



Coherent Northern Dimension

The Policy Priorities of the Arctic Council (AC), the Barents Euro-Arctic Council (BEAC), the Council of Baltic Sea States (CBSS) and the Nordic Council of Ministers (NCM), in comparison with the Northern Dimension objectives

Report of the Northern Dimension Institute

28 October 2011

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1. Executive summary

This report examines the coherence of the work of the main regional intergovernmental organisations in the area covered by the Northern Dimension policy of the EU, Iceland, Norway and Russia – the Arctic Council, the Barents Euro-Arctic Council, the Council of Baltic Sea States and the Nordic Council of Ministers. The report finds that the four regional organisations operate in several overlapping sectors. The officials involved in this cooperation perceive no overarching problem of coordination but believe there is room for improvement in the coherence of the work. This report makes several observations to this effect. The policy recommendations made to address these are (for more detail, see Section 6):

1. The Northern Dimension policy is the best positioned platform to introduce better coordination among the four regional organisations.
 - 1.1. A proposed task for Northern Dimension Member State governments and the steering group: the Northern Dimension has become central especially to the health and social affairs work of the Nordic Council of Ministers and important for the Council of the Baltic Sea States in this field, while it may yet pose questions to the latter's activities in the sector of culture, for example, and while its partnerships on transport and logistics and environment/energy are also relevant for the BEAC. At the same time the Northern Dimension has remained primarily a policy platform for experts, where the EU and Russia are the weightiest actors. To enhance its impact on the work of the four Regional Councils, and support its coordination potential, the Northern Dimension policy

preparation process could be opened up on the intergovernmental level while encouraging a greater involvement of business in its activities;

- 1.2. A proposed task for the Northern Dimension Institute: study what issues are best brought to the Northern Dimension fold, taking into account that the partners appreciate it as a forum based on the principle of equality.
2. Granting permanent observer status to the EU in the Arctic Council would strengthen the work of the Council.
 - 2.1. A proposed task for Arctic Council members: formalise the Union's *de facto* essential participation in Arctic matters and its work in the Arctic Council in an appropriate way.
3. The Barents Euro-Arctic Council has a fairly complicated structure.
 - 3.1. A proposed task for the Barents Euro-Arctic Council's Member State governments and the Council itself: rethink the number of the organisation's working groups;
 - 3.2. A proposed task for the Barents Regional Council: reconsider if the division to the national and regional level councils is reasonable and consider if regional level interests are better protected when continuously working with governments as is the current practice in many working groups.
4. The energy and environmental priorities of the Council of the Baltic Sea States are currently not sufficiently supported by practical activity, and are sectors where the Council may not be the ideal platform.

- 4.1. A proposed task for the Member State governments and the Council of the Baltic Sea States: modify the energy and environmental priorities or consider openly their role in the cooperation within the Council; consider the possibility of integrating them with the Northern Dimension Environmental Partnership. Consider also bringing the secretariat of the Council of the Baltic Sea States closer to the Northern Dimension Partnerships, and eventually integrating some of their tasks.
5. The Nordic Council of Ministers is the strongest organisation in the North, especially financially, but due to its limited membership basis and consequent limitations in the openness of its policy processes, it cannot assume a much greater role in promoting cohesion and coordination than it currently has as a major co-funder of joint projects.
- 5.1. A proposed task for the Nordic Council of Ministers' Member State governments: define clearer long-term priorities to optimally support other organisations, either through direct financial support by means of co-projects, or joint project planning and implementation;
- 5.2. A proposed task for the individual Councils within the Nordic Council of Ministers: study possible overlapping of the activities of each sectoral Council with EU activities and regulations in the same sector, bearing in mind that the Union is the most important political framework in the Northern European region, while lacking administrative capacities to closely monitor policy processes in all regional platforms across Europe, and in all policy sectors in which they are active.
6. The presidency/chairship institution of the four organisations is problematic from the perspective of the coherence of regional cooperation and consistency of policy priorities and should be reconfigured.
- 6.1. A proposed task for Member State governments: to support the continuity and coordination of priorities between presidencies/chairships, 'troikas' consisting of previous, current and incoming chairs, should be formalised as best practices – currently there is only some informal coordination between some presidencies/chairships of certain councils;
- 6.2. A proposed task for Member State governments: ensure the incoming chairperson has sufficient prior experience of the work of the Council of Senior Officials/steering group;
- 6.3. A proposed task for the Nordic Council of Ministers: extend presidency terms from the current one year to support continuity of priorities and actual work, taking into account that the implementation of presidency priorities takes up to a year.
7. The flow of information among the four regional organisations is mostly informal, and surely not optimal, but there is a concurrent risk of information overload.
- 7.1. A proposed task for Member State governments and Councils of Senior Officials/steering groups vis-à-vis terms of reference for working/expert groups: avoid forced or mechanically applied standards for more information exchange

- among the organisations as there is no single best practice. Consider more flexible mandates for working/expert groups to facilitate their coordination with similar groups in other organisations, bearing in mind that increased communication without permission to actually change the group's activities, when so required as a result of overlaps or synergies found in the course of such communication, does not produce much benefit;
- 7.2. A proposed task for Member State governments and the regional organisations: use the Northern Dimension Institute and its researcher/consultant network to help in distilling information and producing concise, thematic summaries of what related/relevant work is done across the organisations, what overlaps exist and whether these are excessive or functional.
8. Internal within-country coordination on participation and positions taken in regional cooperation in the four organisations should be enhanced.
 - 8.1. A proposed task for ministries of foreign affairs: ensure sufficient coordination among the officials responsible for liaising with the regional organisations;
 - 8.2. A proposed task for Member State governments and Ministries of Foreign Affairs: ensure sufficient coordination among Ministries of Foreign Affairs and other ministries, and synchronise the work of other ministries with the regional organisations.
 9. The annual four-council meetings in their present format are not optimal.
 - 9.1. A proposed task for the Member State governments and the Arctic Council, Barents Euro-Arctic Council, Council of the Baltic Sea States and Nordic Council of Ministers: arrange meetings in a more forward-looking fashion among incoming presidencies (and secretariats) so that the activities planned can actually be influenced rather than merely being able to note existing overlaps.
 10. A proposed task for the Northern Dimension and Northern Dimension Institute: study what thematic meetings might be arranged to improve the coordination and mutual synergies of work within the organisations. Such meetings could be arranged either selectively on a one-off or infrequent basis to avoid simply meeting for its own sake, but rather to develop a 'roadmap' for mutual coordination. Consider what thematic meetings could take place under the Northern Dimension fold.
 11. A proposed task for the Northern Dimension, especially the Northern Dimension Institute: study the possibility of a common database monitoring regional cooperation in the North, and ascertain the possibility of Nordic Council of Ministers co-financing.
 12. A proposed task for the Northern Dimension: use ministerial level meetings as a selective tool, especially when political level engagement is particularly necessary to attract the proper attention of all parties.

2. Introduction

This report of the Northern Dimension Institute (NDI)¹ examines the coherence of the work of the main regional intergovernmental organisations in the area covered by the Northern Dimension (ND) policy of the EU, Iceland, Norway, and Russia. These four organisations are the Nordic Council of Ministers (NCM), the Council of Baltic Sea States (CBSS), the Barents Euro-Arctic Council (BEAC) and the Arctic Council (AC). These organisations are known collectively as the Northern Regional Councils.

The aim of this report is to help the Member State governments of the ND to coordinate and strengthen their cooperation in the North and pave the way for closer cooperation between the ND and the Northern Regional Councils. To support the further assessment and implementation of the policy recommendations made in this report, and other further development work, the expert pool of the NDI can also be used.

Since the late 1990s when the ND policy was first adopted, then as an EU-led policy, there has been debate on the coherence of regional cooperation activities in the North. One line in the debate has concerned whether the ND can amend any possible institutional overlap or

duplicating activities, and whether it can help to synchronise the organisations' work in order to ensure that the participating states receive an adequate return on their investments in human resources and finance. In this sense the *coherence* of regional cooperation in the area covered by the ND would mean that the activities of the four organisations, together with the relatively recently created partnership structures of the ND, would form *an integrated whole that is understandable and intelligible to those participating in the cooperation and where the roles and tasks of the regional organisations are well divided and balanced.*

2.1 The Northern regional organisations and the quest for coherence

The greatest pressures for coherence have concerned the region's 'general' cooperation organisation, the CBSS, which includes all states of the ND area: the Nordic states, the Baltic States, Russia, Germany and Poland. The European Commission is also one of its founding members (see Section 5). Owing to its wide geographical coverage, heterogeneous membership, the diverging policy priorities of its members, and their varying opinions on its future role, the CBSS faces conflicting expectations from its Member States and is vulnerable to criticism for a lack of policy coherence. Consequently, it is prone to declaratory policies based on the lowest common denominator. The CBSS has a strong secretariat with some twenty employees, but its ability to act coherently is compromised by the constraints of its budget and reliance on Member State and other donors' contributions to projects.

¹ For a highly useful commentary on the report we wish to thank Tapio Raunio and Mikko Vähä-Sipilä. We also thank all officials for consenting to be interviewed for this report, and those who gave feedback on our work, while noting that our conclusions are totally independent of their positions. The representatives of the MFAs or regional organisations concerned cannot be held responsible for any remarks in this report. The full responsibility for all views, interpretations and recommendations offered rests with the authors.

The NCM, by contrast, is an almost forty-year-old reincarnation of the idea of Fennoscandia, and includes only the five Nordic states which already agreed on mutual integration projects in the 1950s, and has important stakeholders in the Nordic civil societies. In many senses the NCM is the nucleus of regional cooperation in the north. Its members are active in all other cooperation formats and equip the NCM with a sizeable budget. Having in some sense accomplished many of its original tasks in intra-Nordic cooperation, the NCM has since the mid-2000s moved to work partly in the same geographical area as the CBSS with its Baltic and Northwest Russian representations.²

The BEAC and AC are distinguished from the CBSS and NCM by their Arctic focus area. The NCM has recently developed its own Arctic policies but tries not to encroach on the same fields as the BEAC and AC. The BEAC is strongly Norwegian-led and links up with Finland, Sweden and Northwest Russia. The AC stands even further apart in that it brings the region's Arctic states to the same table as the USA and Canada and has attracted a large number of international observer states, while several actors are currently pursuing closer ties with it. At the same time the AC has a fairly limited mandate. The emergence of the framework of the 'five Arctic coastal states' has also raised serious questions for the AC. This unofficial group controversially organised its own meeting in May 2008 in Ilulissat,³ and

² In addition to these two organisations, the environmental organisation the Helsinki Commission (HELCOM) works on the Baltic Sea geographical area.

