Nordic Council of Ministers' offices in the Adjacent Area, has not least proved to be valuable as these offices play an important role in establishing and developing networks and political co-operation with public authorities and NGOs.

All activities in the Adjacent Area, irrespective of the source of financing, are performed under the auspices of the respective councils of ministers. Some of the measures are financed wholly or in part via the Adjacent Area Programme. The distribution of Adjacent Area funds to the various councils of departmental ministers is administered and co-ordinated within the framework of the Adja-

cent Area Programme in accordance with the political priorities of the ministers for Nordic co-operation. The funds are then used either to fully finance individual projects and/or exchange schemes, or as partial financing supplemented by funds from the respective councils of departmental ministers, and possibly supplemented by financing from the recipient countries. Last, but not least, the various councils of ministers also perform activities that are funded through their own budgets.

1.3.5 *Nordic investment institutions*

The Nordic financial institutions, the Nordic Investment Bank (NIB), the Nordic Environment Finance Corporation (NEFCO) and the Nordic Project Export Fund (NOPEF), are engaged in activities related to the Adjacent Area. NIB has a separate scheme for loans on favourable terms for financing environmental projects in the Adjacent Area.

Where NIB is concerned the heads of governments in the Nordic countries decided in October 2003 to offer the Baltic States membership of the bank. An agreement on this was signed in February 2004. This gives membership of the bank to Estonia, Latvia, and Lithuania on terms similar to those that apply to the Nordic countries. The Baltic States will become members on 1 January 2005. The Baltic States' membership of NIB represents an important, principle step in that this is the first time the Baltic States will become members of a Nordic institution.

NOPEF grants loans and contributions to Nordic companies to cover the costs of preliminary studies in connection with exports and establishing themselves abroad. Activities in the Adjacent Area are first and foremost designed to promote trade and industry. NOPEF's role in the developing countries and some countries in the Adjacent Area is also connected with developing trade and industry. NEFCO is described in greater detail below (4.2.1).

1.3.6 *Partial financing of projects in co-operation with other regional organisations*

Of the international co-operation organisations that are active in the area for the Northern Dimension only the Nordic Council of Ministers and the European Union have budgets at their disposal. The Nordic Council of Ministers' policy document "The Nordic Countries – a co-operating region"⁹, from December 2002, contains guidelines for the Nordic Council of Ministers' co-operation with such bodies as other regional organisations. The substance of the co-operation must be prioritised. The objectives are to:

[...] ensure the greatest possible benefit (Nordic usefulness) from the overall commitment that the governments of the Nordic countries have decided on over the years. The Nordic Council of Ministers has taken the initiative for a policy of active, joint Nordic co-operation with other international organisations with the point of departure in the existing division of responsibility and competence between the organisations. [...]

[...] make an effort to formulate selected co-operation interfaces for these "multilateral" co-operative relations, i.e. the isolation of the politically prioritised substance areas that will be included in the co-operation. An implementation of the content of the co-operation with other international organisations should be supported by operational criteria for the Nordic Council of Ministers' co-financing of tasks under the auspices of other organisations.

The ministers for co-operation confirmed these previously decided principles for partial financing¹⁰ on 22 January 2004.

NCM's policy for partial financing

NCM *will not* finance:

- NCM will not finance the operation of other organisations through a general contribution to organisations

9. The Nordic Countries – a co-operating region, NSK/MR-SAM 55/2002 rev. 4.

10. NCM's partial financing of activities under the auspices of other regional co-operation organisations – Policy and overview, NSK/MR-SAM 06/2004.

- NCM will not finance the project activities of other organisations simply on the grounds of a coincidence of objectives
- NCM will not sponsor the project activities of other organisations as a passive contributor

NCM *can* finance:

- NCM can finance the performance of its own tasks that arise directly from the NCM's objectives and/or decisions
 - NCM can finance joint projects together with partners that fulfil the NCMs' objectives
 - NCM can co-finance the activities of other players if the NCM plays a concrete, prominent role in these.
-

1.3.7 *Adjacent Area co-operation in the future*

During the first six months of 2004 there will be a thorough evaluation of the entire Nordic Council of Ministers' Adjacent Area strategy and this is expected to constitute the point of departure for further co-operation with Estonia, Latvia, Lithuania, and North-western Russia. The co-operation has hitherto been based on three-year framework plans that are performed as annual working programmes. The framework programme for 2003–2005 and the Working Programme for 2004 with a detailed list of the activities that will be financed is accessible on the Internet¹¹.

During the course of 2004 the Nordic Council of Ministers will be drawing up separate guidelines for the co-operation with North-western Russia from and including 2005, and respectively for the co-operation with Estonia, Latvia, and Lithuania. The forthcoming guidelines will be based on the new role of the Baltic States as members of the EU. All these plans will be based on the evaluation mentioned above. The Nordic Council of Ministers' offices and information units will continue with their activities.

11. <http://www.norden.org/naromraaden/sk/project.asp?lang=3>

2 Education, scientific research, and culture

The matter below is an account of the areas of the Northern Dimension Action Plan in which the Nordic Council of Ministers has been involved, and in which there have been developments since the NCM's report to the EU Commission in 2003.

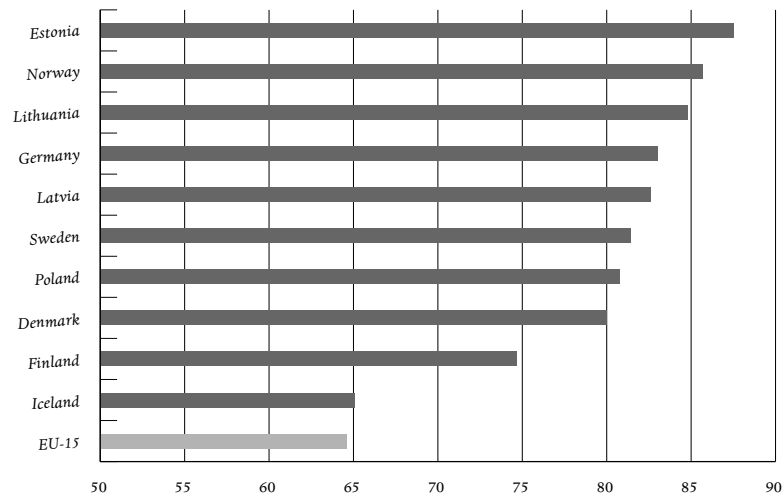
2.1 Education

There are certain common features with regard to education within the Northern Dimension area. The Nordic countries and the Baltic States all lie slightly above the EU average where the number of people who have completed a course of post-compulsory education is concerned, see the diagram below. The diagram shows the number of people who it can be assumed possess a minimum of the knowledge and education necessary to play an active part in and make decisions about the social and economic problems that are found in society. The figures bear witness to a broad, general level of education, and thereby show a good basis for a critical and informed population that can help to strengthen democracy.

2.1.1 *The Nordic Council of Ministers' White Paper on Nordic research and innovation*

Regional co-operation on research can be expected to gain greater importance in an enlarged EU. The Nordic Council of Ministers for education and research took the decision in June 2002 to publish a White Paper on Nordic research and innovation. The task was given to Vice-Chancellor Gustav Björkstrand. He handed over the

Percentage of the population aged between 15–64 years who have completed a course of post-compulsory education, 2002.



Source: Eurostat

White Paper, entitled NORIA, to the ministers in October 2003. NORIA stands for Nordic Research and Innovation Area and describes the new Nordic research and innovation area that the council wishes established. The general objective for NORIA is to establish the Nordic countries as a globally prominent, leading and attractive region for research and innovation with the help of the measures proposed in the White Paper. The Nordic countries should concentrate on enhancing co-operation and the White Paper provides concrete proposals for future activities and a restructuring of Nordic co-operation on research. The perspective in NORIA is to equip Northern Europe with greater penetration within the broader framework of European research co-operation. In June 2004 the ministers are expected to make a decision regarding how this can be brought about.

By way of following up on the NORIA initiative, in September 2003 the Nordic ministers of business and industry decided that an account should be prepared regarding the way in which Nordic innovative ability could be strengthened. This account, entitled the Innovation Paper, will be an independent account with the empha-

sis on the various areas that influence innovation in which measures should be carried out. From their different points of departure the White Paper and the Innovation Paper will provide a broad view of the challenges connected with research and innovation in the Nordic countries. Together, these accounts will constitute a common platform for a more complete and well-prepared future Nordic research and innovation policy. During the course of 2004 the work will result in the identification of synergy effects and areas, where the councils of ministers for research, business and industry can co-operate with the overall objective of turning the Nordic countries into a leading innovation region in Europe.

2.1.2 *The Nordic Council of Ministers' Action Plan for education and research*

Nordic co-operation in the area of education and research will be intensified and renewed where co-operation with Estonia, Latvia, Lithuania and North-western Russia is concerned. At a practical level, during 2004 work will be carried out to anchor the co-operation in action plans that must be adopted by all the involved countries.

An action plan must be prepared for a co-operation between the Nordic countries and the Baltic States that take its point of departure in normal international co-operation with the focus on establishing a common Nordic-Baltic education and research area. This would be a trial of the opportunities for extending Nordic mobility and network programmes and research institutions for Baltic participation.

Moreover, an individual action plan must be prepared for co-operating with North-western Russia in which the existing project co-operation would be strengthened and extended. Contact groups will be established with the overall responsibility for the action plans and for definitive decisions on the network programmes Nordplus Neighbour and NorFA Neighbour.

As soon as the Council of Ministers adopts such general action plans, greater visibility and synergy effects will be achieved between the many co-operative activities that the co-operation

involves. The suggestion is that each and every one of these plans will be handled by a contact group in which the involved countries have representatives who will take part in general discussions, prioritisation and decisions.

Agreed minutes from the joint meeting between Nordic and Baltic Ministers of Education and Research Copenhagen, 25 March 2004

- The Ministers of Education and Research from the Nordic and Baltic states (Denmark, Finland, Iceland, Norway and Sweden, on the one side, and Estonia, Latvia and Lithuania, on the other) met in Copenhagen on 25 March 2004 to discuss present and future co-operation in the field of education and research.
 - The Nordic and Baltic ministers of education and research agree to complete the work of setting up a joint action plan for co-operation between the Nordic and Baltic regions in the field of education and research. The administration of such a plan should involve the authorities in all the states involved. The primary policy objective is to develop a common Nordic-Baltic education and research area.
 - The ministers agree to strive for broader Nordic-Baltic co-operation by exploring the possibilities of an enlargement of the Nordic mobility and network schemes (Nordplus Programmes).
 - Similarly, the ministers agree to explore the possibilities of engaging in closer Nordic-Baltic co-operation in the field of research, e.g. within the framework of Nordic research programmes and Nordic research institutions.
 - The ministers decide to establish a Nordic-Baltic contact group with the task of developing and subsequently administering the joint action plan. The group shall consist of ministry representatives, and its terms of reference shall be drawn up and approved by all states involved. The ministries shall appoint one secretary on the Nordic side (Nordic Council of Ministers) and one on the Baltic side (at ministry level) to co-ordinate the work.
 - The ministers agree that future co-operation between the Nordic and Baltic states shall be established in the form of a regular intergovernmental co-operation, implying that the states involved shall jointly agree on the priorities, structure and content of such co-operation and that a formula for the distribution of financial costs should be established.
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2.1.3 *The project “A School for All”*

During the period 2000-2004 the Nordic Council of Ministers co-operated with the Baltic States on a project for remedial teaching – “A School for All”. The general objectives of the project were to support the development of competence at all levels so that children who require support can receive qualitative teaching within the framework of the ordinary school system in Estonia, Latvia, and Lithuania.

The project is designed as an umbrella project with three main projects and two subsidiary projects in each of the Baltic States. The three main projects are:

- Transition – to facilitate the transition from the ordinary school system to the vocational training system
- Teacher training – developing the competence of teachers
- Co-operation – the development of a regional model for co-operation on remedial teaching

The project will be evaluated in the spring of 2004. The result of the evaluation will be presented at the final conference for the project in Vilnius, Lithuania, from 22-23 April 2004. On the basis of the experience gained there will be a discussion at the final conference of the possibility of continuing co-operation in the field of remedial teaching. “A School for All” is a co-operation project that is carried out within the framework of the Nordic Council of Ministers’ Adjacent Area Programme. The project will be concluded in June 2004. During the five-year period the Nordic Council of Ministers has granted approximately EUR 1.2 million.

2.1.4 *The ALLA project (Adult Learning for Local Action)*

The long-term goal of the ALLA project is to develop and realise a strategy for creating local social progress in three regions in North-western Russia (Petrozavodsk, St. Petersburg Oblast/Pskov, and the Novgorod region). The project is receiving support through the NCM’s Adjacent Area Programme and the NCM’s Steering Group for adult education (SVL) during 2003 and 2004 and is based on the

experience from Nordic-Baltic NGO co-operation on adult education in which Russian NGO leaders have also taken part in recent years.

The project has the following subsidiary goals:

- to receive and pass on knowledge of how to create and develop adult education and adult education organisations through the educational activities operated by the project
- to disseminate and pass on the accumulated experience from ten years of Nordic-Baltic adult education co-operation through meetings, study visits, and seminars
- to develop local partnerships between adult education organisations and other NGOs, for example youth organisations, women's organisations, and organisations that work with social problems in each of the three project districts
- to develop democracy and welfare through local NGO partnerships with local authorities, libraries, businesses and labour market measures
- to develop inter-regional NGO networks that include all three regions and bigger towns.

The core group in the project comprises NGO leaders from the three geographical areas. The project also addresses NGOs that offer adult education activities, the parties on the labour market, local organisations and/or institutions that, through partnership with NGOs, are involved in the project, as well as local authorities and politicians.

2.1.5 *Nordplus Neighbour*

The general goal of Nordplus Neighbour is to develop long-term network co-operation throughout the entire field of education, from basic school level to university and high school level, with the Baltic States and North-western Russia. This also includes support for network co-operation on adult education, irrespective of whether this is brought about in the formal education system or in the voluntary sector in the Nordic countries or adjacent areas. The

central criterion is that the network activity must have an educational and learning perspective.

The Nordplus programme must reflect activities that promote enhanced co-operation of good quality between the Nordic countries and the adjacent areas in which measures will be carried out. The decision-making contact group must also have the opportunity to take the initiative in connection with network activities and to meet general theme priorities in accordance with the overall action plan.

It is a requirement that at least four countries are involved in the network, of which at least two must represent institutions in two Nordic countries, and at least two each represent his or her country in the adjacent area. As many countries as possible should be involved. Networks that include both Baltic and Russian participants will be given priority. Similarly, activities that include both the formal education sector and the voluntary sector should be encouraged. Network organisation is headed by a responsible coordinator.

Support can be made available to cover expenses connected with establishing new networks or joining existing networks. Networks are eligible for support for a maximum of three years, of which the first year can be spent on establishment activities. The funds supplied by the Council of Ministers are normally used as a help in starting up projects, and co-financing from other sources should therefore be applied for at as early a stage as possible. The Nordplus Neighbour programme accounts for approximately EUR 1.3 million of the Council of Ministers' funds per year.

2.2 Culture

2.2.1 *Introduction*

The purpose of Nordic cultural co-operation in the Baltic Sea area is to build up networks and partnerships between institutions, organisations, and individuals with the aim of promoting exchanges and cultural interaction. All Nordic co-operation bodies in the

cultural sector co-operate with partners from North-western Russia, Estonia, Latvia, and Lithuania.

The Nordic Council of Ministers' offices in Estonia, Latvia, and Lithuania will continue their activities after the Baltic States become members of the EU in May 2004. The Nordic offices have an important role to play in connection with cultural exchanges between the Nordic countries and the Baltic States. Among other things, the offices administer several Nordic subsidy schemes in the cultural area.

The office in St. Petersburg, and its branches in Petrozavodsk, Murmansk, and Archangel play an important role in co-operation on culture with North-western Russia. Some of the subsidy schemes are administered by the offices.

2.2.2 *Art*

The Nordic co-operation bodies in the cultural sector such as NIFCA, NordScen, NOMUS, NORDBOK, the Nordic Museum Committee, The Nordic Information Centre for Media and Communication Research (NORDICOM), the Nordic Journalist Centre (NJC), and the Nordic Steering Committee for Children's and Youth Culture (BUK) inaugurated subsidy schemes, also for applications and projects from the Baltic and North-western Russia, as early as the mid 1990s. All co-operation bodies also initiate co-operation projects with players from the Nordic countries and the adjacent areas.

An important subsidy scheme in connection with art is the subsidy programme, SLEIPNIR, for artists under the age of 36 years. SLEIPNIR applies to all art forms and grants subsidies for Nordic artists to travel to Estonia, Latvia, Lithuania, and Russia, and vice versa. In 2003 55 scholarships were granted for journeys to the Adjacent Area at a total cost of EUR 80,000. The same amount has been budgeted for 2004.

In connection with St. Petersburg's 300th anniversary NIFCA established a residency programme for artists in co-operation with Russian partners. The programme involves mobility between the Nordic countries and North-western Russia. The programme was

implemented in 2003 and will conclude during 2004. The budget for the project is EUR 60,000.

2.2.3 *Children and young people*

Since 1998 the NCM has been working with various activities for children and young people in the Adjacent Area. The co-operation with voluntary organisations, the exchange of knowledge, and network establishment are important issues. During 2003 the Nordic Youth Committee organised a meeting with representatives from the Barents Youth Secretariat, and the Baltic Sea Secretariat for Youth Affairs in Kiel. The purpose was to enhance the exchange of experience between these organisations. The co-operation will be followed up with a meeting in Iceland during the autumn of 2004.

2.2.4 *Cultural project in the Sami areas*

The Nordic Council of Ministers annually allots approximately EUR 550,000 for cultural projects in the Sami areas. The goal is to strengthen Lapp cultural co-operation. Some of the grants go to the Lapp Cultural Council and its activities. The funds are channelled to the Sami Council, which is an umbrella organisation for Lapp organisations in Finland, Sweden, and Norway, as well as Russia. The Sami Council is an NGO, an independently operating and cultural policy and political co-operation body that works to promote the Lapp population's financial, social, and cultural position. The members of the council have NGO status.

The Sami Council plans to establish an office on the Russian side of Sápmi. The goal is to strengthen the activities of the Sami Council in the area. The office will help Lapps in Russia to play an active role in Lapp co-operation and international activities. During 2003, among other things, the Sami Council worked to heighten the level of competence of indigenous Russian people and placed great emphasis on performing similar activities from an "indigenous people to indigenous people" perspective.

In the Arctic area the Sami Council has co-operated with the indigenous people in the area and taken part in work in the Arctic

Council. The Lapp Artists' Council, which receives its subsidies through the Sami Council, has focused on the art of indigenous people in the northern areas. Good contacts have been established with Nenet and Inuit artists with the help of the project "Art and traditional knowledge", among others.

2.2.5 *Co-operation with other regional organisations*

The Nordic Council of Ministers took the initiative in connection with a co-operation that includes the regional organisations which are active in the Northern Dimension. In addition to the NCM itself the organisations are the Nordic Council, the Barents Sea Council, the Arctic Council, the Baltic Sea Council, and the Sami Parliamentary Council. All of these organisations have been involved in cultural projects during the past ten years in the region covered by the Northern Dimension. The aim of the initiative is to introduce a process towards partnership. The purpose of the partnership is to provide the regional organisations with a forum for exchanging information on cultural activities and to discuss activities, the division of work, and joint measures.

The initiative for the co-operation in the cultural area can also serve as an example for other areas within the Northern Dimension.

3 Economy, business and industry, and infrastructure

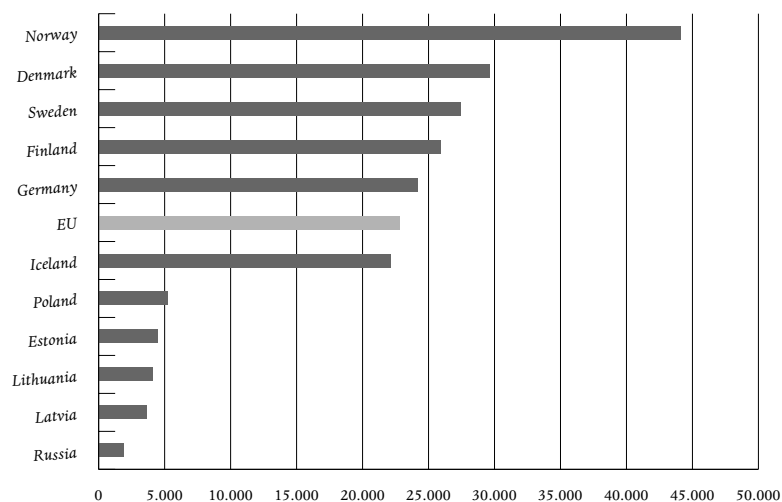
The matter below provides an account of the areas in the Northern Dimension Action Plan in which the Nordic Council of Ministers is involved and where developments have taken place since the NCM's report to the EU Commission in 2003.

3.1 Trade, investment promotion, and business and industry co-operation

3.1.1 *Introduction*

Where the absolute size of their economies and living standards are concerned, shown below in per capita GDP, the countries within the area of the Northern Dimension differ greatly. The Nordic countries are among the richest in the world while the Baltic States and Russia have a per capita GDP that lies below the EU average and the general level in the Nordic countries. As the table shows the absolute sizes of these countries' economies, measured by GDP, also differ greatly. The Nordic countries (with the exception of Iceland), Russia, and Poland are all very similar, since these countries' GDP was equivalent to between 1.5–3% of the EU's total GDP in 2002 (cf. table). The Baltic States lie at a lower level and can be said to be small economies in the context of the EU.

There is a good foundation for increasing co-operation. The exchange of experience and knowledge could stimulate the “catching up effect” that can be expected to take place in Russia, the Baltic States, and Poland during the coming years in the direction of the generally higher economic level in the EU.

Figur 3.1. Per capita GDP in Europe, 2002

Source: Ecwin

2002	GDP Total Euro Billion	Index EU = 100	Per capita Euro
Eu	8.647	100	22.792
Germany	1.990	23	24.161
Russia	274	3,2	1.887
Sweden	246	2,8	27.449
Poland	204	2,4	5.269
Norway	200	2,3	44.144
Denmark	159	1,8	29.617
Finland	135	1,6	25.904
Lithuania	15	0,2	4.077
Latvia	9	0,1	3.657
Estonia	6	0,1	4.476
Iceland	6	0,1	22.177

Source: Ecostat

It is the goal of the Nordic Council of Ministers to strengthen cross-border co-operation, trade, and more generally, business and industry, for the benefit of economic development in all countries in the area. This will be brought about with, among other things, by taking initiatives that address all countries in the Northern Dimension.

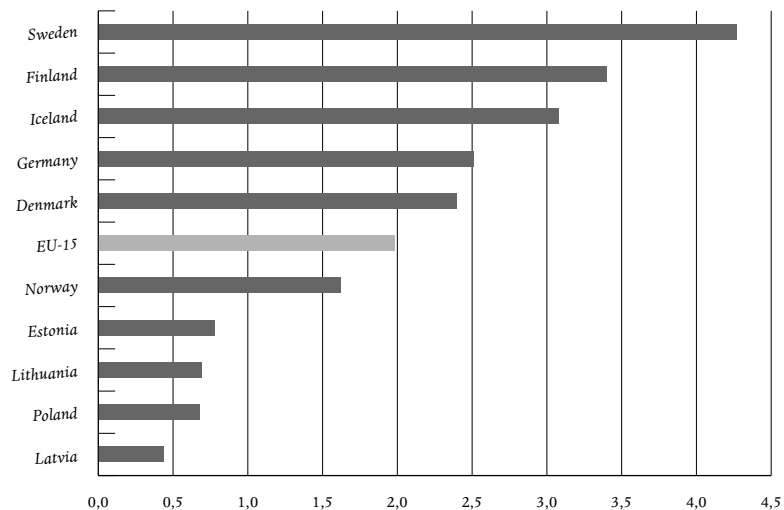
The world regards the Nordic countries as well-developed, competitive countries that have gone a long way when it comes to

innovation, IT development, and the establishment of the EU's Internal Market. The other Baltic Sea countries and the EU are familiar with the Nordic charter for small, innovative enterprises, entrepreneurs, and independent inventors, and there is respect for the Nordic countries' implementation of the EU's rules for the Internal Market.

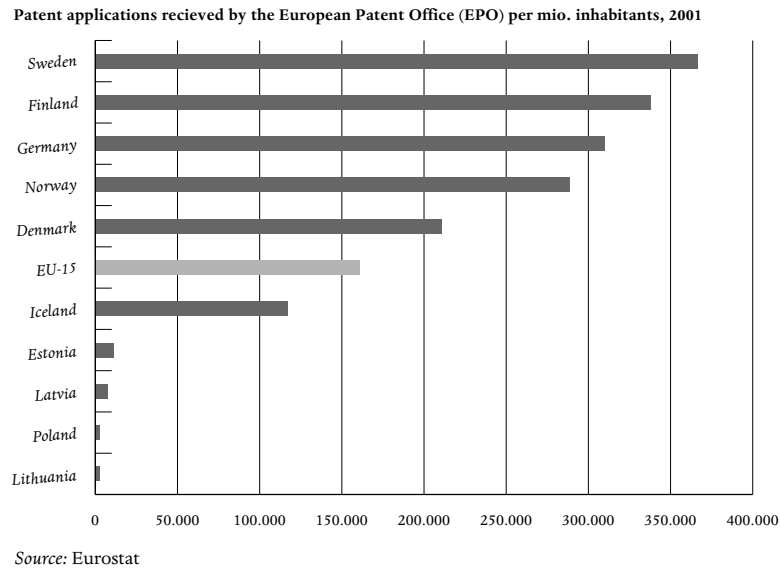
In relation to this the Baltic States have a less well-developed innovation culture, which can be characterised by a generally low level of investment in research and development (R&D). On the other hand, the Nordic countries, with the exception of Norway, whose low position is probably due to the fact that Norway has a relatively high GDP compared to its size, belong to those countries that have total research and development costs that are a good deal above the EU average (see diagram). This development in the level of costs is reflected in the number of patent applications per head of population in the Baltic States and Poland, which also lies below the EU average and the generally higher level in the Nordic countries.

There are thereby great differences between the countries in the Northern Dimension's area. The challenge in this area is to create

Total cost of R&D % of GDP 200



Source: Eurostat



an overall heightening of the opportunities for innovation and the creation of ideas in the Baltic States and Russia by stimulating the level of investment in these countries.

The Nordic Council of Ministers' economic co-operation with the other countries in the Northern Dimension focus on the following areas in particular:

- implementation of the Internal Market
- market supervision and control
- small, innovative enterprises, entrepreneurs, and inventors
- employment issues
- vocational experience scheme
- the building area in the Internal Market

3.1.2 *Nordic-Baltic project co-operation on the implementation of the Internal Market*

In 2003 the Nordic Council of Ministers adopted a strategy for developing an efficient Internal Market. This strategy is based on the Gothenburg Declaration of 29 September 2003: "An Effective Internal Market – a Vehicle for Cooperation and Growth". The

strategy for the Nordic countries, in addition to strengthening co-operation with the adjacent countries, is also to strengthen the SOLVIT network¹² as an effective mechanism for removing trade barriers in the Internal Market.