³ Arctic Ocean Conference, Ilulissat Declaration, 27-29 May 2008, available at

then a second one in March 2010 in Chelsea, Canada, leading to critical remarks from those AC members not invited to the two events – Finland, Iceland and Sweden;⁴ and indeed even from some who were invited.

If northern regional co-operation were to start from scratch today, four regional intergovernmental organisations, plus the 2006 renewed ND policy of the EU, Iceland, Norway and Russia, might not be the outcome. This means that the separate existence of these 'four plus one' frameworks of cooperation is not an optimal situation with regard to coherence. It is indeed highly likely that proceeding from a *tabula rasa* situation in 2011, policymakers would favour a somewhat different institutional arrangement. Yet the existence of each of the current frameworks can be explained by their individual histories.

Each of the four organisations was initiated by a particular 'activist' Nordic country. The CBSS was a Danish-German initiative, while the BEAC was a Norwegian one. The AC originates in the Finnish initiative to create the Arctic Environmental Protection Strategy (AEPS) signed by all Arctic states in 1991. The ND is originally a Finnish initiative as well, but is very distinctive in relation to the four formal regional organisations. The ND is not a formal organisation but a policy framework where the EU represents all of its 27 Member States. Russia's role in the ND is weighty; indeed, the ND is the

<http://arctic-council.org/filearchive/Ilulissat-declaration.pdf> last accessed 12.09.2011.

⁴ Arctic Council, Meeting of Senior Officials, Final Report, 28-29 April 2010, Ilulissat, available at: <http://arctic-council.org/filearchive/SAO%20Report%20Ilulissat.%20FINAL.PDF>, p.20, point 11.6, last accessed: 12.09.2011.

regional expression of the 'four common spaces' that form the practical basis of the EU-Russia partnership agreed on in 2003. Norway at least mostly supports EU priorities and has a strong interest in Russian relations. Iceland is currently considering intensifying its EU ties but its interests in the Russian direction are somewhat more limited.

The different agenda and geographical foci of each of the regional organisations in the ND area have led some to view the practical opportunities for co-operation as limited.⁵ Policy coherence across time and policy areas is difficult to achieve, even within a single state, let alone in multi-sectoral regional cooperation where great complexity prevails. For example, as some officials have vehemently argued, the AC in particular is unique among the other regional organisations because of the inclusion of Canada and the USA, whose presence makes it more difficult to find common approaches to ostensibly similar concerns. Likewise, the states participating in the ND cooperation have different conceptions of its purpose. The ND is seen in Russia primarily as a regional forum within the scope of Russia-EU relations, while in Estonia it is viewed as a framework to develop Nordic cooperation, first of all with Finland, a major investor to the ND.⁶

⁵ See e.g. Tobias Etzold, *Live and Let Die: Adaptability and Endurance of Regional Organisations in Northern Europe*, Doctoral thesis (Manchester: Manchester Metropolitan University 2010), p. 292.

⁶ Further, several studies report how regional cooperation results in part from the work of policy entrepreneurs and professionals acting as the driving forces of individual projects, which may not be primarily driven by wider strategic priorities; e.g. Jussi Jauhiainen, 'Territoriality and Topocracy of Cross-Border Networks', *Journal of Baltic Studies* 33: 156-76.

Building a more coherent policy upon such different expectations is not an easy task, even though this is precisely one of the long-term rationales of the ND and a priority in its current format:

The Northern Dimension will enhance regional cooperation, improving synergies of regional organisations in the North of Europe while avoiding possible duplication...⁷

...to ensure that the Northern Dimension Policy provides concrete and pragmatic activities with the objective to achieve tangible results, taking into account the need to endeavour to ensure synergies with other regional programmes and initiatives⁸

2.2 Focus of the report

Even though there are evident structural problems in promoting greater coordination of northern regional cooperation, it is important to reiterate that *coherence of policy priorities is a long-standing, self-declared, and widely shared goal of the northern partners*. In the pragmatic sense, however, we must concede that even modest steps towards greater coherence would count as achievements. With these words of caution we approach the issue of coherence with the following questions:

⁷ 'Northern Dimension Policy Framework Document', 24 November 2006 available at http://www.eu2006.fi/NEWS_AND_DOCUMENTS/OTHER_DOCUMENTS/VKO47/EN_GB/1164359527520/FILES/76307471134818696/DEFAULT/POLICY_FRAMEWORK_DOCUMENT_EN_LO.PDF last accessed 29.09.2011.

⁸ 'Political Declaration on the Northern Dimension Policy', 24 November 2006 available at http://www.eu2006.fi/NEWS_AND_DOCUMENTS/OTHER_DOCUMENTS/VKO47/EN_GB/1164359083277/FILES/76307442367398219/DEFAULT/POLITICAL_DECLARATION_EN_LOGO.PDF last accessed 29.09.2011.

1. To what extent are the policy priorities set within the AC, BEAC, CBSS and NCM consistent/overlapping?
2. At what level are any possible discontinuities in the setting of policy priorities found?
3. To what extent can the AC, BEAC, CBSS and NCM communicate with each other with regard to their policy priorities?
4. In what ways can these organisations co-ordinate their efforts to avoid redundant and overlapping work?
5. How to use the ND policy to improve and optimise the coherence of the policy priorities?

This report covers the policy priorities set by the present presidencies/chairships of the organisations at the time of writing (September 2011), as well as second-to-last and third-to-last presidencies. The material includes a broad sample of documents; 36 face-to-face interviews and three telephone interviews conducted in June-September 2011 with senior officials of ministries of foreign affairs (MFAs) working closely with the four regional organisations or the ND; officials from the organisations' secretariats; members of the working/expert groups, task forces or other planning and implementation organs they have set up; and with officials who have worked for the EU on questions of northern regional cooperation. The EU dimension is crucial not only owing to the even greater funds it has brought to regional cooperation than the NCM, but also owing to its major role in shaping the regional order in the north.⁹

All interviews were conducted on the basis of the anonymity principle.

⁹ Pami Aalto, *European Union and the Making of a Wider Northern Europe* (Abingdon: Routledge 2006).

Nordic diplomats and officials are purposefully overrepresented among the interviewees. This is because of the noted core role of the Nordic states in the membership of the four organisations. Finland, Norway and Sweden are members of each of them, and are politically and financially the driving forces of northern regional cooperation. Denmark is important, too, but does not assign as high a role to regional cooperation. The views of the Russian parties are also overrepresented in our material. Russia is a key site of project activity and its good cooperation is needed for many activities to be successful. To ensure sufficient coverage of our material both geographically and vis-à-vis the formulation of policy priorities, a survey of the chairpersons of working/expert group-like formations within the four organisations was conducted in August-September 2011.

2.3 Limitations of the report

This report takes into account the recommendations made in the previous report on the northern regional organisations and their overlaps,¹⁰ as well as ideas raised in recent policy debate, assessing their relevance in light of the material compiled for this report.

While we shall attempt to provide an overall picture of how policy priorities are formed and the extent to which they cohere in northern European regional cooperation, the wider question of their precise implementation at the project level is beyond the scope of the report. Neither can the wider question of how to ensure better policy outcomes be

¹⁰ Åge Mariussen, Halgeir Aalbu and Mats Brandt, 'Regional Organisations in the North', *Nordregio Working Paper* 2000:8.

directly addressed in this report. Greater coherence as such does not produce better policies in the individual sectors. Moreover, the four organisations were established for different purposes and cover different geographical areas of the ND. Therefore their capacity to serve the whole region varies. Even with these reservations, it is reasonable to expect that greater coherence in regional cooperation will at least not be harmful and is likely to benefit most regional actors.

It is also to be noted that declared priorities can be deceiving. Under (generally) formulated priorities, several types of activity can actually take place on the project level. Therefore, apparently similar priorities may convey *de facto* compatible and mutually reinforcing activities. Further, activities under different priority areas may in fact be duplicating.

3. To what extent are the policy priorities consistent/overlapping?

The work of the four main regional organisations in the ND area encompasses a wide range of long-term policy priorities (see Table 1) and changing chairship priorities (see Table 2), excluding only hard security matters.

The wide range of policy sectors covered is positive in the sense that it helps regional cooperation to address multiple needs within the region; the overall coverage of different policy sectors is thus high. It also prevents the formation of any 'grey areas' devoid of cooperation mechanisms.

On the negative side, wide coverage of policy sectors can also lead to poor coordination, loss of direction, and to the duplication of activities by the

organisations involved. To address the problems of overlap, the CBSS and ND have undertaken significant reforms, since 2008, and 2006 respectively, by renewing their organisation and re-focusing the list of sectors in which they expect to work. The NCM underwent some organisational reforms in 2005.¹¹ For the AC, optimal utilisation of the organisation's resources has been a priority at least since 2006 at the beginning of the Norwegian Chairship, continuing these priorities in the subsequent Danish and Swedish Chairships.

This section will examine the declared priorities set at a high level of the organisations and by their rotating presidencies/chairs before concluding on the degree of consistence and overlaps found.

3.1 CBSS: priorities during previous/current presidencies

The five long-term priorities of the CBSS set in the Riga Declaration of 2008 are the environment, economic development, energy, education and culture, civil security and the human dimension.

Of these priorities, the environment, energy and economy often ultimately necessitate a wider global and European focus than the Baltic Sea Region. Therefore the actual role of these priorities on the agenda is not big. The environmental work takes place mainly through the Baltic 21 Group. This group works on benchmarking through the Baltic LightHouses Project. It has recently re-focused its own priorities on sustainable development and adaptation to climate change, while it has also downsized its ambitions. On

¹¹ Etzold, *Live and Let Die*, p. 303.

the one hand, it gives advice to the EU and UN, but on the other, it is often limited to bit-part roles in other organisations' projects. As for the economy, the expert group on customs cooperation, for example, was discontinued with the assessment that this sector would be better addressed through the EU-Russia dialogue and bilateral talks. The CBSS's energy arm, the Baltic Sea Region Energy Cooperation (BASREC), consists of biannual meetings of energy ministers. It has conducted some studies and played some part in the run-up to the Copenhagen COP15 climate summit of December 2009.