The declaration moreover expresses support for the EU Commission's initiative regarding CE labelling, voluntary product labelling, and the transfer of know-how to the new EU member states with regard to their entering the Internal Market. The declaration is reproduced in its full length below.

Co-operation with the Nordic adjacent areas is based, among other things, on concrete co-operation projects in relation to the Internal Market and the removal of trade barriers. A project of particular importance for a well-functioning Internal Market, financed by the Nordic Council of Ministers, began in May 2003 in selected areas where Estonia, Latvia, Lithuania, and Poland each made inquiries regarding co-operation. The project focuses on the exchange of knowledge, visits, seminars, and co-ordinated measures on the part of the Nordic authorities. In addition to making a contribution to a smooth integration in the adjacent areas, the aim of the project is also to establish strategic networks between the Nordic countries and their adjacent areas as a platform for informal co-operation within the framework for the development of the EU's Internal Market in general.

**The Nordic Council of Ministers for Business and Industry,
NCM-DECLARATION**

"An efficient Internal Market – a vehicle for cooperation and growth"

recalling that the Internal Market is one of the most important vehicles for cooperation and growth in the Nordic region and Europe;

reiterating, at a time when the economic slowdown needs to be reversed, the fundamental importance of the Internal Market for enhanced competitiveness in the Nordic region and Europe;

12. The SOLVIT system is an instrument for removing trade barriers that arise on the Internal Market. The system was launched by the EU Commission on 1 June 2002 and comprises a network of SOLVIT centres in the various EU

Member States. The Nordic countries must co-operate to further strengthen the work by heightening the marketing of the system as a cost-effective method of solving problems on the Internal Market.

acknowledging that the Internal Market is not yet complete and additional efforts are needed to remove remaining obstacles to trade and achieve a more integrated market to the benefit of consumers and business alike;

welcoming the enlargement of the European Union and of the European Economic Area, initially with ten new countries, which will expand the Internal Market to 450 million citizens and bring augmented opportunities for increased cooperation and growth;

noting the long tradition of intra-Nordic cooperation to establish a well-functioning and integrated Nordic market, now emphasized by new efforts to remove cross border obstacles between the Nordic countries and the increasing importance of collaboration between like-minded countries in an enlarged Union;

acknowledging the geographical proximity and well-developed political, economic and social relations between the Nordic countries and new Member States in our immediate neighbourhood, where a smooth accession of these countries to the enlarged Internal Market will be of great value to all countries in the region;

underscoring that the successful integration of the European Union requires further efforts and needs to develop new instruments in order to remove barriers to the free movement of goods, services, persons, and capital

welcoming the initiative by the Nordic countries, within the framework of intergovernmental Nordic cooperation, to cooperate with new Member States in our neighbourhood, aiming at a transfer of knowledge and best practices between the Nordic countries and Estonia, Latvia, Lithuania and Poland within both horizontal and specific internal market issues,

recalling the draft Second Northern Dimension Action Plan of the European Union, 2004-2006

decide to undertake necessary steps to strengthen and develop the Internal Market, notably:

- to encourage further strengthening and marketing of the SOLVIT network as a smooth and cost-effective way to resolve trade barriers on the Internal Market,
- to welcome the initiative by the Commission to undertake a study on voluntary marking at national and European level and to encourage efforts to strengthen the role of CE marking and clarify its relation to voluntary product marking,
- to promote and encourage the transfer of know-how and best practices exchange between relevant institutions and government experts in the Nordic countries and the new Member States in our neighbourhood, in

order to improve the functioning of the Internal Market and to bring about a more uniform application of its instruments,

- to propose further measures to remove barriers to trade, as highlighted in existing studies on trade barriers in the Nordic countries and in the internal market strategy 2003–2006, including the conduction of a joint Nordic investigation on the promotion of a European quality mark.
-

3.1.3 *Northern Dimension partnership for cross-border market surveillance and control on the Internal Market*

An important area for the Nordic Council of Ministers in connection with business and industry issues in relation to the countries in the Northern Dimension is the issue of cross-border co-operation on market surveillance and control in accordance with the EU's rules and practice.

The Nordic Council of Ministers is preparing to co-operate with Germany on the establishment of a new Northern Dimension partnership. This for the purpose of developing Baltic co-operation in the area of market surveillance and control on the EU's Internal Market. The goal is to establish a more in-depth co-operation between the Nordic Council of Ministers, Germany, Estonia, Latvia, Lithuania, and Poland. Initially efforts will be concentrated on establishing a more detailed cross-border co-operation in the Baltic Sea region on market surveillance and control. The need for this should be seen in the light of, among other things, the consequences of enlarging the EU's Internal Market concurrently with the accession of the Baltic States and Poland to the EU.

Among other things, the partnership is designed to develop concrete pilot projects between the countries in the Baltic Sea region. In the first instance it is expected that pilot project-oriented co-operation between the EU and EEA countries for market surveillance and control will be prioritised. For example, the co-operation would involve the mutual exchange of information, the development of co-ordinated strategies, and heightened efficiency in market surveillance and control.

3.1.4 *The Nordic Charter on small, innovative enterprises, entrepreneurs, and inventors*

The Nordic countries have agreed on a Nordic Charter for small, innovative enterprises, entrepreneurs, and inventors. This is connected with the fact that innovation is an important motive force in the Nordic and European economies when it comes to improving competitive ability and thereby also in relation to employment and economic growth.

At present the Nordic countries are discussing the possibility of developing a more in-depth, cross-border co-operation on innovation with the other countries in the Baltic Sea region. The co-operation has its origin in the “Nordic Charter for small, innovative enterprises, entrepreneurs, and independent inventors”, which was adopted by the ministries of business and industry on 7 October 2002 (translated from the original Danish below).

Nordic Charter for small, innovative enterprises, entrepreneurs, and independent inventors

Small, innovative enterprises and entrepreneurs and inventors are an important motive force in the Nordic and European economies when it comes to improving competitive ability and thereby also in relation to employment and economic growth. This industrial segment is an important facet of the overall development of innovative products and processes and also constitutes a foundation for suppliers to major companies. Finally, the target group is characterised by great flexibility and readiness to meet changes, which are important requirements in connection with competition in the globalised economy.

It is therefore essential to create the best possible development environment for the target group of this Charter, namely small innovative enterprises, entrepreneurs, and independent inventors.

Principles

With this Charter

It is acknowledged that the target group has an important role to play in creating new jobs and fulfilling new market needs

It is acknowledged that entrepreneurship and industrial creativity are valuable skills in the process from idea to the finished, marketed product

It is acknowledged that the target group of this Charter typically has limited resources with regard to finances and knowledge, which is why it is necessary to take special steps in the form of providing development capital and commercial guidance. This will ensure that the target group can realise its potential for development and become competitive and integrated into economic and industrial development.

On the basis of this we commit ourselves to

strengthen the spirit of innovation, entrepreneurship, and invention in the Nordic countries in general

attempt to establish administrative and legislative conditions that can have a stimulating effect on the conditions for the development of the target group, both nationally and in connection with cross-border activities

make an effort to co-ordinate and strengthen the supply of capital in the Nordic countries and to ensure that the conditions for the fiscal framework take account of the development needs of the target group to the greatest possible extent

help to ensure that access to development capital is improved throughout the entire lifecycle of enterprises

make it easier to obtain advice, technologies, and research results at a Nordic level

Guidelines

By endorsing this Charter we commit ourselves to incorporate the following guidelines in the work of improving conditions for the target group:

Conditions for establishing enterprises in the Nordic countries

Outlay in terms of time, procedures, and money when establishing enterprises should be reduced as much as possible, and an attempt will be made to simplify codes of practice with regard to administration and management as much as possible.

The Nordic countries should aim to achieve the shortest and most simple approval procedures at a global level – with the help of Internet technology in connection with registration, for example.

In connection with generational changes in family-owned companies favourable terms for the transfer of ownership should be established in order to encourage the continued operation of companies.

Taxation and financing

In general the taxation systems should be organised in such a way as to encourage the expansion and job creation potential of newly-established small, innovative enterprises, and facilitate their establishment and transfer, nationally and across the Nordic borders.

Sufficient development capital must be procured with the aim of leading new industrial patents and enterprises with innovative concepts up to final marketing. An effort must be made to provide favourable terms for an investment environment which, without creating a subsidy culture, could provide venture capital on an inter-Nordic basis.

Initiatives should be taken to activate the financial means that can be found (inactive) today in various funds and savings banks, by making the rules for their investment on an inter-Nordic basis less rigorous, for example, in order to stimulate the development of the target group.

Finally, an effort should be made to ensure that all technology areas are offered development capital.

Insolvency legislation and user-friendliness in connection with administrative documents

It should be a goal that insolvency legislation and the rules regarding the suspension of payments and debt rescheduling do not have an unnecessarily negative influence on the motivation to establish enterprises, and that insolvent people in all essentials are not prevented from establishing their own enterprises again. This goal should be pursued with due attention to creditors and precautions against the dishonest use of the rules.

An attempt should be made to simplify and make the rule systems and administrative practices more user-friendly in connection with the administration of the target group in the Nordic countries, with the aim of making administration easier for the target group.

The patent system

In order to prevent the violation of a patent an attempt should be made to establish a common European insurance system (partly publicly financed) as a joint Nordic initiative, so that the economic means of a small enterprise and/or inventor are not decisive for whether to institute and pursue legal proceedings.

Network formation and setting up projects

It is essential to create an infrastructure for a commercial, political, and professional network for the target group. The target group should therefore actively be supported in connection with taking part in Nordic network meetings, making contact with new connections abroad, and concrete guidance through the Nordic administration systems.

Consideration should be given in connection with establishing networks to how participation in projects established by the Nordic Industrial Fund, EU projects, and other Nordic institutions can be increased by disseminating information on coming projects in the technology and entrepreneur environment.

Education and advice

In order to promote industrial creativity and a spirit of entrepreneurship in the Nordic countries there should be teaching in business issues and innovation in the lower school forms. At upper secondary and university level an attempt should be made to integrate business-related teaching modules.

Adequate access to qualified advice for newly-established enterprises in connection with the rules of competition, investment opportunities, employers' responsibilities, VAT rules, etc., must be ensured. It is necessary to provide such advice throughout the development cycle of an enterprise.

Advice must be integrated so that financing, the rules regarding establishing enterprises, the rules of competition, etc., can be evaluated in a context.

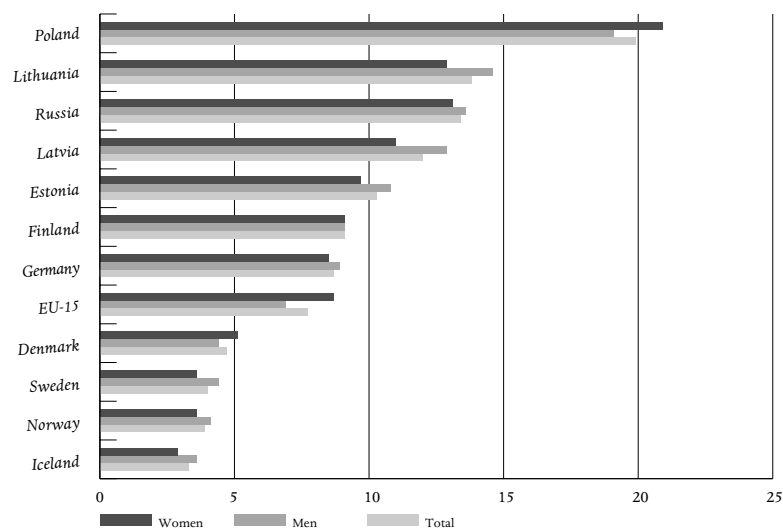
Internet technology

An initiative should be taken to ensure that the target group in general is integrated into e-commerce development, with the help of training programmes, for example, information campaigns, and loan mechanisms for investing in software and hardware.

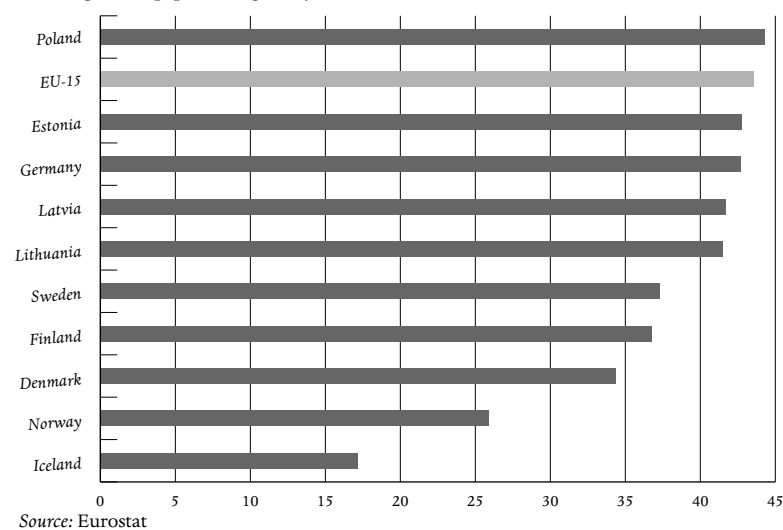
3.1.5 *Employment*

Unemployment in the new EU Member States and Russia is high by comparison with the generally lower rate of unemployment that characterises the Nordic countries (see diagram below). Co-operation in the Northern Dimension makes co-ordination possible in the labour market policy area possible and through this to the creation of mobility, flexibility and knowledge sharing, which can help to redress the disparities that can be found between the respective countries' labour markets. At the same time it should be noted that those countries which are represented by the highest unemployment figures are also at the top of the list with regard to the percentage of the population that is outside the labour force. This is therefore a question of a considerable structural problem that must be solved.