The setting of the five priorities was accompanied by a commitment to make the CBSS more project-oriented instead of being a general political forum. This shift necessitates recruiting generalist project managers in place of sectoral specialists to the permanent CBSS secretariat based in Stockholm. Three years since the Riga Declaration, the CBSS's organisational transition is by no means a finished business or a universal success.

The Lithuanian presidency (1.7.2009-30.6.2010) emphasised innovations, cross-border cooperation and increased participation of (Lithuania's) neighbouring regions, especially Kaliningrad, Pskov and Belarus, as well as clean environment and safe living conditions. Innovations were found to occur too inconsistently throughout the region. The neighbouring Russian regions and Belarus represent a natural continuation of the priorities of Lithuania's foreign policy. Regarding the environmental priority, Baltic 21 was integrated into the CBSS. Green energy solutions were also explored.

The Lithuanian Minister for Foreign Affairs, Vygaudas Ušackas, mentioned energy security as a problem in an allegedly 'region poor in natural resources' – disregarding Russian and Norwegian energy wealth. He also mentioned transport infrastructure, referring to the long travel times from the Baltic capitals to Warsaw, Berlin and Kaliningrad, etc.¹² – an issue that has been on the Baltic agenda ever since the late 1990s and for which relatively little has been done compared to the policy needs identified.

The Norwegian presidency (1.7.2010-30.6.2011) prioritised maritime policy, the fight against human trafficking and organisational development. Maritime policy included shipping, its environmental consequences, and exploring the prospects of using LNG as a fuel in Baltic shipping.¹³ The Task Force against the Trafficking in Human Beings was brought under the CBSS fold following a Swedish initiative in 2006 (see Text Box 1).¹⁴ Organisational development meant developing project-based work in cooperation with the EU's Strategy for the Baltic Sea Region (BSR) and ND partnerships.

The German presidency (1.7.2011-30.6.2012) specifically emphasises

¹² Vygaudas Ušackas, 'Together we are stronger', interview in *Balticness*, autumn 2009:1-2.

¹³ A national interest is involved here as the fuel can be produced and sold by Norwegian state-linked energy companies.

¹⁴ This work included cooperation on data collection in the BSR; CBSS expert group for Cooperation on Children at Risk (EGCC); working group on civil security; and Task Force on Organised Crime (mandate extended to 2016). Related cooperation was also practised with the International Organisation for Migration (IOM) and United Nations Office on Drugs and Crime (UNODC).

modernising the south-eastern Baltic Sea region, especially Kaliningrad, in close cooperation with Russia, which will assume the presidency from Germany, and public-private partnerships. The ability of the CBSS to strengthen regional identity and identification with the region is stressed. The slogan of a 'coherent framework for cooperation' aims at linking actors in the BSR and establishing a division of labour among them. The ND and the EU's BSR strategy are mentioned specifically. The need for a continued CBSS role is mentioned – perhaps in response to the previous Finnish foreign minister Alexander Stubb's questioning of the CBSS's *raison d'être*, thus continuing the discussion started by the Swedish foreign minister Carl Bildt, where the idea of locating the CBSS under the ND was proposed. Together with Germany, Russia also supports the continued existence of the CBSS.

Alongside the five long-term priorities, each of the three presidencies examined added priorities reflecting its own geographical neighbourhood and national interests. This pattern helps to make the CBSS's policies geographically better covering over time but does not help with policy continuity and overall coherence. So far, the prioritisation of the work from one chair to another seems to vary, if not indeed fairly haphazard across presidencies, while some of the long-term priorities look somewhat artificial in light of the annually changing priorities.

3.2 NCM: priorities during previous/current presidencies

The long-term priorities adopted in the Punkaharju Declaration in 2007 centre on the opportunities and challenges of globalisation through

developing the 'Nordic model' and capitalising on 'Nordic strengths'. The stress laid on 'nordicity' can also be seen as a defensive measure in light of the sporadically surfacing aims of the Baltic states, chiefly Estonia, to seek membership of the NCM;¹⁵ so far such endeavours by the Baltic states have materialised in their membership in the Nordic Investment Bank in 2005. The strong network of representations of the NCM in the Baltic States and northwest Russia, and the branding work they do, suggests that the Nordic priorities are offered for export.

The Icelandic NCM presidency in 2009 (1.1.-31.12.2009) outlined four themes: 'Nordic driving force', 'Nordic strength', climate challenge and a global region. Globalisation was to be addressed by promoting research, innovation, entrepreneurship, education, creative industries and by developing a regional marketplace for medicines and health services. Nordic strengths pertained to welfare innovations vis-à-vis demographic change; better health services; the inclusion of vulnerable groups; and cooperating with adjacent areas especially in anti-trafficking work. Gender equality and legal harmonisation were mentioned. Work on climate challenges targeted the environmental consequences, the exploitation of natural resources and adaptability. Special mention was made of the COP15 in Copenhagen (2009), of new energy solutions in the transport sector, and cooperation with the finance sector. A need for closer cooperation with the AC, the Baltic Sea states and Canada in protecting

¹⁵ See Mikko Lagerspetz, 'How Many Nordic Countries? Possibilities and Limits of Geopolitical Identity Construction', *Cooperation and Conflict* 41/1 (2006): 73-97.

the seas and the Arctic region was stressed.

The Danish presidency of the NCM (1.1.-31.12.2010) continued the globalisation work. It also prioritised sustainability and equality. The response to globalisation centred on the financial crisis. Nordic chairships in the EU and northern regional organisations were identified as key tools. This topic also referred to the implementation of the 2009 Stoltenberg Report on foreign and security policy integration among the Nordic states; the EU's Baltic Sea Strategy, and to some extent, Arctic and North Atlantic issues. The sustainability focus was on implementing existing agreements such as the COP15 and the UN process on limiting global mercury emissions by 2013; on the seas of the region; and on sustainable energy and climate solutions. In the energy sector a link was made with the EU's three priorities: the market, security of supplies and sustainability. EU backing was also sought for expanding gas and electricity grids in the region, and green transport was noted. Labour market issues and access to health services were mentioned under 'equality'. 'Branding' of the Nordic model, freedom of movement and the promotion of Nordic languages were listed.

The Finnish presidency of the NCM (1.1.-31.12.2011) targets climate change by utilising existing structures. Climate work is to cover all sectors of NCM activities, involve business and cultivate partnerships with indigenous peoples whose lifestyles and livelihood are seriously affected. The climate theme extends the globalisation work of the Danish presidency to the fields of environment and energy, research,

innovation, education and training, reflecting Nordic expertise. Grassroots policies focus on young people, Nordic language skills, freedom of movement and cultural cooperation. Northwest Russia is highlighted in line with well-established Finnish priorities, but Denmark's Atlantic orientation is also noted by referring to the 'West Nordic region'. The implementation of the EU's BSR strategy is mentioned.

On the whole, the declared priorities in the Finnish programme divide into numerous sub-headings reflecting the competence areas of the 11 Councils of Ministers making up the NCM, the consequent interests and the institutional inertia of the NCM's well-established and well-resourced organisation. The Danish programme was more content to merely record existing activities, and was not particularly ambitious. It also articulated a goal to decrease the number of meetings while political guidance was to be strengthened with more rapid and flexible action. In the final analysis there is a higher degree of continuity between the priorities declared by the three NCM presidencies researched than in the case of the CBSS. In the NCM coordination of the presidency programmes is a routine. On a critical note, however, the long-term priority of 'globalisation' adopted is fairly general and vague, and is easy to repeat in connection with almost any programme by any presidency.

3.3 BEAC: priorities during previous/current chairs

The BEAC has two administrative levels: national and regional. The priority areas at the national and regional levels do not necessarily coincide, but seem to be complementary. As may be

expected, the priorities put forward at the national level are broader and address wider questions of the national interests of the respective chairs. The Regional Council priorities focus predictably on regional issues and concerns, and with action plans towards the achievement of goals.

The priorities of the Chairship of Russia (2007-2009) at the national level were sustainable development, social and economic factors with respect to environmental regulations and indigenous peoples. The Oulu Region, which was concurrently Chair of the Regional Council, aimed to 'implement the reorganisation of the Barents cooperation, start the sector programmes according to the Barents strategy, add visibility of the Barents cooperation and integrate it to other regional and EU level cooperation, including EU financing programmes.' Usually much more action-oriented, the goals of the Regional Chair underline the pragmatism of local governance.

Sweden's priorities during its Chairship (2009-2011) included eco-efficient economy as a response to climate change, small- and medium-sized enterprises, renewable energy and energy efficiency, sustainable production and consumption, and the elimination of hot spots from the Barents environmental lists. The priority areas of the Regional Council, as stated in its 'Barents Programme 2009 –2013', encompassing both the Swedish and Norwegian Chairships, are economic and commercial cooperation, sustainable living environment, human resources, indigenous peoples, transport and infrastructure, and information and promotion. The Troms Municipality's (2009-2011) Chairship at the

Regional Council replicated this list of priorities. Noteworthy are the concentrated efforts to develop business, transport and infrastructure, Barents cooperation with the EU through the ND, and the overall activism in promoting the BEAC in the EU fora.

The Norwegian Chairship (2011-13) highlights the resource-rich nature of the Barents region in terms of oil and gas, fish and seafood, forests, minerals, metals and human resources. Balancing economic and industrial development with the needs of environmental sustainability is one priority on this agenda. Knowledge-based development in addressing climate change and in environmental protection in corporate practices and in promoting environmentally sustainable business ethics is another prioritised field. It also includes energy efficiency, renewable energy and the elimination of hot spots, in line with the Swedish Chairship. The third priority, the human dimension, encompasses several people-to-people activities, and also enhanced coordination with the work of other regional organisations and the Norrbotten Chairship of the Barents Regional Council.

In summary, although the priorities of the Russian, Swedish and Norwegian Chairships were listed slightly differently, on the whole, the degree of continuity was very high in the BEAC. At the same time the BEAC's consistent stress on the economy and its environmental linkages stand out in comparison to the relatively minor role of these matters in the work of the CBSS.