In connection with the enlargement of the EU's labour market on 1 May 2004 there will be opportunities to enhance the mobility

Unemployment rate 2002

Source: UN statistical division

Percentage of the population aged 15 years (+) outside the labourforce, 2002

Source: Eurostat

of the labour force in the Baltic Sea area. The Nordic Council of Ministers held a meeting in 2003 with the Baltic States and Poland on this theme and will follow this up in 2004 by establishing a Nordic-Baltic EU co-ordination group that will meet in advance of meetings of the Council of Europe.

Several of the Nordic countries have decided to institute some kind of security mechanism in connection with the enlargement of the European labour market with the aim of preventing imbalance. The exchange of information between the Nordic countries takes place in the Nordic Council of Ministers and between countries on a bilateral basis.

The Nordic Council of Ministers has set up a group of senior officials that will consider what significance the transitional schemes will have in preventing imbalance on the Nordic labour market. The group is expected to present its findings at a meeting of ministers for labour in September 2004.

In 2004 there are plans to hold a Nordic-Baltic labour market conference with the participation of ministers for labour, members of the Nordic Council, and representatives from the parties on the labour market. The themes of the conference will be the mobility of labour and co-operation between the parties on the labour market in the Nordic countries and the Baltic. The goal is to arrive at measures that can support the establishment of labour market organisations in the Baltic States.

With support from the Nordic Council of Ministers the parties on the labour market in the Nordic countries have implemented a project on the social dialogue that will provide the parties on the labour market in Estonia, Latvia, and Lithuania with information on the Nordic tripartite model. It is expected that the project will be completed in 2004, as will a project that supports the Baltic working environment authorities in their attempts to improve the working environment in the Baltic States.

For more than ten years the Nordic Institution for Continuing Education (NIVA) has supported the participation of Baltic and Russian researchers in courses related to the working environment. In 2004 NIVA will attempt to arrange courses in Russia at the same time as Russian participants will receive more scholarships.

3.1.6 *NordProLink*

Since 1992 the Nordic Council of Ministers has financed a trainee programme whose purpose is to provide young people from the

business community in the Baltic States and North-western Russia with the opportunity to study working and production conditions in small and medium-sized Nordic enterprises and also to develop contacts and co-operative relations between Nordic enterprises and enterprises in adjacent countries.

Until now more than 1,000 trainees have been stationed in the Nordic countries. During the period 2004–2006 about 500 trainees are expected to be stationed abroad under this scheme.

3.1.7 *Promoting competition in the building sector*

High building costs are a problem in many countries. Inadequate competition in the building sector may be among the reasons for this, but there may also be significant barriers preventing entry to the market. An increase in exchanges in the building sector between the Nordic countries and between the Nordic countries and the new EU Member States in the Nordic adjacent areas should be able to promote competition in the building sector.

On 18 September 2003 in Gothenburg a group of senior public officials from the Baltic States, Poland, and the Nordic countries decided to begin a project for the purpose of preparing an action plan to increase exchanges in the building sector between the Nordic countries on the one hand, and between the Nordic countries and the Baltic States and Poland on the other. The action plan is designed to map out obstacles and propose measures to remove the obstacles that are discovered with the aim of finally arriving at a situation with heightened competition in the building sector. An extract from the guidelines for the preparation of the action plan is reproduced below.

Guidelines for an action plan for increased exchange in the building sector between the Nordic and the Baltic countries and Poland (Extract)

The purpose of this document is to describe a vision and propose guidelines for the work with an action plan which will contribute towards an increased exchange in the building sector between the Nordic and the Baltic countries and Poland. It is assumed that an increased exchange between the Nordic countries, but also between the Nordic countries and new EU member states

in their adjacent area, would promote competition in the construction markets. The action plan will explore barriers to such an exchange and propose measures to eliminate the barriers that have been discovered.

One point of departure for the continued work is the pre-study that has been conducted and the proposals that are offered in that report (“The Nordic and Baltic Regions – A common market for construction and management of housing”). There it is proposed that an increased exchange should extend beyond the Baltic countries to include Poland as well. The foremost reason for this is that the markets in Estonia, Latvia and Lithuania are very small in relation to the equivalent markets in the Nordic countries. It is therefore unlikely that an increased exchange between the Baltic and the Nordic regions could affect the competition situation in the Nordic countries in the short term, other than in certain limited market segments such as production and exports of wooden houses. A general description of the housing and construction market in Poland is provided in a supplement to the pre-study (“The housing market and building production in Poland”).

[...]

The vision and its challenges

High construction costs are a problem in many countries today, not just the Nordic countries. High construction costs lead to higher housing costs, which means that weak groups in society cannot afford new housing. The causes of high construction costs may include insufficient competition for both contractors and materials, but various types of entry barriers to the market may also exist. It is therefore an important housing policy goal to eliminate existing entry barriers and to stimulate competition in order to reduce construction costs.

[...]

In summary, there is a considerable potential for increasing competition in the building sector by viewing the Nordic countries and the new EU member states in their adjacent area as a common region and market. But in order for this potential to be realized and competition to be stimulated, both formal trade barriers and other, more informal entry barriers to the market must be eliminated. The following proposal for guidelines for an action plan brings up such issues as the importance of national regulations, the free movement of labour, and the importance of working together to improve our knowledge how the market and the competition are developing.

Proposed guidelines for an action plan

An action plan for increased exchange in the building sector within a region consisting of the Nordic countries and the new EU member states in their adjacent area should explore barriers and propose measures to eliminate the barriers that have been discovered. The plan should primarily be concentrated on three main issues: the importance of national regulations, the free movement of labour and the need for better knowledge of how the market and the competition are developing.

Importance of national regulations

All countries have their own building rules, which are usually a product of local and national building traditions with a gradual adaptation to new experience and new-found knowledge. A new feature in recent years is the influence of the European harmonization work on national rules. The national building rules are in many cases also a part of an integrated whole consisting of national rules for supervision and inspection, competency requirements on different actors in the building process, and requirements on insurance for construction companies and projects.

The action plan should clarify and propose suitable measures if national building rules in themselves can be perceived as a real barrier to an increased exchange between the Nordic countries or between the Nordic countries and the new member states in their adjacent area. The plan should also describe to what extent building rules in the concerned countries are an integrated part of a larger whole in which other parts would also be affected by any changes.

The report from the pre-study shows that other parts of the national regulations in the building sector can also comprise barriers to an increased exchange. The action plan should clarify to what extent such barriers exist and propose measures to eliminate them. Such measures can, for example, include national requirements for registration and authorization of companies and employees or national competency requirements on various actors in construction and property management.

Free movement of labour

An important prerequisite for improving competition in the building sector is a well-functioning free movement of labour across national borders. This applies in particular to certain key competencies or professional categories, where there is a shortage of labour in some countries. Border barriers and red tape surrounding the free movement of labour must therefore be abolished, and the tradition of free movement between the Nordic countries should

also serve as a model for movement between the Nordic countries and the new member states in their adjacent area.

The action plan should explore existing barriers to the free movement of labour and propose measures to eliminate these barriers.

Better knowledge of how market and competition are developing

Economic integration between different countries in the building sector is mainly manifested in the increased presence of foreign companies and employees in the domestic market, as well as increased imports and exports of building products. If this also leads to increased competition in the construction market, construction costs and material prices will be reduced. To stimulate and monitor this economic integration, the action plan should propose forms for how the concerned countries can jointly conduct surveys, share information and develop new knowledge on issues that show what increased exchange can mean for competition.

3.2 Energy

3.2.1 BASREC

The Nordic Council of Ministers (ministers for energy) is a leading partner in the energy policy co-operation in the Baltic Sea region within the Baltic Sea Region Energy Co-operation (BASREC) between eleven countries and the EU Commission. The ministers for energy from the Baltic Sea States decided at the ministerial conference in Vilnius on 19–20 November 2002 to continue the co-operation in BASREC for a further three-year period (2003–2005). The activities carried out in BASREC will be directly linked to the EU's Northern Dimension Action Plan.

The Nordic Council of Ministers also decided to support BASREC during the period 2003–2005 with both personal and financial resources, including a secretariat function. An arrangement involving scholarships for the Baltic States and Russia in a Nordic programme will among other things provide support for the chairmanship of BASREC's Group of Senior Energy Officials (GSEO) and the working teams that will be appointed under GSEO.

During the co-operation period, 2000–2002, the Nordic Council of Ministers and the Baltic Council of Ministers forwarded an appli-

cation to the EU's SYNERGY programme with the aim of carrying out operative project activities in the BASREC co-operation. A contract between the council of ministers and the EU Commission was signed in December 2001 (SYNERGY granted EUR 591,000 for the project) and the final report from the project, which was approved by the EU Commission, was presented at the beginning of 2003.

A working plan was established for BASREC 2003–2005 within the framework of the ministers' decision in Vilnius. The overall working plan and the working plan for the separate working teams was approved by GSEO in the spring of 2003. The working plan states that:

“The challenges within and across these areas were also defined in the communiqué;

To focus on security of supply within the region

- the need for investments and integration in gas and electricity markets in the region, while pursuing unbundling
 - the need for safe and secure energy transport
 - to ensure regulatory frameworks and procedures are not barriers to investment
 - to support long-term research and development
 - the need to introduce renewables and other environmentally sound fuels, including the consideration of green certificates
 - to enhance financing of small-scale investments in energy efficiency
 - to integrate energy efficiency in energy policy at all levels
 - to enhance exchange of information and co-operation on energy efficiency
 - include NW Russia and Kaliningrad in the process of integrating and liberalising energy markets around the region”.
-

The working plan includes co-operation and the performance of projects in separate working teams for the electricity sector, the gas sector, climate, improving the efficiency of energy, and bio-energy. Moreover, the co-operation will include seminars and conferences on various theme areas, including a conference on energy financing, investments, bio-energy, and improving the efficiency of energy and R&D, which was held in St. Petersburg on 16–18 March 2003. There will also be projects, accounts, and analyses together

with other parties and organisations. During the period GSEO will be responsible for managing and following up on the activities. Finally, a ministerial conference is being planned for the end of 2005.

3.2.2 *Co-operation with Russia*

The Nordic Council of Ministers for Energy decided in September 2003 to support an intensification of the co-operation on energy with the Adjacent Areas with particular emphasis on the relations with the north-western region of Russia, and on the EU's TACIS programme. The co-operation will be carried out as a series of subsidiary projects which will be defined through joint planning. Among other things, a planning meeting with the authorities involved and representatives from the TACIS programme was held in January 2004. An important goal for the measures in North-western Russia is to build up competence and capacity. This will be brought about through the Council of Ministers' scholarship programme for 10–15 scholarships from the ministry in Moscow, the regional administration in North-western Russia, municipalities, institutions, and companies.

3.2.3 *Co-operation with BCoM and Estonia, Latvia, and Lithuania*

The Nordic ministers for energy maintain a continuous, permanent co-operation with the Baltic Council of Ministers (BCoM) and its Energy Policy Committee (CoE). The framework for the co-operation is established in what are known as the Agreed Minutes, initiated by Estonia in 1999 and adopted in 2000 in Tallinn. Co-operation takes the form of project activities that are supported by the Nordic Council of Ministers within the framework of its Adjacent Area Programme and through regular meetings at senior public official level. Building up competence and capacity through a goal-oriented scholarship programme is also an important cornerstone in the co-operation with the Baltic States.

3.2.4 *Other forms of co-operation*

In addition to co-operation with BASREC and the Council of the Baltic Sea States, there is also a comprehensive co-operation with other organisations in the energy sector that are active within the framework of the Northern Dimension. First and foremost among these important partners are the Barents Euro-Arctic Council and its Energy Working Group (EWG), the EU, Energy Charter, IEA, and Baltrel, and BalticGas. Together with the Barents Euro-Arctic Council, the Ministry of Business and Industry in Finland, and the Nordic Investment Bank, the Nordic Council of Ministers held a conference entitled “Energy Financing in the Northern Dimension Context” in Helsinki from 12–13 February 2003.

3.3 Transport

During 2003 the Nordic Council of Ministers brought forward transport policy issues in the Northern Dimension through a Nordic-Baltic meeting of ministers for transport. Among the topics discussed at the meeting were “The Baltic Sea’s motorways”, which concerned the problem of ice-breaking and the Baltic Sea as a Particularly Sensitive Sea Area (PSSA).

The most important transport project for the Council of Ministers concerned road safety in North-western Russia and the Baltic States. Among other things, a manual in Russian on road safety was produced. During 2004 a meeting on road safety will be arranged from 16–17 September in St. Petersburg.

The Nordic Council of Ministers has also financed a project on how to concretise the concept “The Baltic Sea’s motorways”. The first meeting was held on 23 January 2004 with participants from the Baltic Sea States and the EU Commission.

3.4 Consumer issues

3.4.1 *A Nordic e-commerce strategy*

The Nordic ministers for consumer affairs and industry, employment, and communications were instrumental in preparing a common Nordic strategy for the promotion of electronic commerce. The strategy was presented at the International Consumer Day on 15 March 2004 at the conference “Building Consumer Confidence in the European Online Marketplace” in Dublin. The conference was organised by the Irish EU Presidency with the support of the EU Commission. The theme was shopping via the Internet.

The strategy concerns the following areas:

- consumers’ confidence in e-commerce
- the benefits of e-commerce for consumers, the need for information and user-friendliness
- the IT competence of companies
- the lack of uniform standards
- insufficient demand and the role of the state

The recommendations in the consumer area first and foremost take the form of providing consumers and manufacturers with information on their rights and obligations respectively and encouraging various co-operation projects between different interested parties and the Nordic countries.

From a business perspective the recommendations, similarly to those in the consumer area, focus on information and training measures with the aim of enhancing insight into the benefits of e-commerce and the competence to be able to utilise its potential. Following the developments in these areas, encouraging the exchange of experience and best practices are also important measures that could be carried out to advantage at Nordic level. An extract from the strategy is reproduced below¹³.