3.4 AC: priorities during previous/current Chairs

Compared to the three other regional organisations, historically, the AC has been much more strictly limited to solving environmental questions, partly owing to geopolitical uncertainty.¹⁶ This has mostly taken place through expert level natural scientific work, and taking account of indigenous peoples. The addition of the Sustainable Development Working Group in 1998 was intended to include the human dimension, both indigenous and non-indigenous, to 'protect and enhance the economies, culture and health of the inhabitants of the Arctic in an environmentally sustainable manner'.¹⁷

The Norwegian, Danish, and Swedish Chairships of the AC (2006-2012) stated common priorities for their consecutive terms, namely climate change,¹⁸ integrated management of

¹⁶ While the delimitation of the Arctic waters is currently being processed in the context of the UN, for the Barents Sea, however, uncertainty was dramatically reduced when Russia and Norway, after four decades of negotiations, agreed on a delimitation line, which was ratified on 7 June 2011. This gives both Russia and Norway certainty as to the regulation of their maritime territories in the Barents Arctic in terms of geo-economic management of the seas stretching from the waters off Kirkenes to 85 degrees north.

¹⁷ The Arctic Council Sustainable Development Working Group, available at http://arctic-council.org/working_group/sdwg (accessed 15 May 2011).

¹⁸ Here the findings of the Arctic Climate Impact Assessment (ACIA) report on climate change are to be followed. The strong focus on climate change was particularly punctuated at the end of the Norwegian Chairship when Minister of Foreign Affairs Jonas Gahr Støre invited former US vice-president Al Gore to attend the conference on 'Melting Ice' in parallel with the AC Ministerial Meeting in April 2009. The AC again invited Mr. Gore to the UN Climate Change Conference (COP15) in Copenhagen the same year. The three

natural resource use in accordance with high environmental standards; International Polar Year (IPY) and the further utilisation of its experiences in policymaking; indigenous peoples; and the continuation of on-going evaluations of how the organisation itself works to ensure that its limited resources are used as efficiently as possible.

The Swedish Chairship of the Arctic Council (2010-12) builds on the foundations laid by the previous two Chairs, Norway and Denmark. Issues regarding climate change and its impact on the Arctic marine and land mass will continue to take priority, with concentration on the human dimension of climate change impact in the Arctic and globally. Particularly important will be the examination not only of the adaptation of indigenous and non-indigenous peoples to climate change, but also to look at the resilience of Arctic populations.

3.5 ND: long-term priorities

Unlike the AC, BEAC, CBSS and NCM, the ND is not a regional organisation. It is designed to be an open and inclusive policy framework with several institutional channels and mechanisms (see Appendix 1; also Section 5 below). It is also tasked to improve the coordination of regional cooperation.

Chairships also called for all members of the AC to communicate their experiences of climate change. Both education and advocacy were among the vehicles for promoting discussions on mitigation of and adaptation to climate change. At the end of Norway's Chairship, a research programme on black carbon under the AC's Task Force on Short-Lived Climate Forces was launched, the result of which has now been marked as 'a major deliverable' as the Danish Chairship of AC ends.

In addition to the coordination task, the Policy Framework Document of 2006 of the Northern Dimension lists six long-term priorities for the policy, namely economic cooperation; freedom, security and justice; external security, mainly referring to civil protection; research, education and culture; environment, nuclear safety and natural resources; and social welfare and healthcare. These priorities reproduce the four 'common spaces' of the EU-Russia partnership – pertaining to the economy, internal security, external security, and education and culture – while adding social and environmental issues to the policy agenda. Most of the priorities sub-divide into long lists of possible work areas.

In line with the pragmatic nature of the ND policy, actual work has proceeded within the confines of the partnerships created partly before the 2006 renewal of the policy, and partly thereafter: the Northern Dimension Environmental Partnership (NDEP), the Northern Dimension Partnership on Health and Social Affairs (NDPHS), the Northern Dimension Partnership on Transport and Logistics (NDPTL) and the Northern Dimension Partnership on Culture (NDPC). The thematic structure of the partnerships makes clear that the economy has been too big a topic to be properly addressed under the ND, while the freedom, security and justice issues are also to an important degree dealt with on the level of the wider EU-Russia partnership. In both of these sectors the EU's competences limit the room of manoeuvre of the EU Member States.

It is also important to keep in mind that in the case of the ND, owing to its coordination tasks, the

expectations attached to its ability to actually work on its own in its priority sectors should not be assessed similarly as in the case of the four organisations examined here. The key here is that as a policy framework rather than a formal organisation, the ND can focus on ensuring that the activities of the four organisations address relevant areas but do not overlap deleteriously. In other words, *there is no need for the ND to profess a decisive record of action in each of its priority areas; therefore, in this report the ND is not assessed vis-à-vis its ability to work on its own priority areas.*

3.6 The consistence of and overlaps among declared priorities

Of the four regional organisations the greatest variation in declared presidency/Chairship priorities was found in the CBSS, where, in spite of the five long-term priorities, the presidency enjoys considerable leeway in setting its own specific priorities (see Tables 1 and 2). The CBSS was also found to be most vulnerable to such discontinuities owing to its organisational make-up, even though there are recent signs of chairships trying to coordinate their priorities. The NCM, BEAC and AC have considerably more policy continuity than the CBSS. When looking at coherence across the priorities of all four organisations, certain patterns can be found, especially in the environmental sector, but also in the areas of education and culture, energy, the economy and indigenous peoples.

The environment is by far the most obviously overlapping sector. It is a priority for each organisation. It is also addressed through the NDEP. In its various guises – ecology, sustainable development, combating

pollution, climate change, nuclear safety, etc. – the environment is a policy sector dear to the Nordic states in particular, the core members of all four councils. It is also a rising item on the Russian agenda with funds and concrete projects. Yet, according to our interviews, it is handled differently by each organisation. In the AC the treatment of the subject is normative and highly scientific. In the BEAC and NDEP it is a project-oriented practical activity, and in the NCM a multifaceted undertaking involving eight different working groups, while it is focused on capitalising on ‘Nordic strengths’. In the CBSS it is mostly confined to the activities of Baltic 21, which it recently absorbed. The full picture, however, is not very coherent. It is worth asking whether more coordination would be useful.

Education and culture is not as widely supported a sector as is the environment, but is part of the work of the CBSS, NCM, and also the ND through its new cultural partnership (NDPC). This NDPC may yet raise serious questions for the CBSS which has previously cut its activities in areas where the ND has been strengthened. So far, however, the work of the CBSS focuses largely on higher education through the EuroFaculty projects, for example (see Appendix 1), whereas the NDPC’s focus on cultural management may challenge the *Ars Baltica* activity of the CBSS. In other words, some overlap in this sector may well be accumulating between the CBSS and ND. The AC’s position on these matters mostly relates to scientific cooperation, but it is important to note that the University of the Arctic is a permanent observer to the AC and has positioned itself in

lobbying for research to translate into teaching.

Energy is a side-lined long-term priority of the CBSS, while the NCM works on energy through its support for scientific research efforts (Nordic Energy Research). The NCM’s Member States have very heterogeneous competences in that field, ranging from fossil fuels to various branches of renewable energy expertise, all of which can, at best, be fruitfully combined in a coherent package. The ND addresses energy efficiency and nuclear safety projects through the NDEP. The Swedish presidency of the BEAC also highlighted related issues. Further, regardless of the limited mandate of the AC, the salience of energy is evident on the Arctic agenda as demonstrated by the 2008 *Oil and Gas Assessment Report*. The coherence of the energy sector is worth keeping on the watchlist while at the same time it is clear that this sector depends heavily on developments on the European and wider global levels.

The economy is another side-lined long-term priority in the CBSS but crucial for the NCM, as indeed it is for the BEAC. Here dangers to coherence mainly relate to conformity with the EU’s single market legislation as all NCM and all BEAC members except Russia are tied to it. Indigenous peoples are priorities for the BEAC and AC but so far they have played a relatively small role beneath the ND umbrella. While the coherence of policies in this sector is not the problem, the emergence of the group ‘Arctic 5’ has eroded the stakes of the indigenous peoples if the role of the AC, in which they are permanent participants, continues to shrink.

Apart from the above-mentioned patterns in consistency of priorities and the overlap between them, the landscape of declared policy priorities

among the four regional organisations is fairly heterogeneous (see Tables 1 and 2).

Table 1: Long-term policy priorities in the CBSS, NCM, BEAC, AC and ND

| | |
|------|---|
| CBSS | Riga Declaration (2008): Environment, economic development, energy, education and culture, civil security & human dimension |
| NCM | Punkaharju Declaration (2007): opportunities and challenges of globalisation for the Nordic countries, role of the Nordic model (welfare, competitiveness of enterprises, employment and economic growth, common culture, investment in sustainable development; the strengths of the Nordic countries: education system, expertise and research work, ability to utilise information technology, creative implementation of innovations) |
| BEAC | [Regional Council's Barents Programme (2009 –2013): economic and commercial cooperation, sustainable living environment, human resources, indigenous peoples, transport and infrastructure, and information and promotion] |
| AC | Chairships of Norway (2007-2009), Denmark (2009-2011) and Sweden (2011-13): climate change, integrated management of natural resources, International Polar Year, indigenous peoples, optimisation of the organisation's resources |
| ND | Policy Framework Document (2006): economic cooperation; freedom, security and justice; external security, mainly referring to civil protection; research, education and culture; environment, nuclear safety and natural resources; and social welfare and healthcare. |

Table 2: Presidency/Chairship priorities of the CBSS, NCM, BEAC and AC

| | Third-to-last presidency | Second-to-last presidency | Presidency as of 09/2011 |
|------|--|---|--|
| CBSS | <u>Lithuania (2009-10)</u> -Innovations Cross-border cooperation; Pskov, Kaliningrad and Belarus -Clean environment and safe living conditions | <u>Norway (2010-11)</u> -Organisational development -Maritime policy -Fight against trafficking in human beings | <u>Germany (2011-12)</u> -Organisational development, project- based approach -Modernisation of south- Eastern BSR -Public-private partnerships -Five long-term priorities |
| NCM | <u>Iceland (2009)</u> 'Nordic road map': Nordic driving force, strength, climate challenge and globalised region; -follow-up on FIN, SWE globalisation initiatives: competitiveness, climate, creativity and coordination | <u>Denmark (2010)</u> 'Globalisation': -financial crisis -Sustainable region -Equality | <u>Finland (2011)</u> -Climate Change -Business involvement -Local and regional solutions for a sustainable region -Globalisation -Grassroots, adjacent areas and waters |
| BEAC | <u>Russia (2007-2009)</u> -Sustainable development with emphasis on social and economic factors -compliance with environmental requirements, -support for the indigenous peoples | <u>Sweden (2009-2011)</u> -Climate change -business opportunities for small and medium-sized enterprises -renewable energy, energy efficiency, sustainable production and consumption -Environmental 'hot spots' | <u>Norway (2011-2013)</u> [To be presented at the ministerial meeting of BEAC in October 2011] |
| AC | Joint priorities of Norway (2007-2009), Denmark (2009-2011) and Sweden (2011-13): climate change, integrated management of natural resources, International Polar Year, indigenous peoples, optimisation of the organisation's resources | | |

Sources: see Appendix 3.