13. http://www.norden.org/konsum/N_o_K-itgrp/sk/Broschyr_e-handelsstrategi_slutlig_eng.pdf

**NCM Strategy to promote electronic commerce
within the Nordic countries (Extract)**

Recommendations

The recommendations of the working team are addressed to the Nordic Council of Ministers. The Nordic Council of Ministers and the individual Nordic Governments, in consultation with the appropriate authorities and organisations, should determine which actors should implement the recommendations.

4.1 General recommendations

- Monitor developments within e-commerce and e-business regarding:
 - Consumer benefits.
 - Consumer confidence.
 - IT and e-business skills of businesses.
 - Standardisation and interoperability.
 - Electronic public procurement.

Particular attention should be paid to the situation of children and young people, and also small and medium-sized businesses (SMEs).

- Continue the Nordic cooperation, with regards to the production of relevant statistics, analysis and benchmarking within the IT and e-commerce area, with the aim of being better able to monitor developments (see above), and encouraging businesses to participate in benchmarking activities (for example, the Danish initiative for a Nordic e-barometer, www.ebarometer.dk).
- Enhance awareness of the positive effects of e-commerce and e-business for both the consumer and businesses.
- That the Nordic Council of Ministers and the Nordic States constitute a model in their capacity as good users of IT, e-commerce and e-business.
- Encourage Nordic exchange of experiences and good examples, in addition to joint projects.

4.2 Specific recommendations

Make the consumer aware of the benefits of e-commerce

- Make the consumer aware of what information requirements can be imposed in connection with e-commerce.

Activity:

- Produce a checklist highlighting the essential information issues.
- Encourage consumer and trade/industry representatives to cooperate in projects to enhance user-friendliness.

Activity:

- Produce guidelines or recommendations for user-friendliness.
- Initiate and utilise user tests concerning e-commerce to a greater extent.
- Continue to develop and offer user-friendly e-services and information on public web sites.

Enhance consumer confidence

- Inform consumers of their rights and obligations in connection with e-commerce, including e-payments, and also encourage them to be critical in their assessment of e-commerce sites.

Activity:

- Produce checklists highlighting the essential issues.
- Inform business operators about the applicable consumer law rules.

Activity:

- Organise information seminars in cooperation with sector organisations, including the exchange of good and bad examples.
- Include this information in State IT skills initiatives, orientated towards businesses.
- Encourage joint Nordic projects, relating to:
 - Impartial dispute resolution systems.
 - Market supervision.

Enhance the skills of businesses within IT and e-business

- Continue to implement Nordic and national IT skills enhancement activities, particularly for SMEs.

Activities:

- Arrange skills enhancement seminars, focussing on the important role of business managers in the development and the introduction of e-business, make the potential for profits with e-business more visible, and also stimulate increased cooperation between the various actors.
- Include IT and e-business skills and information security aspects in other skills enhancement initiatives for SMEs.
- Exchange experiences of initiatives concerning support for the concrete implementation of e-commerce work in SMEs.
- Encourage the development of simple tools to calculate the potential gains of e-business for businesses.
- Disseminate information about existing international recommendations and guidelines (OECD Guidelines for the Security of Information Systems and Networks: Towards a Culture of Security July 2002.) within the infor-

mation security area, and also provide advice on how businesses can protect themselves against the most common security problems.

- Encourage dialogue between the education services, including colleges and universities, and trade/industry about the possibilities and needs to include IT and e-business skills in education.

Promote enhanced standardisation and interoperability

- Carefully monitor the development of standardisation-related impediments for e-commerce.

Activity:

- Produce a report on standardisation problems with e-commerce in the Nordic countries.
- Produce a Nordic dialogue concerning experiences with various standardisation initiatives, and deliberate on the opportunities for in-depth Nordic standardisation cooperation, particularly within public electronic procurement. Such cooperation should include discussion concerning possible use and adaptation of existing international standards for Nordic languages and circumstances.

The State should provide a good example

- Enhance public use and range of e-services, particularly within the areas of e-procurement and e-invoicing, both with the aim of improving the efficiency of their own operations and of promoting the development of e-commerce in the rest of society.
 - Encourage Nordic exchange of experiences of e-procurement and initiatives within the area, including public purchasing portals, particularly bearing in mind the EC Public Procurement Directive.
-

3.4.2 *Co-operation between ministers of consumer affairs, the Baltic and Russia*

In line with the objective of contributing to a stable and safe development and strengthening democracy and the development of a functioning market economy, the co-operation with Estonia, Latvia, Lithuania and Russia in the consumer area is important. Consumer policy is a vital instrument in the development of a well-functioning market economy. The co-operation between the ministers of consumer affairs, the Baltic and Russia first and foremost comprises assisting in the dissemination of knowledge on Nordic experience in

the area. Co-operation includes such areas as seminars, study visits, joint projects, and the ongoing exchange of information.

During 2004 the co-operation will be further developed and intensified in a close dialogue with the Baltic and Russia. Where the Baltic States are concerned the ambition is to develop the existing dialogue and to find new ways of strengthening the co-operation against the background of the Baltic States' EU membership. An initial Nordic-Baltic ministerial meeting is planned for September 2004. The intention is also to further develop existing co-operation with voluntary organisations and authorities in Russia. A meeting at senior public official level with representatives from consumer organisations in St. Petersburg will take place on 26 April 2004.

3.4.3 *Examples of activities performed in 2003*

The co-operation between the ministers of consumer affairs, Estonia, Latvia, Lithuania, and Russia was carried out within the framework of a separately appointed Adjacent Area group. Examples of the activities carried out by the group during 2003 are as follows:

- A seminar on maintaining and comparing Nordic and Baltic legislation with regard to tele-sales.
- A seminar in Russia on product safety in the Nordic countries.
- National consumer policy in the Baltic States.
- Consumer training in the Baltic States.
- A seminar on Nordic experience and methods in connection with the preparation of national action plans for consumer protection.

3.4.4 *Future areas of co-operation*

Future co-operation with the Baltic States and Russia will depend on the results of the meetings mentioned above in item 3.4.2. Co-operation is expected to focus on the following areas, among others:

- Amalgamating in consumer organisations as part of building up democracy
- Consumer training, consumer economy, and consumer information

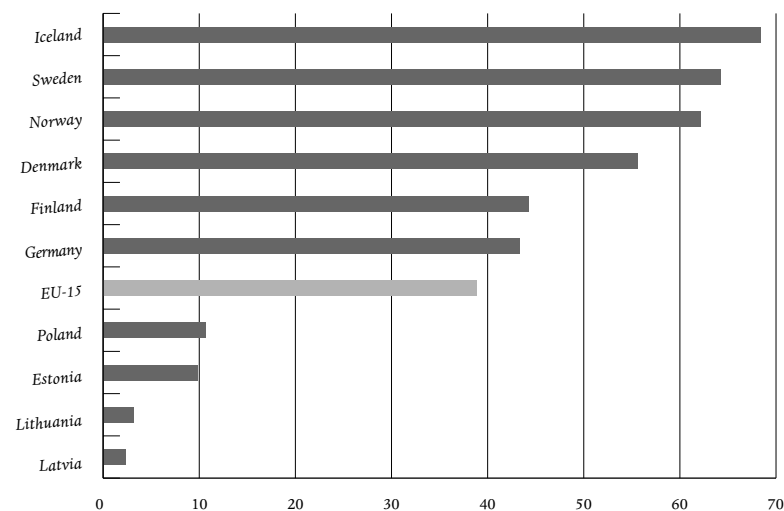
- The implementation of existing and future EU rules and regulations in the Baltic Sea area
- Consumer research
- Co-operation on national action plans and overall consumer policy
- Issues related to advertising

3.5 IT and NeDAP

All the Nordic countries have a solid foundation in the IT area and the use of IT is widespread among the population in general, which can be seen from the number of households with access to the Internet in the Nordic countries. By comparison, the Baltic States have a low number of households with access to the Internet.

The Internet should be regarded as the core of information technology. The simple access to contact and information from a wealth of international and national sources provides every opportunity for obtaining an orientation and exchanging information, and the number of households with access to the Internet thereby indicates the public's unhindered access to information. Internet

Percentage of households with internet access, 2002



Source: Eurostat

access in itself is therefore an important element for a globalised population. The discrepancy in Internet access and the general level of IT are a challenge to the Northern e-Dimension (NeD) and co-operation and the exchange of experience are necessary to increase Internet access.

3.5.1 *Co-operation between the Nordic Council of Ministers and the Baltic Sea Council*

During 2001 the EU Commission was invited to present the Northern e-Dimension to various committees in the Nordic Council of Ministers. The Committee of Senior Officials for information technology (ÄK-IT) and the IT policy group decided to follow the initiative with interest. The Nordic Council of Ministers takes part in NeD as an observer in the “Senior Officials on Information Society” (SOIS). SOIS is the steering group for NeD and is responsible for the performance of the “Northern eDimension Action Plan” (NeDAP). The performance of NeD depends on financing from the EU and from national and other sources.

3.5.2 *The Northern eDimension Action Plan, NeDAP*

NeDAP has seven action lines (AL), each of which has a responsible chairing country. Separate working teams have been established under each AL which report to SOIS. There has been no intention that all the Baltic Sea Council States should enter into all seven action lines:

-
- AL1: High speed research networks and advanced broadband applications (responsible country: Norway)
 - AL2: ICT Security (chairing country: Estonia)
 - AL3: eSkills (chairing countries: Finland and Germany)
 - AL4: eCommerce (chairing country: Russia)
 - AL5: eGovernment (chairing country: Sweden)
 - AL6: Indicators (chairing country: Denmark)
 - AL7: eEnvironment (chairing “country”: United Nations Environment Programme, GRID-Arendal)
-

Several NeDAP actions lines are also an expression of Nordic priorities under the auspices of the Nordic Council of Ministers. Some areas also have concrete activities that are broadly speaking similar in the Baltic Sea Council and the Nordic Council of Ministers. Action lines that are based on existing Nordic co-operation have developed better than those that are not. The following examples can be emphasised in particular.

High speed research networks and advanced broadband applications
(AL1)

AL1 comprises two subsidiary areas (AL1.1 and AL1.2), which are respectively based on existing Nordic co-operation.

- *NORDUnet A/S* is a Nordic IT infrastructure co-operation (a joint Nordic limited liability company), that provides Nordic universities and research institutions with Internet capacity of extremely high quality and in copious quantities. The infrastructure is primarily used for advanced research, but also as access to the ordinary Internet.
- *Nordunet2* was a Nordic research programme on advanced Internet technology and Internet applications. The focus was on the learning society and specifically on distance teaching and life-long learning, tele-medicine, a digital library and network services (e.g. IT security and service quality, etc.). Nordunet2 has now been concluded, but the Baltic Sea Council has pointed out in NeDAP the expediency of “*Building on the experiences of the Nordic Council of Ministers project Nordunet2, the objective is to have a Nordunet2-like program for the whole region*”.

The Nordic Research Councils’ technical and scientific co-operation (NOS-N) presented a proposal to the Nordic Council of Ministers for a further development of the Nordic Nordunet co-operation (Nordunet3). In December 2003 the Nordic ministers for education had a positive attitude to the proposal and asked the research councils to present a definitive proposal to the Nordic Council of Ministers in May 2004. Both the Nordunet co-operation and AL1 are particularly interested in the Russian research authorities, and

the council of ministers' IT policy group has followed this up with interest.

ICT Security (AL2)

In December 2002 the Nordic Council of Ministers established a Nordic network of public officials with responsibility for national digital signature policy. Efforts will be made to create regional digital signature "interoperability" (i.e. interoperability as opposed to standardisation). The Nordic project will end in March 2004, and for the present there are no final plans to follow up on the activities.

eGovernment (AL5)

The Nordic Council of Ministers for IT issues, similarly to NeDAP, has eGovernment (digital administration) among its main focus areas. eGovernment activities under NeDAP, and the Council of Ministers is now concentrating on experience sharing and the exchange of information, policies and standards. The Nordic Council of Ministers is planning a major conference on "The Future of Democracy in an IT Society", from 26–27 August 2004 in Reykjavík, Iceland. Digital administration will have a central position at this conference.

Indicators (AL6)

In 2001 the Nordic Council of Ministers began a co-operation with the national statistics offices on "ICT statistical indicators". The co-operation is based on a Nordic network with representatives from the national statistics offices. The co-operation comprises two parts:

- One part has the purpose of producing concrete IT indicators that will support IT policy discussions in the area of the information society and the knowledge economy. In 2002 the co-operation resulted in the statistical publication "Nordic Information Society 2002". The work continued during 2003.
- The Nordic Council of Ministers' network also works with IT statistical method development. The purpose is to improve the understanding of and be able to "measure" the effects of IT pol-

icies and other concrete development dynamics in the learning society. In 2003 the co-operation resulted in a publication on statistical method development entitled “ICT Usage in the Public Sector – A Nordic Model Questionnaire”.

The co-operation is *joint venture* based and the council of ministers is still a partner in the network, which is now working on statistical method development in the field of “ICT investments in enterprises”. The co-operation on statistics under the auspices of the Baltic Sea Council is based on the NCM network. The Nordic Council of Ministers views IT co-operation as central to the development of the Northern Dimension. Methods are being tried out to obtain greater participation and responsibility for the Nordic Council of Ministers within the framework of the Northern Dimension.

4 Sustainable development

The matter below is an account of the areas in the Northern Dimension Action Plan in which the Nordic Council of Ministers is involved and in which developments have taken place since the NCM's report to the EU Commission in 2003.

4.1 Introduction

Promoting sustainable economical, social, and environmental development in the Northern Dimension is a general challenge. The Nordic strategy for "Sustainable Development – A New Course for the Nordic Countries" contains long-term goals for sustainable development in the Nordic countries up to 2020. The objectives and necessary measures for the Nordic region and its adjacent area will be established.

In 2004 the Nordic strategy will be revised. Objectives and measures for the period 2005–2008 must be established. This also applies to the Council of Ministers' relations with the adjacent area, including North-western Russia. The social and economic dimension in the strategy will be strengthened and each will focus on objectives and measures regarding sustainable production and patterns of consumption. In addition elements from the Northern Dimension Action Plan will be reflected in the revised strategy.

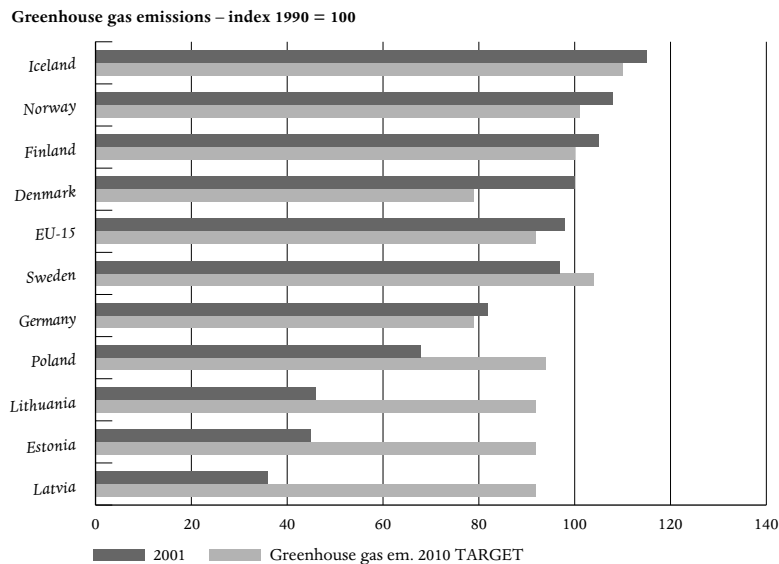
A set of indicators that relate to the objectives of the strategy has been prepared. With the help of these indicators it will be possible to show the public whether or not society is moving in the direction of sustainable development. It will also be possible to observe the performance of the concrete goals and measures that emerge from the strategy. The set of indicators will be updated in relation to the objectives of the revised strategy. Indicators for food are being developed.

A example of a central indicator is emissions of greenhouse gases. The situation in the Northern Dimension can be seen in the diagram below. The Nordic countries are close to or above the goals of the Kyoto Accord for carbon dioxide emissions 2010. The Baltic States and Poland are under the 2010 goal. When the Nordic countries have to reduce their carbon dioxide emissions the Baltic States and Poland will be able to increase theirs – also if the development must be brought about in a sustainable perspective.

4.2 The environment

4.2.1 *Nordic Environmental Financing Corporation – NEFCO*

In December 2003 the Nordic ministers for the environment decided to increase the basic capital in NEFCO's investment fund with a further EUR 22 million during the period 2004–2007. In relation to the Council of Ministers' report last year regarding activities under the auspices of NEFCO, considerable progress has been made in connection with:



Source: Eurostat

- *Climatic change.* The implementation of the Kyoto Protocol is a mutually prioritised area. In 2002 the Baltic States and the EU decided, via their co-operation in BASREC, to establish a Testing Ground for the mutual implementation of the Kyoto Protocol. The separate financing mechanism, “The Testing Ground Facility”, was established in December 2003 and is administered by NEFCO.
- *The Barents Euro-Arctic Council’s working team for environmental issues.* NEFCO has been active in the work of the team. This involved following up and financing various “hot spot” projects, which were identified in a report published by NEFCO and AMAP. The report, “Environmental Hot Spot List in the Barents Region” was published in August 2003.
- *The Arctic Council.* NEFCO is actively involved in project activities run by the Arctic council and participates in ACAP’s (Arctic Council Action Plan) prioritised environmental projects such as a PCB project in Russia where NEFCO is financing a demonstration project. NEFCO is also involved in a project related to cleaner technology for companies in the Arctic.

4.2.2 *Project activities*

Project co-operation in the environmental area within the Northern Dimension’s area include the following:

- *Nordic-Baltic co-operation on chemicals.* The overall goal of the project is to establish the Baltic States’ integration process in relation to the EU where control with chemicals is concerned, including procuring information on the EU’s chemical policy, and establishing a forum for exchanging experience, and co-operation between Baltic players. Among other things, a series of workshops and seminars will be arranged.
- *Nordic-Russian co-operation on chemicals.* The overall goal of the project is to support the development of competence of the authorities and industry in Russia with the aim of developing a system for controlling chemicals and establishing contacts with the most important players in Russia. A preliminary project is planned for 2004–2005 for the purpose of developing and start-

ing up a more comprehensive project in 2005, possibly with joint financing from the Nordic Council of Ministers and the EU.

- *Nordic-Baltic project on a cost-effective reduction of nutrients in the Baltic Sea.* The overall goal of the project is to improve the Baltic Sea environment and reduce emissions of nutrients from the countries around the Baltic Sea.

4.2.3 *Seminar*

In April 2003 the Nordic Council of Ministers was the host at a seminar on Nordic environmental co-operation, with the Northern Dimension as the overall theme. The seminar was a success and was attended by about 80 people from the Nordic countries, Estonia, Latvia, Lithuania, Russia, and the EU, as well as the other organisations in the region. The following conclusions, among others, were emphasised in a summary of the proceedings at the seminar:

- The Northern Dimension should accord greater value to other co-operation in the region and involve all partner countries and the regional organisations. The overall goal is sustainable development, but co-operation on the environment plays a central role in this.
- Modernising environmental legislation to harmonise with the EU's legislation and implementing environmental agreements were emphasised as being extremely important.
- Investing in the environmental area should take its point of departure in a broad, overall view.

4.2.4 *Nordic-Baltic meetings*

In October 2003 the Senior Public Officials' Committee for environmental issues invited its Baltic colleagues to an initial joint meeting. Discussions at the meeting concerned future co-operation, particularly in relation to the EU and Russia. The committee agreed that close co-operation between the Nordic countries and the Baltic States would also continue to be extremely valuable in the future.

4.2.5 *Environmental action programme 2005–2008*

Work has recently started on the Nordic environmental action plan 2005–2008 in the Nordic Council of Ministers. It is expected that particular attention will be paid to the Northern Dimension in the programme with reference to the fact that the Nordic countries can make a contribution in relation to the Baltic States and Russia.

4.3 *Agriculture and forestry, etc.*

4.3.1 *Co-operation on Baltic 21*

The initiatives taken by the Nordic Council of Ministers in connection with forestry have first and foremost been followed up by work on the forestry sector in Baltic 21. Discussions included measures to address the problem of illegal trading in timber in the Baltic Sea region. Among other things, there were discussions of measures in Russia and a more uniform system of measuring quantities of timber, i.e. a statistical basis in connection with such areas as trade (the quantities that are imported into and exported from a country, and what is taken from forests and received by industries respectively). The latter should first and foremost benefit those countries that will become members of the EU and must co-ordinate their trade with existing EU Member States.

4.3.2 *Wood as an environment friendly material*

The Nordic Council of Ministers has given consideration to various opportunities to stimulate the use of wood as a renewable and environment friendly material, among other things. The agenda also includes multiple-use forestry and the social value of forests, where the countries in the Baltic Sea region are closer to each other than by comparison with the case in Southern Europe. Private forests are also an area that the Baltic States in particular are interested in increasing yields from. Where the Nordic countries are concerned the focus on Russia in connection with forestry issues will be sharpened.

From 26–28 October 2003 the Joint Nordic Forestry Research Programme (SNS) held a committee meeting with a field trip to Sagadi in Estonia. Representatives from forestry authorities and research institutions in Estonia and Latvia attended the SNS meeting as guests and there was a review and discussions of such areas as forestry research under the auspices of SNS between the Nordic countries and the countries in the Adjacent Area. During 2004 SNS intends to further strengthen the co-operation with the Adjacent Area and North-western Russia with a more extensive involvement of network activities.

SNS gave financial support to and was responsible for the contents of the conference “Research co-operation on multiple use of the forest resource” on 22 October 2003. In addition to representatives from the Nordic countries, there were also representatives from Estonia, Latvia, Lithuania, and North-western Russia.

4.3.3 *Projects 2003 and 2004*

During the period 2003–2004 two new research projects have begun with the participation of the Baltic States. Moreover, seven network groups in the forestry research area with the participation of the Baltic States and North-western Russia have been planned.

4.4 Food safety

4.4.1 *Ministerial declaration*

At a meeting in Tallinn on 7 November 2003 the Nordic and Baltic ministers responsible for food safety adopted a ministerial declaration on strengthening co-operation regarding food safety. The ministers intend to work to ensure heightened food safety by enhancing the co-operation between the Nordic countries and the Baltic States, focusing, among other things, on following up internationally established objectives, and by making the Nordic-Baltic region a spearhead for food safety through joint measures in relation to the international processes. The ministers decided to focus on the

following themes during the period 2004–2006: traceability, zoonosis, dioxin, and effective food control.

**Meeting of Ministers of Agriculture, Forestry, Food Related
Issues and Fisheries of the Nordic and Baltic States**

Tallinn Declaration on Increased Food Safety in the Nordic-Baltic Region

Agreed on 7 November 2003

The Nordic and Baltic Ministers responsible for food safety at a meeting in Tallinn, 7–8 November 2003 adopted a declaration on enhanced cooperation in order to increase food safety in the Nordic-Baltic region. They agreed as follows:

- 1 The Ministers recognized the importance of international organizations, processes and instruments in the field of food safety, such as the Nordic Council of Ministers and its Greenland Declaration on Increased Food Safety in the Nordic Region as well as its strategy “Sustainable Development – New Bearings for the Nordic Countries” and other international organisations. They acknowledged the challenges that diversity of food, technology, globalisation of production and trade provide.
- 2 The Ministers declared their intention to work for increased food safety in the Nordic-Baltic region by:
 - Enhancing cooperation between the Nordic and Baltic states, focusing i.a. on the means to implement internationally agreed targets and
 - Making the Nordic-Baltic region a driving force for food safety through joint efforts to increase their influence on international negotiations and processes.
- 3 For the period 2004-2006 the Ministers agreed to give priority to cooperation and consultation in relation to the following subject areas:
 - Traceability – Nordic-Baltic consultation and cooperation concerning requirements for traceability of food in national and international trade, in order to identify criteria that are important to ensure health, environment, quality and fair trade without posing illegitimate obstacles to trade.
 - Zoonosis – Nordic-Baltic consultation and cooperation in order to initiate and complete measures necessary to reduce the amount of zoonotic agents in food, and to establish standards and/or guidelines that may legitimate trade regulations at a high level of protection.

- Dioxin – Nordic-Baltic consultation and cooperation concerning measures to reduce the occurrence of dioxin and dioxin like PCBs (Polychlorinated Biphenyls) in foods. This objective is particularly important for the countries bordering on the Baltic sea.
- Efficient food control systems – Nordic-Baltic consultation and cooperation on structuring and implementing in-house control systems, on ensuring the competence of the personnel of control authorities and on ensuring adequate competence of the personnel of food business through regulations and other means.

The Ministers agreed that initial focus on the 4 priority areas should not exclude cooperation and consultation in relation to other relevant subject areas. The Committee of Senior Officials for Food Issues of the Nordic Council of Ministers, extended with participation from the Baltic states (CSO-NB8-Food) was given the role to monitor the need for cooperation on new and emerging areas, as appropriate.

- 4 The Ministers gave the task to the CSO-NB8-Food as a body responsible for the overall cooperation regarding food safety to ensure that:
 - Areas are evaluated and selected where the Nordic and Baltic states can benefit from cooperation on the means to implement internationally agreed targets or jointly can increase their influence internationally.
 - Suitable means of cooperation should be used to implement these goals. Consultations for the development of common strategies or solution of problems of a common interest should take place, when appropriate. Active use should be made of Nordic-Baltic co-operation within established as well as ad hoc networks. Such networks could when appropriate be given the task under the supervision of the CSO-NB8-Food to initiate and steer specific activities aimed at implementing the subject-areas prioritised in the declaration.

Proposals as well as information on the implementation of the declaration should be presented to CSO-NB8-Food for consideration. This before submission to national authorities for further utilization, and when appropriate in relation to international organizations and processes.

4.4.2 *Project activities*

The ministerial declaration completes the co-operation of the authorities in two Nordic-Baltic project groups that have been in operation for several years

- Nordic-Baltic project group for food control (NordBalt Food Control)
- Nordic-Baltic project group for nutrition (NordBalt Nutrition)

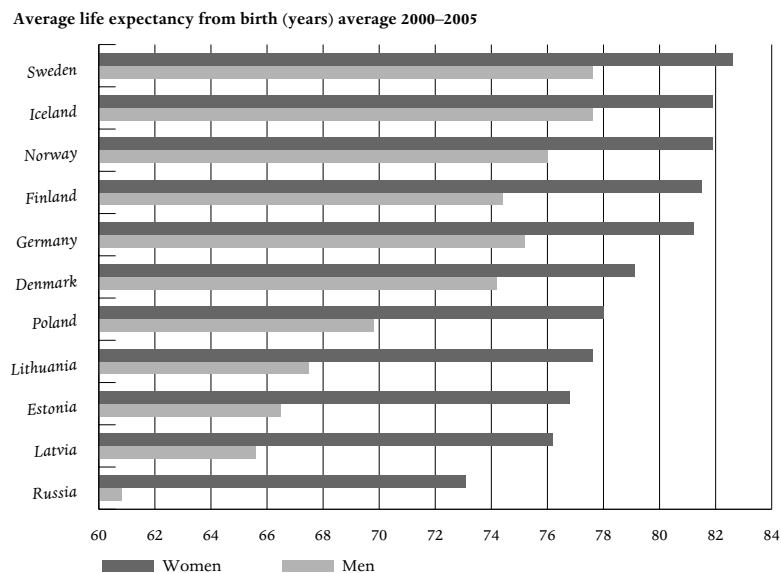
The project group on nutrition investigated the consumption of vegetables, fruit, bread, fish, and potatoes in the Nordic countries and the Baltic States on the basis of a comparative method, and for this purpose tested a food frequency questionnaire (FFQ). The purpose was also to compare the results with nutrition recommendations in which vegetables, fruit, bread, fish, and potatoes are included as indicators of a healthy diet. The project thereby makes an important contribution to improving the internationally acknowledged problem of finding data on food consumption that are fully comparable between the countries. The results of the project were published in the report "The Norbagreen 2002 study", TemaNord 2003:556.