4. At what level are any possible discontinuities found?

The processes of setting the policy priorities and the various levels of policy-making involved therein are important for establishing whether the declared priorities and the identified overlaps between them are actually translated into overlapping projects, and whether the priorities can be translated into practice at all. Hence by looking at the levels involved in the policy-making processes we can determine where the main discontinuities are found and on what levels the work should be altered to

improve the coherence of regional cooperation.¹⁹

There is some variation across the four regional councils in the processes by which priorities are formed and can be influenced. Some variation also prevails in the (type of) levels on which relevant actors can be found. However, in each of the four organisations the policy priorities are defined and influenced by a multilevel circular process. Input to

¹⁹ Readers thoroughly familiar with the daily work processes of the organisations may well wish to jump to the end of this section where we summarise agenda-setting within them, or directly to the next section.

policy prioritisation can come from all levels: the high/ministerial level, senior officials' level, working/expert group level and the project level.

4.1 The high level

Policy priorities are formally adopted in regularly arranged high level meetings.²⁰ The agenda-setting power of the high level is very real. Priorities not previously discussed or proposed on the lower levels can be proposed and adopted. This was the case, for example, regarding turning the CBSS into a more project-based organisation, which was raised in the ministers' deputies meeting leading to the Riga Declaration of 2008. Similarly, priorities agreed among experts on the lower levels can in principle be abandoned, blocked or ignored on the high level. However, the task of the senior official level is to act as a filter ensuring any major proposals brought for high-level decision-making enjoy enough political support.

In the NCM the presidency's prime minister and minister of Nordic cooperation are involved in setting the general framework for cooperation (for example the NCM cooperation guidelines with North-West Russia and Estonia, Latvia, Lithuania). Then the councils of the NCM – involving the work of line ministries, senior officials, and secretariat – work within these guidelines on more specific projects and activities. For example, the chair country's foreign minister advised the organisation that cooperation with

²⁰ The CBSS has a biannual heads of government meeting or summit of the Baltic Sea states. In the NCM prime ministers are formally in charge of the cooperation while in practice the responsibility is delegated to ministers of Nordic cooperation who meet four times a year. The BEAC and AC have biannual foreign minister's meetings.

Russia and the Baltic states in the health and social sector should support the ND.²¹ Since then this has been one of the tasks of the senior officials.

High level decisions are always dependent on the lower levels to implement the priorities and inform the minister of their feasibility. The ministers do not accumulate much first-hand experience of the nature of the work and obstacles prevailing on the lower levels, and in the case of the CBSS, normally do not participate in meetings held by line ministers such as the BASREC. For the ministers, concrete projects and their operators are items listed on paper.

4.2 Senior official meetings

The senior official meetings are attended by ambassadorial level representatives of the foreign ministries or by other senior officials. The ND steering committee meetings are somewhat more practical and operational in nature, in this respect owing to the aim of non-politicisation and pragmatism of the ND. The senior officials occupy an important

²¹ The guidelines for NCM co-operation with Northwest Russia and Estonia, Latvia and Lithuania make special mention of the ND. In the case of Northwest Russia it is stated that 'the co-operation shall also provide particular support to the Northern Dimension' (Guidelines 2009-2013 for the Nordic Council of Ministers' cooperation with North-West Russia 2008'). Elements of the co-operation with Estonia, Latvia and Lithuania on combating human trafficking, Aids/HIV prevention, co-operation between police forces and prosecution services, developing hospital services and addressing demographic challenges 'could be based on the Northern Dimension's Partnership for Public Health and Social Well-being' ('Guidelines 2009-2013 for the Nordic Council of Ministers' co-operation with Estonia, Latvia and Lithuania 2008'). Both sets of guidelines were adopted under the Swedish chairmanship.

mediating position between the high level and the working/expert group and project levels. As they receive information from both directions and have a relatively independent role they are in a good position to actually steer the organisation's priorities and to act as decision shapers. They can supply the minister with ideas and feedback coming from the lower levels but are not necessarily likely to consult the minister on day-to-day questions.

In the CBSS and NCM, the agenda of the committee of senior officials is prepared by the secretariat. Senior officials review each project proposal several times in its various stages of development before making decisions. In the BEAC and AC, where the secretariats are considerably weaker, foreign ministries and especially the Chair's ministry have a greater coordination task in preparation. In the actual decisions to support project proposals the opinions of the working groups have traditionally been more influential than those of the senior officials.²²

4.3 Secretariats

Secretariats are the workhorses of the presidencies, MFAs and senior officials, but the bigger the secretariat is, the more it is expected to make its own initiatives. They draft, plan and

²² In the BEAC and AC, there is a concerted effort to appoint an expert as Chair of the respective working groups. In the BEAC, for example, working groups chaired by an expert have the mandate to outline their priorities and goals at a joint meeting of Chairs of Working Groups and the Committee of Senior Officials. At this meeting, each Working Group is given the opportunity to present its goals and aims for the incoming Chairship. For the most part, this session is a matter of information and acceptance of each of the Working Groups' plans by consensus.

budget projects. Usually this takes place in close cooperation with stakeholders, as well as local and foreign project operators and benefactors. As a result of the planning process, the secretariat brings project proposals before the meetings of senior officials. The secretariats are not expected to establish priorities on their own or make policies but help in filling priorities with activities and projects. As a sizeable organisation, the NCM is something of an exception here with its relatively strong Secretary-General, who is entrusted and partly also obliged to put forward initiatives to the Ministers and is capable of making his/her own initiatives and preparing the ground for them. One such example of the benefits from personal initiative could be the preparation of the ground for the NCM's relations with Belarus, a new but extremely sensitive target for regional organisations requiring a cautious approach in all directions.

Secretariats work intensively with the presidency/Chairship and are dependent on the presidency's/Chairship's support. The precise relationship depends on the presidency/Chairship.²³ Secretariats can also help in ensuring continuity and maintaining coherence, and, for example, the secretariat of the CBSS has this task in its mandate. Naturally the secretariat's capacity to do this is at least partly dependent on its size giving it adequate institutional memory.

²³ For example the Norwegian presidency of the CBSS encouraged the secretariat to propose what kind of guidelines should direct their activity and attempted to be open to ideas and initiatives from the secretariat.

4.4 Working group level

If the secretariats are the workhorses of the Regional Councils, the working groups in each are the foundation of their legitimacy. The four regional organisations have working/expert groups on closely related subjects. The number of working/expert groups also varies. In the NCM, there are no fewer than eight groups on environment-related subjects alone under the relevant council of the NCM, and in addition to this, further working groups on related matters under many other councils.²⁴ In the AC, the six groups in total all work on this subject area.

Working/expert groups are essential to the regional organisations given that most questions they deal with connote issues of 'low politics'. Therefore they can involve experts from several branches. The balance between the use of public service and scientific experts varies across the four organisations, and from one group to another. In general it could be said that the full potential of scientific expertise available through the NDI, for example, and otherwise in the North, for work on this level has not been realised.

In the AC, working groups are more pivotal than in any other of the four organisations. The six working groups carry out high-level scientific research and issue policy recommendations. More recently, however, political actors have taken a more active role in the AC rather than merely rubberstamping expert recommendations as before, as the

Arctic has assumed more relevance in 'high politics'.

In the BEAC, the working groups also include local government officials. The problem is that most of these representatives in the working groups have overextended portfolios.

In the CBSS a very different situation prevails as the level of activity within working groups in some of its five priority areas is relatively low. This leads to discontinuities between the organisation's declared priorities and actual performance (see Table 3).

²⁴ These include the Council of Ministers for Fisheries and Aquaculture, Agriculture, Food and Forestry and the Nordic Council of Ministers for Business, Energy & Regional Policy dealing with topics partly related to the environment (fisheries, forestry, etc.).

Table 3: Priorities of the CBSS and implementing working group structures

| Long-term priorities | Implementing structures on the working group level | Fit with the priority | Level of activity on the priority area |
|----------------------------------|---|-----------------------|--|
| Environment | Expert Group on Maritime Policy | X | X |
| | Expert Group on Nuclear and Radiation Safety | XXX | X |
| | Expert Group on Sustainable Development (Baltic 21) | XXX | XX |
| Economic development | Expert Group on Maritime Policy | X | X |
| Energy | BASREC | XXX | (X) |
| Education and culture | Monitoring Group on Cultural Heritage | XXX | XX |
| | Ars Baltica | XXX | X(X) |
| | International Expert Group on the CBSS EuroFaculty Project in Pskov | XXX | XX |
| | Task Force against Human Trafficking | XXX | XXX |
| Civil security & human dimension | | | |

Note: XXX = high, XX = medium, X = low

4.5 The project level

While for the decision-makers on the high level, projects are piles of paper, for those overseeing them and carrying them out they connote networking with partners and other tangible activities – coordination, events, campaigns, training, development work, and so on.

After the more declaratory policies of the 1990s across the east-west border in the north, in the 2010s, the project level is in vogue. This is partly a result of how EU policies and funding instruments have become more prominent in northern Europe with the two EU enlargements of 1995 and 2004.²⁵ This transition

concerns especially the CBSS and ND.

For the CBSS the transition is still underway after being initiated in 2008. The need for a change has assumed further significance as a result of the attempts to make the organisation more relevant for the implementation of the EU's Strategy for the Baltic Sea Region, which was adopted in 2009.

For the ND, the project level shift results from the 2006 reform of the policy which made partnerships the key to all activity and as a result highlighted the project level. Experts widely see this transition as a success. In the case of the NDPHS, however, the precise conduct and direction of the projects is still subject to discussion, unlike in the very well-established and well-funded project portfolio of the NDEP, which for many of the policymakers interviewed represented an exemplary and well-funded case. The NDI's potential in the planning, consultation and evaluation of projects is not yet fully exploited.

²⁵ Project-based funding methods are typical of the EU co-financed programmes, especially those for regional development and RTD. This trend has required both administrations and potential beneficiaries to adopt structures and competencies suitable for the management of such interventions. The wider transition to project-level action has been facilitated by this, somewhat forced, organisational learning process (which has also crossed the border to Russia via instruments such as the European Neighbourhood Policy Instrument, ENPI).