5 Health and the quality of life

Below is an account of the areas in the Northern Dimension Action Plan in which the Nordic Council of Ministers is involved and in which developments have taken place since the NCM's report to the EU Commission in 2003.

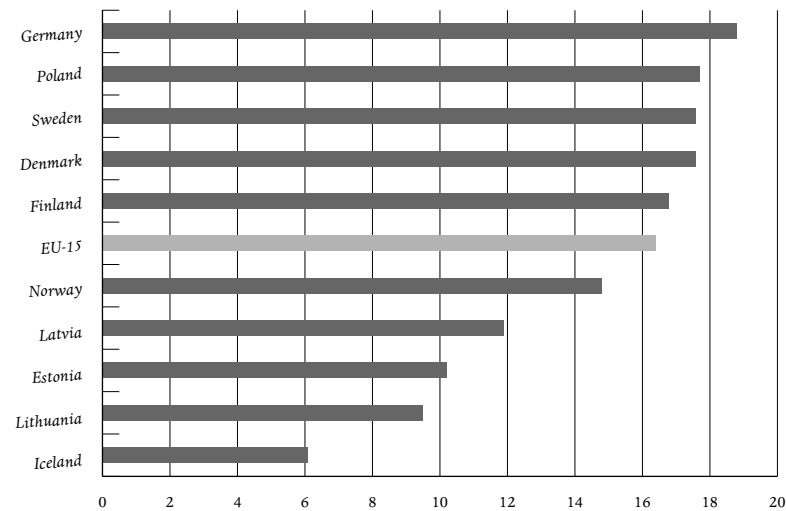
5.1 Introduction

There are social disparities in the Northern Dimension's area. This is due to the fact that the countries involved are unequal from an economic point of view, but also very much to the fact that these countries have an unequal distribution of incomes and different social policies. The challenges therefore differ from country to country, even



Source: UN statistical division

Social expenditure % of GDP, 2002



Source: Eurostat

though the goals may be the same, notably to ensure a well-functioning welfare society. As appears from the diagrams below life expectancy and social expenditure are unequal. The new EU Member States and Russia are lagging behind in both areas. This makes co-operation and a Northern Dimension partnership necessary.

5.2 Northern Dimension Partnership on Public Health and Social Well-being

5.2.1 Background

The partnership “Northern Dimension Partnership on Public Health and Social Well-being” was initiated in September 2002 by Finland at a Round Table conference in Joensuu. An international working team was set up whose goal was to investigate the background for an enhanced and better co-ordinated co-operation in the social and health area within the geographical framework of the EU’s Northern Dimension. The Nordic Council of Ministers took part in the conference in Joensuu, and later participated actively in the working team. The declaration on “Partnership in Public

Health and Social Well-being” was adopted in October 2003 in by a total of 15 countries and eight international organisations. These included all five Nordic countries, Russia, the Baltic Sea States, and Canada, while the international organisations, in addition to the Nordic Council of Ministers, included the EU Commission, the World Health Organisation (WHO), the Barents Euro-Arctic Council, and the Baltic Sea Council. The Nordic Council of Ministers is taking part in the partnership’s “Committee of Senior Representatives”, and will play an active role in the development of this.

The programme emphasises support for the promotion of sustainable development by improving public health and the quality of life in the region. The main emphasis is on co-ordination and co-operation, and no new funds have initially been supplied over and above what the countries and the organisations have provided. During 2004 Sweden will lead the work in the Committee of Senior Representatives which will organise the practical performance of the partnership through such means as establishing structures, making decisions on secretariat functions, and working on issues regarding financing activities connected with the partnership programme.

The Nordic Council of Ministers’ activities in the social area, in connection with health, children and young people, drug abuse, and equality in relation to the Northern Dimension Action Plan, operate to a great extent within the framework of the Northern Dimension Partnership on Public Health and Social Well-being. During the winter of 2003-2004 a co-operation cutting across sectors was established in the Council of Ministers for the purpose of co-ordinating activities and procedures within this framework. However, this co-operation does not change the existing division of responsibilities between the various aspects of the Council of Ministers’ activities. In addition a project co-ordinator will be appointed who will be stationed at the Council of Ministers’ office in St. Petersburg. With the point of departure in the partnership, the co-ordinator, who is Russian, will co-ordinate activities both in Russia and in the Baltic States within the Council of Ministers’ programme and action plan. The co-ordinator will also work actively with information, contacts with potential applicants, focus on the objec-

tives of the partnership, and be the Council of Ministers' central contact for partnership activities outside the Nordic countries.

During 2004 the Nordic Council of Ministers will arrange a seminar with the aim of presenting the project and discussing future forms of co-operation with the focus on drug abuse, equality, and sexual health. EUR 200,000 has been earmarked for projects that cut across sectors. With the point of departure in a gender perspective, priority will be given to projects that focus on combating trafficking in women, problems regarding prostitution and drug abuse among children and young people, and the connection between sexual health, prostitution, and drug abuse.

The overall goal is to achieve heightened effectiveness and better co-ordination across sectors, partly in relation to each other, and partly in relation to other players. The focus on the gender perspective in evaluating and initiating activities also belongs to this area.

5.2.2 *Public health and social welfare*

In the social and health areas the Nordic Council of Ministers' support for a project concerning the control of infectious diseases will continue during 2004 at a level of about EUR 90,000. This involves the continued operation of a network for state epidemiologists and the publication of the newsletter "Epinorth". In addition there will also be support for the Nordic Medico-Statistical Committee (NOMESKO) of EUR 7,000 for the publication of the third edition of "Nordisk-Baltisk hälsostatistik" (Nordic-Baltic Health Statistics). In the Arctic area there will be support for a project regarding health and the quality of life through a grant to the Arctic Human Development Report and the periodical, International Journal of Circumpolar Health. Total support for these purposes is calculated at EUR 130,000.

The main effort during 2004 is the Nordic Action Plan for endangered children and young people in the Nordic adjacent area with a total for 2004 of approximately EUR 670,000. More than 70% of this money will be spent in North-western Russia and about 20% in the Baltic States. With the help of projects involving street children, young people in prison, cultural initiatives for children and young people, and measures that address children and families with handi-

caps, the focus will be on improving the quality of life for these groups. The action plan places great emphasis on co-determination with the help of national reference groups and the Nordic offices in the Baltic States and North-western Russia. The Nordic Council of Ministers is also participating in the working team on “Health and related Social issues” under the auspices of the Barents Euro-Arctic Region.

5.2.3 *Action plan against drug abuse*

On the basis of the Lund Declaration from September 2003 adopted by the Nordic and Baltic ministers for narcotic drug policy issues, an action plan for combating drug abuse will begin in 2004. About EUR 200,000 has been granted for this purpose and the activities will focus on prevention and treatment, as well as on enhancing co-operation between the police, the customs authorities, and other judicial authorities in order to combat organised criminality, including dealing in drugs.

As the narcotics problem affects a number of social areas, the Lund Declaration aims at long-term political co-operation and enhanced cross-sector co-operation. Similarly to the action plan for children and young people, the narcotics programme will also be based on local anchoring. In performing the project there will be emphasis on co-ordinating the two programmes through such means as joint financing of projects. Of the narcotics sector’s resources 80% will be used in the Baltic States and North-western Russia. Special emphasis will be placed on project activities in North-western Russia. The Nordic Council of Ministers’ offices in St. Petersburg, Archangel, Murmansk, and Petrozavodsk will all come to play a role that requires an active utilisation of the respective local contact networks.

The Lund Declaration, September 2003.

Letter of Intent

Prevention, law enforcement and treatment to counter the drug abuse in Northern Europe.

The Ministers for Narcotic Drug Policy Issues from Denmark, Finland, Iceland, Norway, Sweden and the three autonomous territories Faroe Islands,

Greenland and Åland Island as well as Estonia, Latvia and Lithuania have met and expressed their concern about the increasing drug problem.

The EU action plan for the Northern Dimension places emphasis on, among other things, the health sphere and justice and home affairs and has identified the abuse and trafficking of narcotics as an issue that requires special attention in the Nordic and Baltic countries as well as in Russia.

This letter of intent lays down common political objectives and priorities for long term partnership between the Nordic and Baltic countries on narcotic drug policy issues. The partnership will be coordinated with and developed within the framework of the Northern Dimension Partnership in Public Health and Social Wellbeing that is under preparation.

AIM AND POLICY OBJECTIVES

Drug abuse and drug trafficking are international problems that also require international co-operation. The aim is to establish a political partnership between Nordic and Baltic countries in order to counter the problems of drug abuse and trafficking that all the countries are facing. The ministers realize that the drug problem can better be addressed through sub regional and regional international co-operation. There is also a need for coordinated national efforts to prevent and reduce supply of and demand for illicit drugs, based on a restrictive and humanistic policy in line with the UN conventions.

To be effective, the policy must be characterized by a multidisciplinary three-pillar approach, encompassing prevention, law enforcement and treatment.

Prevention

There is a need for targeted information and awareness activities, especially in schools. Vulnerable groups especially children and young adults must be subject to special attention, not least in connection with the preventive work. There is a need to focus on the risks and hazards connected with the new drug habits among children and young adults, and the recruitment of new drug abusers needs to be stopped. Activities aimed at the prevention of drug-related crime and infectious diseases must be increased.

Law enforcement

National and international efforts to fight the illicit trafficking must be strengthened. All types of organized crime must be fought. Drug abuse and drug trafficking entail serious consequences not only for the individuals, their families and immediate surroundings but also for the society as a whole. The cooperation between police, customs and judicial authorities must be enhanced.

Treatment

We will never be successful in our efforts to fight the drug problems unless we provide good treatment and care for all drug addicts. Treatment for drug abusers must be developed, both in terms of accessibility and quality. Possibilities of finding meaningful and realistic alternatives to acts of crime and prostitution, among drug abusers including children and young adults, must also be improved. Support for families with addicted children must be included in treatment work. Low threshold services for drug addicts should be further developed.

CO-OPERATION

The Nordic and Baltic ministers emphasize the need for a better co-operation and this partnership presents an opportunity to create the right response for enhancing the regional cooperation in the field of combating the abuse of drugs and trafficking in drugs. It can also support and complement the EU framework for co-operation.

There is a need for an exchange of experience and competence between our countries. It is important that common activities and actions are rooted in and meet the needs and requirements as they are defined by the involved country's central authorities responsible for drug policy. The co-operation should, in particular, be aimed at public authority level in order to ensure the connection to the ongoing drugs policy programmes and any relevant cross-sectoral programmes. There is furthermore a need of co-operation in the area of alcohol and other licit drugs with regard to legislation, information systems and training programmes for professionals.

The ministers decide that a partnership will take place through closer co-operation between ministers and government authorities.

Trafficking in drugs and drug abuse have points in common with many other sectors, including the social services, health care, justice and gender equality sectors, as drug problems are connected with and affect the ability to work and supply of labour as well as social maladjustment and marginalization. The challenge also involves contributing to ensuring economic and social development in society.

The Nordic and Baltic states are committed to enhance the co-operation and collaboration between the countries in the following areas:

- supporting mutual gathering of knowledge and data
- supporting public information and preventive work, in particular aimed at children and young adults
- supporting control activities and initiatives against organized crime and trafficking in drugs, stressing the importance of the police co-operation within the Baltic Sea Task Force

- supporting measures that strengthen the involvement of voluntary organizations, NGOs, etc. in the prevention of drug abuse and treatment of drug abusers
- supporting information campaigns, media and publication activities and IT projects
- supporting the development of good treatment and rehabilitation initiatives with the focus on drug addicts
- supporting measures to prevent infection of contagious diseases for drug addicts by providing a wide variety of measures, including low threshold services
- supporting measures aimed at protecting human rights, rules of law and democratic structures in the fight against drug abuse, including educational activities

The developments must be followed closely. Therefore the Nordic Council of Ministers' Secretariat should make an annual report of the developments according to the drug situation and efforts taken in the region.

The Nordic Council of Ministers and Nordic Committee of Senior Officials for Narcotic Drugs Issues is a sector that has many points in common with other sectors within the Nordic Council of Ministers. In order to ensure co-ordinated activities and initiatives, the partnership should therefore also be rooted in the Nordic Council of Ministers' more general work and be co-ordinated with the work of other sectors, in particular with the Nordic Council of Ministers Action Plan for Children and Young Adults which is implemented in Estonia, Latvia and Lithuania.

5.2.4 *Action plan for equality*

The action plan from the Nordic ministers for gender equality for co-operating with the adjacent areas will have approximately EUR 240,000 at its disposal in 2004. The ministers are basing their co-operation on a dialogue between representatives from ministries, regional and local authorities, researchers, and NGOs. The long-term objective is to support the incorporation of an equal opportunities aspect into the political decision-making process by arranging seminars, through exchanging information and experience, and through other joint activities. The current themes are women, politics, and power from the point of view of decision-makers and NGOs position in society, how women and men can combine

working and family life, women as heads of companies, and violence against women and men.

During 2004 special priority will be given to combating trafficking in women in the northern regions. A Nordic-Baltic network for female police officers will focus on the work of combating trafficking in women and violence against women. About 65% of the budget will be spent in Russia. The establishment of networks between crisis centres in the Barents Euro-Arctic region will continue, and courses will be arranged for the work on men and men's violence against women.

Statement and Recommendations concerning Trafficking in Women in the Nordic and Baltic Countries, adopted at the Informal Nordic Baltic Ministers' Meeting in Stockholm, Sweden, April 9, 2003.

Trafficking in women and children is a serious and growing problem all around the world. Every year thousands of women and children are recruited, transported, sold or purchased across our national borders and within our countries for the specific purpose of sexual exploitation. These women and children have become victims of a transnational (*global*) industry, which is extremely profitable and well-organized.

We, the Nordic and Baltic Ministers of Gender Equality in collaboration with the Ministers of Justice, reconfirm our commitment to counteract trafficking in women with the recognition that full gender equality and equal participation of women and men in all fields of our societies cannot be brought about as long as some women and children in our countries are victims of trafficking.

Through our joint activities, we have discussed different initiatives to prevent trafficking in women, and how to protect and support those women and children who are victims of this harmful and dangerous trade. We have taken steps to improve standard procedures and become more efficient in the prosecution of those groups and networks that traffic women and children for sexual purposes.

STATEMENT AND RECOMMENDATIONS

We, the ministers of Justice, Gender Equality and Interior in the eight Nordic and Baltic countries, have gathered today in Stockholm to conclude the first phase of our trans-national collaboration against the trafficking in women in our region; the Nordic Baltic Campaign against Trafficking in Women, which took place in 2001–2002.

We note with satisfaction that the links between our countries have been strengthened during this Campaign; on a government level as well as between authorities and non-governmental organizations.

We are now ready for further action. Today we have committed ourselves to continue the work that we initiated two years ago. We have decided to put into place a number of concrete measures for the long-term practical cooperation between our countries in the struggle against trafficking in human beings, especially women and children, in our region.

WE HAVE AGREED:

that work against trafficking in human beings, especially women and children, will be undertaken as a political priority in all our countries;

that all measures against trafficking in human beings, especially women and children, that we put in place are consistent with internationally recognized principles of non-discrimination (including non-discrimination based on gender, race, ethnicity, disability and sexual orientation) and that they take into account the respect for the human rights and fundamental freedoms of the victims;

that all actions and initiatives to prevent the trafficking in human beings, especially women and children, have a gender sensitive perspective and do not inhibit immigration or freedom of travel and mobility consistent with laws or undercut the protection provided to refugees in international law;¹⁴

that we will continue to support the development and work of a network of those Nordic and Baltic non-governmental organizations that actively work against trafficking in human beings, especially women and children, in our region;

that we will develop and implement national action plans against trafficking in human beings, especially women and children, no later than year 2005.

WE HAVE AGREED ON THE PREVENTION ISSUE:

that we will continue to support prevention projects directed towards groups of especially women and children that are particularly vulnerable to recruitment for trafficking in human beings in our region, including by extending the funding until the end of year 2003 for the information and awareness raising activities undertaken by the three Baltic national coordinators;

that we will put into place and strengthen existing measures, including through sustainable development measures, to alleviate the circumstances that make women and children particularly vulnerable to trafficking in

14. According to the *United Nations Secretary General's 1998 Report on Trafficking in Women and Girls*, A/53/409, para. 22.

human beings, such as poverty, unemployment, lack of education, male sexual violence, as well as lack of equal rights and opportunities;
that we will, in collaboration, develop and implement different measures that discourage the demand that fosters all forms of exploitation of persons, especially women and children, that leads to trafficking, following the directions in Article 9.5 of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children;

WE HAVE AGREED ON THE VICTIM PROTECTION AND SUPPORT ISSUES:

that the Nordic and Baltic countries which have not yet investigated the possibilities of providing victims of trafficking in human beings with temporary or permanent residence permits in the destination countries, in connection with victim assistance programs, carry out such investigations;
that we will consider the possibilities of supporting the development and implementation of a multilateral cooperative pilot project between Nordic and Baltic non-governmental organizations designed to provide for the legal, social, economic, medical and psychological care, safety and protection in the countries of destination, as well as for the safe and planned reintegration of returning victims of trafficking in human beings in the countries of origin;

Prosecution, Legal Framework and Police Cooperation

WE HAVE AGREED ON THE PROSECUTION, LEGAL FRAMEWORK AND POLICE COOPERATION ISSUES:

that the Nordic and Baltic countries will, as a matter of priority, sign, ratify and nationally implement the United Nations Convention on Transnational Organized Crime and the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children;
that we will consider the possibilities of supporting the development and implementation of joint training and exchange programs for Nordic and Baltic law enforcement, immigration and other relevant officials with the aim to ensure effective investigation and prosecution of cases of trafficking in human beings for sexual, and other forms of exploitation, while respecting the fundamental rights of the victims.

We are pleased that governments, governmental authorities and our non-governmental organizations in the Baltic and Nordic countries are joining forces to combat the trade in human beings, especially women and children.

6 Legal and home affairs

6.1 Nordic-Baltic co-operation

When the Nordic ministers of justice meet their Baltic colleagues from 13–14 May 2004 this will be the third time that these ministers will be meeting within the framework of the Nordic Council of Ministers. Co-operation will focus on issues such as legislative work, co-operation between Supreme Courts, combating cross-border criminality (e.g. terrorism, IT criminality, and money laundering), co-operation between prisons, and trafficking in women¹⁵. A Nordic-Baltic contact group with representatives from the eight departments and ministries of justice will plan the ministerial meeting. The group is also implementing the ministers' decisions. Meetings could take the form of seminars, conferences, and networks. The Nordic Council of Ministers has also financed co-operation between prison authorities in Nordkalotten (the Arctic areas of Norway, Sweden, Finland, and Russia).

With Estonia, Latvia, and Lithuania as EU Member States Nordic-Baltic co-operation will be faced with new challenges. Given that the co-operation has functioned well for more than ten years these countries are well equipped to adapt their activities to harmonise with EU/EES work in connection with legal and domestic issues. At this year's ministerial meeting there will be discussions of such areas as this issue. The issue is linked with the forthcoming result of the EU's intergovernmental conference on a constitution for the EU. Nordic-Baltic co-operation can be characterised by the establishment of contacts, both formal and informal, at different

15. Cf. "Statement and Recommendations concerning Trafficking in Women in the Nordic and Baltic Countries, adopted at the Informal Nordic

Baltic Ministers' Meeting in Stockholm, Sweden, April 9, 2003", section 5.2.4 above.

levels, between ministers, departments, and central and local authorities respectively.

Among the current areas of co-operation are criminal investigation, principles of criminal legislation, and various forms of punishment.

6.2 Co-operation with other regional organisations

In December 2002 the ministers for Nordic co-operation adopted new guidelines for co-operating with other regional organisations. The Nordic Council of Ministers' co-operation with other international organisations (in the first instance the EU, the Baltic Sea Council, the Barents Euro-Arctic Council, and the Arctic Council) must be given higher priority. On the basis of this and other initiatives such as the EU's second Northern Dimension Action Plan, and the outcome of the EU's intergovernmental conference on a constitution for the EU, it might be appropriate to investigate the opportunities to find new forms of co-operation between the Nordic Council of Ministers' structures in the area of justice, and the co-operation that is carried out by the other regional organisations.

7 The Arctic window

7.1 The Arctic co-operation programme

The Nordic Council of Ministers is striving to enhance the political relevance of the Nordic co-operation that exists or has been planned with the Western Nordic countries and its neighbours in order to link them with the Northern Dimension's "Arctic Window". The Nordic Council of Ministers also prepares annual action plans based on the Arctic co-operation programme that the Nordic Council of Ministers adopted in October 2001. 2004 is the third year that a separate action plan will be prepared for co-operation with Arctic. Over the years the budget has been increased in step with the increased demand for project financing and will amount to slightly more than EUR 700,000 in 2004. The action plan for 2004, with a detailed list of the activities that will be financed, is available on the Internet.¹⁶

The Arctic co-operation programme mentions the following three priorities:

1. *Indigenous peoples* – a description of and information on the living conditions and potential income of indigenous peoples, the development of knowledge, and the removal of production barriers for traditional Arctic products. A general development of business and industry in the sparsely populated areas. During 2004 a project on reindeer protection – "A family-based reindeer economy and sustainable reindeer husbandry" will be financed – as well as a survey of living conditions that will be carried out by Greenland Statistics over the course of several years.

16. <http://www.norden.org/naromraaden/arktisk/sk/index.asp?lang=3>

2. *Welfare in the Arctic* – includes special health-promoting decisions and a new way of organising the hospital service with the help, among other things, of tele-medicine, and the establishment of networks between female researchers and between various women's organisations. During 2004 four projects, which will last several years, will be financed: "Developing a journal of Circumpolar Health", "Arctic Human Development Report", "Teach the teachers", and "Evaluating effects that can be ascribed to climatic change and ultra-violet radiation".
3. *Sustainable development in the Arctic areas* takes its point of departure in the report "Ny kurs for Norden" (A new course for the Nordic countries). This also includes an action plan for protecting nature and the environment in the Arctic, biological multiplicity, and eco-tourism, etc. In 2004 a continuation of the action plan for the natural and cultural environment, with two subsidiary projects: "Nature guides in the Arctic" and "Integrating respect for the environment into research and teaching", will be financed.

7.2 The Western Nordic countries in Nordic co-operation

At the end of 2002 the ministers for Nordic co-operation set up a joint working team for the purpose of providing an account of the Western Nordic countries in Nordic co-operation by the middle of 2003, this especially for the purpose of improving the political relevance of ongoing or future Nordic co-operation in the Western Nordic countries and its neighbours respectively. A Nordic policy for co-operating with the Western Nordic countries' neighbours also involves EU co-operation through the EU's Northern Dimension, a geographical area that stretches all the way to Greenland in the west. This has been further emphasised by the Northern Dimension's Arctic Window, which designates the beginning of the EU's Arctic policy. These areas are also neighbours of North America – in the first instance of the eastern provinces of Canada.

In June 2003 the ministers for Nordic co-operation discussed the account “The Western Nordic countries in Nordic co-operation – an account”, with an accompanying auxiliary report “West Norden and its neighbours”, and concurred in principle with the recommendations of the working team regarding the following main issues and the departmental ministries involved:

- *The marine environment and resources*: The ministers for the environment respective fisheries, agriculture and forestry ministers
- *Air transport and other forms of transport in the Western Nordic countries*: Ministers for transport
- *The Western Nordic Fund*: Ministers for Nordic co-operation and regional ministers
- *Nordic Atlantic co-operation (NORA)*: Regional ministers
- *The Nordic House in the Western Nordic countries*: Ministers for culture
- *Networks and partnerships between voluntary organisations in the Western Nordic countries*: Ministers for culture
- *Concrete joint Nordic co-operation projects with neighbours in the Western Nordic countries*: Respective councils of departmental ministers, ministers for Nordic co-operation, etc.

On 1 December 2003 the ministers for Nordic co-operation received a first progress report. The councils of ministers involved will issue new reports in the middle of 2004 during the Icelandic Presidency in order to facilitate new initiatives, possibly in the form of a ministerial council proposal to the Nordic Council.

Statistical key figures

	EU-15	Denmark	Finland	Iceland	Norway	Sweden	Estonia	Latvia	Lithuania	Germany	Poland
GDP per capita, 2003, PPS, EU = 100	100	112.7	101.1	107.7	136.6	104.5	42.2	36.3	41.4	99.1	42.9
GDP Total, 2002, EU = 100	100	1.8	1.6	0.1	2.3	2.8	0.1	0.1	0.2	23	2.4
Public expenditure on education % of GDP, 2001	4.53	8.38	5.99	6.04	6.84	7.39	6.66	5.86	5.78	4.53	5.06
Total expenditure on R&D of GDP, 2001	1.98	2.4	3.4	3.08	1.62	4.27	0.78	0.44	0.69	2.51	0.68
Social expenditure % of GDP, 2002	16.4	17.6	16.8	6.1	14.8	17.6	10.2	11.9	9.5	18.8	17.7
Unemployment, Total 2002	7.7	4.7	9.1	3.3	3.9	4	10.3	12	12.9	8.7	19.9
% of population (15+) outside the labourforce, 2002	43.6	34.4	36.8	17.2	25.9	37.3	42.8	41.7	41.5	42.7	44.3
Internetaccess per. inhabitant 2002	38.9	55.6	44.3	68.4	62.2	64.2	9.8	2.3	3.2	43.3	10.7
Patent applications per mio. inhabitant to the European Patent Office, 2001	161.078	211.046	337.777	117.200	288.760	366.564	10.961	7.574	2.435	309.864	2.522
% of 15-64 year-old who completed post-compulsory education, 2002	64.6	80	74.7	65.1	85.7	81.4	87.5	82.6	84.8	83	80.8
Life expectancy from birth, 2000-2005 (average)											
–men	n.a.	74.2	74.4	77.6	76	77.6	66.5	65.6	67.5	75.2	69.8
–women	n.a.	79.5	81.5	81.9	81.9	82.6	76.8	76.2	77.6	81.2	78
No. of hospital beds per. 100,000 inhabitant, 2000	630.8	510	754.3	n.a.	380.8	358.5	682.9	855.1	923.1	912.2	718.7
CO2 emissions 1990 = 100, 2001	98	100	105	115	108	97	45	36	46	82	68
TARGET 2010	92	79	100	110	101	104	92	92	92	79	94