Some projects are currently conducted jointly among regional organisations. This was the case with the Pskov EuroFaculty project that was carried out mainly by the respective expert group of the CBSS but in which the NCM also participated as a funder. Regardless of the co-financing, however, the project encountered normal organisational difficulties during its lifespan. It nevertheless managed to provide more content to the CBSS's education and culture priority area (see Appendix 2).

4.6 Who sets the agenda(s)?

In a well-conducted process the incoming presidency first has to check on any possible long-term priorities and then decide on its own priorities.

As for the Nordic states, in Finland, Sweden and Norway, the priorities are set through a wide consultation process led by the respective foreign ministries. It typically takes several months and involves the high-level leadership together with several line ministries; at least in Norway and Finland, civil society and local level administrations may also be involved.²⁶ The coordinating MFAs are dependent on the line ministries to show interest and allocate the necessary resources to a possible priority area. Hence, in well-run regional cooperation the availability of resources also influences prioritisation. Yet in the Finnish and Norwegian cases the MFAs are in the driving seat as they distribute specific funds for regional cooperation for the

²⁶ In Finland some of these groups also lobby the MFA directly to voice their own concerns, especially in the case of the NCM, where the field of linked and interested Nordic actors is wide, cooperation traditions firm and funds sizeable.

line ministries working on specific sectors. In Finland these funds are to be cut drastically in the budget for 2012.

In Russia the within-country process of setting priorities is somewhat different. Despite regional integration in the past two decades in northern Europe and Europe in general, Russia has not tied itself to as many commitments as have the other northern states. One consequence of this relative isolation is that the Ministry of Foreign Affairs is more isolated from the other institutions within the country, including governmental bodies. Compared with the Nordics, there is less communication between the decision-making level and other institutions potentially interested in the issues of concern to the CBSS, BEAC and AC, where Russia participates as a member. At the same time Russia has been active in the ND policy and has supported the birth of the Northern Dimension Institute. It also seems that the degree of openness of Russian decision-makers to grassroots initiatives on regional cooperation is greater than the actual number of such proposals suggest.

As a result, in Russia, the MFA has to propose presidency priorities with much less consultation on the national level than is the case in the Nordic countries. The formulation of presidency priorities is based on 1) the overall priorities of Russian foreign policy;²⁷ 2) the priorities of the preceding presidency; 3) evaluations

²⁷ For example, modernisation has been one of the keywords of Dmitry Medvedev's presidency in 2008–2012, and has included both domestic and foreign affairs. Consequently, modernisation will become one the priorities of the Russian presidency in the CBSS in July 2012.

of the on-going and completed projects by Russian diplomats on the senior officials or higher levels.

In the Baltic States – which of the four regional organisations are only part of the CBSS – the foreign ministries are very receptive to contacts from any national governmental or non-governmental bodies. At the same time, as in Russia, there is not so much communication linking the foreign ministries with the wider society. Potential stakeholders are not aware of the opportunities available via the foreign ministries. They view the working group level as a more convenient way of safeguarding their interests. As a result, continuity from the previous presidency becomes the main factor influencing the priorities of Baltic CBSS presidencies.

In all cases, the incoming presidency/chairship will take a look at existing cooperation and is likely to consult other Member States. As a rule the incoming presidency/chairship does not attempt to revolutionise the work. Thus, while the Regional Council leadership in principle has considerable powers of agenda setting, in practice, in organisations making decisions or issuing recommendations mostly on a consensus basis, the presidency/chairship is dependent on the partners' cooperation. Ultimately, presidencies/chairships are also affected by external events.²⁸

²⁸ The financial and economic crisis of 2008-9 impacted the priorities of the NCM. Denmark, Sweden and Finland are cutting their foreign services and want to see this reflected in their contributions to Nordic cooperation. For a while the economic crisis impeded the monetary contributions from the Baltic states as well as Iceland's participation in some CBSS activities. The financial

After having decided on its priorities in the midst of these internal and external pressures, the presidency/chairship will in a gradual process forward them to working/expert group level preparation, which in cooperation with stakeholders (with whom projects are implemented) and secretariats (and in case of the NCM, also its regional representations) prepare actual project proposals. These are first submitted for review on the senior official level and, if approved, are later to be decided on the high level. The presidency/chairship thus has a key role in setting the priorities, but its success in pushing them through coherently depends on how it handles the full circle of the policy process.

In an organisation of the size of the NCM, for example, that policy circle may take a year. To support its priorities, in the NCM the presidency has a specific fund at its disposal to help advance its agenda. In any case, with one-year chairships (as in the NCM, CBSS), the incoming chair is likely to inherit a large number of existing projects to be supervised and implemented; many of these can represent activities that have been

problems of local authorities in northwest Russia delayed the launching of the Northern Dimension Transport and Logistics Partnership (NDPTL, which finally took place in October 2009). Elsewhere, oil spills in the Gulf of Mexico in 2010 persuaded the AC to address such risks in its Nuuk Declaration of May 2011, with a mechanism rapidly established to deal with these risks. The revival of the northern mining industry and expected opening the northeastern Arctic sea route have affected the agenda of the BEAC, while the AC is influenced by the anticipated utilisation of the Arctic region's estimated energy resources.

continued for several years.²⁹ The incoming presidency/chairship may also opt to continue practices that have proven successful. A good example of these is how Sweden during the BEAC chairship initiated closer contacts with the EU, while Norway continued it and Finland evinced a natural interest in it.

Partly owing to its sheer size, a degree of organisational inertia vis-à-vis the setting of priorities can be found in the best institutionalised body, the NCM, which according to some interviewees is ill equipped to address topical issues as they emerge. This problem is exacerbated by the widely prevalent consensus decision-making principle in the organisation.³⁰ However, even in the less structured CBSS, according to some long-term participants in the cooperation, some of the expert groups and task forces take their own line regardless of the work of the Committee of Senior officials. Here it must be noted that some of them have histories outside of the organisation.

The competences and capacities available in the secretariat to plan new projects also impose some limits. The AC does not yet have a permanent international secretariat.³¹

²⁹ However, in the case of the NCM, there is usually a mechanism for redefining topics at given intervals, or an expectation of at least some variation in the precise project topics under the same activity.

³⁰ Some of the working groups have the option to decide on the basis of majority voting, which, however, is rarely exploited.

³¹ The AC's temporary secretariat has undergone a complete change in personnel since it was created in 2008. A bid by Norway ensures that a larger, professional, and permanent secretariat will be created in Tromsø, where the temporary secretariat is now located. The main responsibility for establishing the permanent Secretariat rests

The BEAC's international secretariat is very small, consisting of only three employees. The separate Norwegian Barents secretariat receives an annual project allowance of over 35 million *kroner* from the MFA Norway. Further, as noted, in the CBSS and NCM, the participating states have voluntarily renounced some of their own agenda-setting power during presidencies by agreeing on long-term priorities – which above in this report, in the case of the CBSS were found to be not fully observed and for the NCM somewhat vague. In addition, in the CBSS Germany and Russia have agreed to cooperate on setting up their own presidency programmes. In the AC a coalition of three consecutive Nordic Chairships have agreed on consistent priorities.

In general, it is easier to agree on priorities and activities in the smallish four-member BEAC, and the well-established and fairly like-minded NCM, than it is in the AC, with its more heterogeneous membership, let alone the CBSS. Despite these structural differences in the policy process, some policymakers have found, for example, the agendas of the BEAC and CBSS meetings sometimes almost identical – despite the organisations' declarations of different priorities. In each organisation there are several possible levels on which policy priorities can be impacted. Nevertheless, in all cases changing the priorities is a slow process: high-level meetings are rarely held, and the time taken for experiences to feed

with the Chairship of Sweden. At the time of writing, the Terms of Reference for the Secretariat were still being negotiated among the AC Members, but it has been decided that the office will have 10 staff members to organise the work of the core of the AC, its working groups.

into the policy circle from the working group and project levels is easily more than a year. In all cases the distance from the high level to projects is also considerable. Thus projects may, in principle, get away with not necessarily implementing the declared priorities to full effect.

5. To what extent do the organisations communicate?

There is no conscious or concerted effort to achieve continuity through staffing decisions in the secretariats, committees of senior officials/steering groups or the MFA departments responsible. However, there are individuals who have worked on northern cooperation for a decade or two in the foreign ministries due to reasons of personal interest, rotation from one northern council desk to another and pure chance. In some cases the same individuals represent their ministry in different organisations.³²

At the same time there is a high turnover in the secretariats due to fixed term contracts, and even more so in the MFAs owing to a general system of rotation of portfolios. In this light, secretariats and their staff do introduce at least a degree of continuity to the overall organisation

³² Russia is usually represented in the CBSS and BEAC by a deputy director from the Second European Department of the MFA (dealing with the Nordic countries, the Baltic countries, the UK and Ireland). The possibility of the representatives being the same person cannot be fully excluded. The Russian representation in the AC was arranged in a similar manner until the 2000s, when the Russian MFA nominated a special envoy for the Arctic. The envoy does not deal with the CBSS and BEAC, though he liaises closely with Russian representatives to these two councils. The special envoy for the Arctic is not the same position as the Russian President's Special Envoy for the Arctic and Antarctic.

by helping to keep the memory of the organisation when presidencies rotate and portfolios are reassigned. At the same time not all rotation is negative; it can help to create a wide network of professionals aware of and familiar with the northern regional councils even if they have worked elsewhere.

One possibility for improving within-organisation consistency is the forming of a troika or a similar arrangement when successive presidency/chairship programmes are planned. This is currently implemented in the AC as an informal coalition mechanism among three successive Nordic Chairships. The system is currently tried in the CBSS, where Germany, the current Chair, and Russia, the incoming Chair, cooperate in the setting of policy priorities.³³

5.1 Is communication formal or informal?

Communication is lightly structured through annual Four Council Meetings on the senior officials' level. These meetings bring together the present council presidencies/chairships and secretariats. The system facilitates information exchange on activities but does not greatly influence the shaping of priorities. Although some participants doubt their usefulness, no better measures than further meetings have so far been proposed, among them the Russian initiative in 2009 for holding such meetings on a high level.³⁴ This is because Russia

³³ The modernisation of the south eastern Baltic Sea/Kaliningrad especially is of interest to both – which was also of interest to the third-but-last Lithuanian presidency but with no coordination mechanism vis-à-vis forthcoming presidencies involved.

³⁴ The Russian Foreign Minister, Sergey Lavrov, invited the Ministers of Foreign

has a more centralised administration than the other northern states. As policy change is likeliest to be initiated from above, Russia is most in need of such high-level meetings.³⁵

Apart from the four councils' meetings, most communication among the four organisations is informal. It is based on contacts between the personnel in secretariats and ministries of foreign affairs, and direct contacts of working/expert groups between organisations in related subject areas. Members of committees of senior officials also receive information from those committee members who are involved in the work of other councils. The level of internal communication within the MFAs among officials involved with different organisations varies, and could on the whole be vastly improved so that one country would take consistent positions across all organisations.³⁶

Affairs of the CBSS, BEAC and AC Member States as well as representatives of the European Commission to a high-level meeting to exchange information on the priorities and working of the councils. The meeting produced the decision to hold such meetings more regularly. The next meeting is to be held in Oslo in 2012.

³⁵ In Russia the decision-making on the lower levels is path-dependent – i.e., the same priorities and routines are continued routinely. At the same time, Russia is expecting a new Minister of Foreign Affairs after the presidential elections in spring 2012; thus, if the high-level ministerial meetings are continued, one should not expect any radical proposals to change the policy priorities of the three councils on the Russian side before 2015, when the third such meeting is to take place.

³⁶ For example, in Russia informal communication is not well arranged between Russian diplomats dealing with the CBSS, BEAC, and AC and their colleagues dealing with the ND. The Department of Pan-European Cooperation is responsible for the coordination of Russian activities in the framework of the ND and institutions of the

While it is true that purely from the point of view of coherence of regional cooperation there should be more communication, many officials note how information overload is already becoming a reality. It is very difficult to keep track of all relevant matters regarding what other organisations are doing, especially regarding large organisations such as the NCM. The sheer task of keeping up-to-date on projects within a big organisation like the NCM can be a daunting task for the senior officials; receiving information on the full policy circle within other organisations would multiply this task.

The NCM and CBSS are in the greatest danger of duplication and hence coordination pressures. The NCM has striven to coordinate its activities with the ND and the EU's Baltic Sea Strategy rather than the considerably smaller entity CBSS, which in many instances is dependent on NCM funding. Yet these two organisations have organised relatively well-functioning coordination mechanisms to avoid duplication in the field of human trafficking, where some coordination also exists with the BEAC (see Text box 1).

The CBSS has further duplication risks in the environmental field, for example, with the NDEP and HELCOM, while its work in relation to the EU's BSR is somewhat problematic, too (see next section).

EU, as well as other European and wider organisations, including NATO, Council of Europe, OSCE, etc.

Text box 1: inter-organisational cooperation on human trafficking

Work addressing trafficking in human beings and related issues is currently actively carried out in the CBSS and the NCM. Until 2006 the BEAC also had a task force for anti-trafficking work launched based on its Kirkenes Declaration in 2003 emphasising the need for a 'concerted effort to stop trafficking in human beings in the Barents Region'. After fulfilling its mandate it was terminated in 2006.³⁷ Part of the reason for the closure was the long routes involved in human trafficking that would favour the matter being addressed by a geographically better covering organisation, the CBSS.

From 2002-2006 the Nordic-Baltic Taskforce Against Trafficking initiated cooperation on a political level. After the expiry of this mandate and on a Swedish initiative (the then CBSS chair) the work was moved to the CBSS to combat trafficking in the Baltic Sea Region and its vicinity.³⁸ In this way the CBSS Task Force on Trafficking in Human Beings was established in 2006, also including Germany, Poland and Russia. Prior to this integration there were ideas to integrate the Nordic-Baltic Taskforce with the NCM or the NDPHS which, from the CBSS's point of view, would have limited the geographical and thematic scope of the work. The current mandate runs until the end of June 2014. Funding has been a problem. Sweden initially was the main source of funding. No method has been found to include all or even most CBSS states in the financing.

The NCM is active in anti-trafficking work through its Council of Ministers for Health and Social Affairs (MR-S), starting with a Nord-Baltic Campaign against trafficking in women, and the organisation of events. This work has a purposively narrow focus on health and social aspects, is channelled through the NDPHS framework and includes cooperation with the Baltic States and northwest Russia.³⁹ The CBSS's framework is wider, covering the full policy circle, and it does not only work through states as does the NDPHS. The CBSS and NCM groups meet informally at least twice a year, participate in each other's events and have a staff exchange programme which, according to participants, could be utilised more. They seem well aware of the dangers of possible duplication, something mainly attributed to unclear mandates and low political guidance. Discussions about the geographical scope of the work and the type of issues to be addressed make it more difficult to identify synergies and common approaches to anti-trafficking work. There is a need to develop clear mandates and consequently a division of labour but also focus on points of common interest that can be jointly developed.

³⁷ (Kirkenes declaration (Barents Euroarctic 10 Year Anniversary Declaration) (2003) available at http://www.barentsinfo.fi/beac/docs/462_doc_BarentsSummitDeclaration.pdf last accessed 29.09.2011.; Final Report of the Task Force Against Trafficking in Human Beings in the Barents EuroArctic Region (2006) available at http://www.barentsinfo.fi/beac/docs/11843_doc_TF-THBFinalReport.pdf last accessed 29.09.2011.).

³⁸ [6th Baltic Sea States Summit Chairman's Conclusions](http://www.cbss.org/Summits-and-Council-Ministerials) (2006) available at <http://www.cbss.org/Summits-and-Council-Ministerials>, last accessed 29.09.2011.

³⁹ 'About the fight against trafficking', available at <http://www.norden.org/en/about-nordic-co-operation/areas-of-co-operation/trafficking-in-human-beings/about-the-fight-against-trafficking> last accessed 29.09.2011.

Although some of these overlaps are being addressed, the coordination challenge of the CBSS's activities remains substantial (see Table 4).

Table 4: Working groups of the CBSS and coordination efforts

| Long-term priorities | Implementing structures on the working group level | Fit with the priority | Possible overlap with activities of other organisations | Effort to coordinate work among organisations | Coordination ongoing between groups / (self-identified further need for coordination) |
|----------------------------------|--|-----------------------|---|---|---|
| Environment | Maritime Policy | X | X | XX | BSPC, BSSSC, HELCOM, VASAB, BSR (NDEP) (NDEP) |
| | Nuclear and Radiation Safety | XXX | XX | X | |
| | Sustainable development (Baltic 21) | XXX | XXX | XX | AC, NCM (HELCOM, VASAB, BASREC, BSR, UN) EU |
| Economic development | Maritime Policy | X | XX | XX | |
| Energy | BASREC | XXX | XX | XX | EU |
| Education and culture | Monitoring Group on Cultural Heritage | XXX | | XX | NDPC (NCM) |
| | Ars Baltica | XXX | X | X | ND CSO |
| | IEG on the CBSS EuroFaculty Project, Pskov | XXX | X | XXX | NCM |
| Civil security & human dimension | Task Force against Human Trafficking | XXX | XX | XXX | OSCE |

Note: XXX = high, XX = medium, X = low. The list is not exhaustive, but rather merely indicative, and relies on the obtained survey responses.

The CBSS's Baltic 21 has deliberately left the work on eutrophication of the Baltic Sea to HELCOM. The CBSS's secretariat tries not to create overlaps with the HELCOM or spatial planning agency VASAB by inviting their representatives to its meetings and by attending their working sessions. The CBSS's culture activities may yet become influenced by the new ND

partnership on culture (NDPC), although this is currently unclear. The secretariat's officials working on culture have approached the BEAC secretariat to invite them to their meetings.

5.2 The Northern Dimension: from communication to coordination?

The ND with its various cooperation platforms offers some channels by which to turn the present informal communication among the four regional organisations into a better structured coordination devoid of institutionalisation for its own sake or excessive bureaucratisation.

As far as the EU (side) is concerned, the ND policy benefits from both Union and Member State level activities. On the one hand all Member States stand behind EU stances and proposals as the Commission takes positions on their behalf after consulting them. This the more political role of the Union which combines the forces of the Member States makes the EU a stronger party in the ND compared to its more technical representation in the four regional organisations, which are essentially traditional intergovernmental entities. On the other hand each Member State can flexibly participate in the ND partnerships as they see fit, just as can observer states, international financial institutions and other actors, not least the Regional Councils. Indeed, while the northern Regional Councils are mostly closed clubs with a geographically defined membership, the ND is open to practically all northern actors.

The ND partnerships are the main vehicle of inclusion and engagement. They rely on the pooling of resources and are, for example, supported by several measures of the NCM. One good example is the sector of health and social affairs (see above). This coordination has also resulted in better awareness within the NCM of the HIV/AIDS actions under the

NDPHS. Canada, an observer to the ND, made an initiative to the NCM to work on health and indigenous peoples, which led to a joint expert group in this area under the NDPHS. The AC, which has activities in related areas, has so far not taken an active part in this work although it would be a possibility worth considering. ND partnerships can be similarly exploited in several other policy sectors as well to find an optimal slot for each willing organisation and state to contribute, paying attention to their political needs and technical and financial capabilities.

The proliferation of ND partnerships and their relative success poses questions for the CBSS in particular. The organisation decided to continue its activities in the health and social affairs sector under the NDPHS umbrella when the latter was organisationally situated into the CBSS secretariat. This is an example of how organisations must make compromises to fight for their survival in the dense landscape of northern cooperation.

In the BEAC and AC a more reserved attitude prevails towards the ND's expansion. It is pointed out that certain policy priorities should not be confined to the ND alone. Sometimes the ND is seen as another attempt by the EU to establish more influence, which is not very welcome among all actors in the Arctic (see below). Although in the Arctic the ND is not and may not become as pivotal as it has become in the Baltic Sea context, its existence and relative success suggests a need for some rethinking on the part of other organisations. This is particularly so in light of the expectation that the EU, a key ND

actor, is actively looking for an upgraded recognition and role in Arctic matters – a bid which may be difficult to turn down much longer (see below).

The steering group of the ND provides a further platform for better inter-organisational coordination. In each steering group meeting, the chair of one regional organisation is invited to give a briefing. However, sometimes representatives of these organisations are unable to attend the meeting. The senior officials participating in the steering group may also raise issues relevant to the regional organisation with which they are working on the senior official level. The potential of the ND steering group coordination should be used more actively by the northern states.

The more political discussions in the new ND parliamentary conferences have caused some discontinuity in the traditionally apolitical character of the ND policy. Such politicisation may not necessarily be functional regarding the policy's capacities to act as broker of positions and coordinator of practical issues. The ND Business Council may be a more promising channel of widening communication, engaging groups in ND cooperation whose presence would be more in line with the pragmatic nature of the policy. The NDI, for its part, could best improve communication and coordination by means of thematic or sector specific studies with concise summaries on how the four organisations, the EU, Russia, Norway and Iceland could best combine their forces and indeed, what the ideal actor constellation is in each case.

The ND is mostly isolated from the occasional tensions in the wider EU-

Russia context even though it is the regional expression of the EU-Russia dialogue. But the geographical priorities of each EU presidency naturally have some influence on the visibility of the ND.

5.3 To what extent does the policy agenda come from the wider EU level?

Regional cooperation in the four organisations is very different from the nature of EU meetings. There is more ownership of policy issues and consensus seeking on the regional level. In the EU meetings Member States expect to present their positions but not necessarily to influence the final decision.

The CBSS is identified as a somewhat problematic organisation on the EU level. The Union's CBSS representative has a 'defensive' interest in ensuring no decisions are made in violation of EU competences – for those members who are also EU members – keeping in mind that in the initial discussions proposals conflicting with EU commitments are sometimes made. All the CBSS documentation is allegedly checked to avoid clashes with EU regulation. The Commission also initially wished to see a strong CBSS role in the implementation of the BSR strategy, but has subsequently become somewhat frustrated with what it perceives as the inability of the organisation to rise to the occasion. In other words, the Commission's 'offensive' interests have not been met in this case. Nevertheless, in the area of human trafficking, the Commission and the CBSS Task Force have allegedly developed good cooperation trying to avoid duplication and promote mutual learning.

The Commission has a legal problem with its representation in the CBSS. The Commission is a founding member of the CBSS, yet with the creation of the European External Action Service (EEAS) – a functionally autonomous body under the authority of the EU’s High Representative for Foreign Affairs and Security Policy — meant that most external relations competencies previously exercised from within the Commission now reside with the EES. Thus it became unclear who should actually take part in the meetings. If the representative is from the EES, his or her institutional mandate will not be confined to the positions adopted by the Commission. Further, the CBSS’s complications with the EU are exacerbated by the fact that the CBSS is heavily dependent on EU funding (as well as NCM funds). To facilitate their mutual coordination the EU and CBSS hold one of the senior officials meetings annually in Brussels. No similar legal problem has prevailed in the ND, in which the EU takes an active part.

The EU has no stake whatsoever in the NCM, and in some cases the NCM cooperation is viewed with reservations, as not taking adequate account of the roles, commitments, and competence issues inherent in EU membership. Simultaneously NCM members complain of inadequate capacities to fully observe all policy processes underway in the EU.

In the BEAC, for its part, the Commission is a member but is not the main agenda-setter. In the AC, the EU still has not received approval for its application for permanent observer status. The process initially stalled because of the EU’s stated

ban on sealing (now mitigated to exclude indigenous peoples) and opposition to that ban from Canada and the indigenous peoples in the Circumpolar North, who have the status of permanent observers in the AC. The issue continues to influence the Union’s bid. Of the AC members Denmark and Russia have reservations regarding closer EU involvement. The Union is welcome to explain its positions but not to shape the recommendations prepared in the Council. The situation is somewhat paradoxical because several matters being discussed in the AC overlap with the EU’s competence such as transport and sea rescue, and in those matters the Member States are responsible for coordinating their positions with the EU. Finland would welcome closer EU involvement in the AC while Norway might only tolerate it. The views of Canada and the USA must also be considered here. Overall many AC Member States see this Council as having a distinct identity, history, goals, and mandate from the other three Regional Councils. Thus their logical conclusion is that the prospects of finding common ground to cooperate are fairly limited.

Overall, the EU does not today exert strong direct influence in setting the northern regional cooperation agenda. It also has far too small a bureaucracy and too few officials with too many portfolios to be more active than it is at present. And clearly the North is not the main direction of policy for the whole of the EU. Further, there is some frustration in the Commission regarding the sometimes excessively high expectations for EU funding. The Union first wants to see considerable Member State contribution before it can commit to financing as potential

forms of financing are mostly based on open calls.

At the same time the EU's role as a bloc is allegedly bigger in the ND than it is in the regional councils. This is said to be a Russian perception as well. In principle, EU members coordinate their positions prior to ND steering group meetings. In practice not all EU members show equal interest. The actual coordination may also be quite thin owing to the need to discuss the limits of the possible with the Russian party, a discussion for which the ND may not always be the proper forum – bearing in mind that the ND is simultaneously a regional expression of the EU-Russia dialogue.

Finally, the EU's BSR strategy defines the ND as the external dimension of this otherwise internal EU strategy. On the Russian side the strategy is seen as the Union's internal matter with no proper role for Russia – which is essentially a very astute perception. The attitude has been as negative as it was in connection to the first version of the ND which was seen as an excessively EU-dominated policy. Here one must also note that Russia's interest in the Baltic Sea Region is currently waning. The interest was low when the first version of the ND policy was initiated in the late 1990s. Thereafter it strengthened, especially with the renewal of the ND in 2006, until the global financial crisis led to a lack of funds at the disposal of the Russian MFA. An additional problem is that most of the infrastructure projects vital to the Baltic Sea Region from the Russian viewpoint – such as the St. Petersburg wastewater plant, the seaport in Ust-Luga and the ferry connection to Kaliningrad – have

already been finalised. Russia has declared it will reserve 105 million Euros for cross-border cooperation in the next five years, but from the Russian viewpoint, infrastructure projects of the future should concern the High North, including the Northern Calotte rather than the Baltic Sea Region.

Similarly non-members with no Baltic Sea coastline, like Iceland and Norway, view the EU's BSR strategy as an external process that may influence the agenda but where their own stakes are limited.

5.4 What is the role of EU-Russia relations and Russia?

Russia perceives the EU as a bloc within ND cooperation. This facet of the EU is not in principle welcomed by Russia. Nevertheless, in Russian thinking it does not discredit the ND as an institution. In the BEAC, by contrast, or the CBSS, the Commission's relatively technical representation does not allow it to speak on behalf of the whole EU.

The EU and Russia have not arranged their Arctic relations as coherently as elsewhere in the north. Owing to Russia's suspicions of the EU's bid for permanent observer status in the AC, the Union is busy organising its own events on the Arctic, separate from the AC framework. This risks duplication. Russia's Arctic policy treats the states with Arctic coastline – Russia, Norway, Iceland, Canada and the USA, or the 'Arctic five' – as the main stakeholders in Arctic cooperation. None of these is an EU Member State, and consequently the Russian view does not envisage much of a role for the EU in the building of the future international regime for the Arctic.

One reason why Russia wishes to keep the EU in general, and potential ND coordination in particular, in a small role in the four councils' affairs is a popular perception of excessive standardisation in the EU. On a more general plane, there are fears of stronger EU/ND role bringing excessive bureaucratisation owing to the notoriously strict technical requirements of EU funding. Another popular perception in the North – and not only in the North – concerns the difficulty of negotiating with the EU. As the European Commission usually holds the mandate, reflecting the compromised opinions of the 27 Member States, no actual room exists for changing the initial position during the negotiations. The Union's negotiation partners can either accept the Commission's initial proposal or leave the matter there. An even more widely shared view in the North is that the simultaneous existence of the four councils enables treating each major project separately, thereby maintaining a diversity of channels for realising common interests in the north.

6. Policy recommendations: in what ways can coordination be improved to avoid redundant and overlapping work?

It is evident – both on the level of declared policy priorities and actual project-based work on the working group level – that the four regional organisations work in several overlapping sectors. The most obvious overlaps were found in the sector of the environment, while work in the sectors of education and culture, energy and the economy would benefit from a review.

However, the organisations themselves or the officials involved with them do not perceive their

activities as overlapping.⁴⁰ The commonplace defensive reasoning is that the four organisations have at least partly different geographical working areas and different memberships which provide different targets for projects and for different contributors financially and in-kind. In other words, this line of reasoning suggests that when relative sectoral overlap of activities is spread geographically to different areas of the north, coherence may in fact improve while the emergence of 'black holes' with no cooperation activities can be prevented.

The defensive reasoning of positive overlaps springs at least partly from how many of the practitioners have become socialised into the ethos and working methods of the organisations they are associated with. At the same time, many of them saw room for improving cohesion. To assess that room to manoeuvre – how much or little can be done – we will make use of the recommendations made in a previous NCM funded study which did not see any master plan for a division of labour among the organisations as being useful.⁴¹ In addition we take note of the proposals made in the evolving policy debate in recent years.⁴²

⁴⁰ This stance was expressed for example in the annual meeting of the four councils in Kirkenes, 23 March 2010.

⁴¹ The recommendations of that study included: 1) Improved networking between secretariats; 2) thematic meetings on working group level in areas such as nuclear safety; 3) project level networking; see Mariussen et al., *Regional Organisations in the North*.

⁴² This includes the conclusions of the Russian-initiated meeting of deputy ministers of foreign affairs of the countries chairing the regional organisations in the north, held in St. Petersburg, 29-30 September 2009. The conclusions build upon the recommendations of the 2000 study and include: 1) ministerial meetings of different councils; 2) cross-

Concomitantly we update the picture in light of the material compiled for this report in suggesting our list of policy recommendations. This list includes a few purposively critical items offered for more long-term development work and several more precise, mostly organisational recommendations.

1. The open and flexible framework of the ND forms the most robust basis for better coordination of northern regional cooperation. The ND has in this respect more potential than the EU, which, of course, is a significant funder and as such a potential coordinator. However, not all states of the region are EU members. A few of them have serious reservations with regard to a stronger EU role, first and foremost in the Arctic. Hence it is clear that the EU cannot be a coordinator on its own.

However, the EU is involved as a partner in the renewed ND with tasks for improving the cohesion of northern regional cooperation; the ND furthermore has all four regional organisations as its participants, as well as Norway, Russia and Iceland as partners, and AC members Canada and the USA as observers. It is also a decidedly apolitical format of cooperation. The role of the ND has considerably strengthened in the work of the CBSS in particular while it is developing partnerships in areas of

council strategies on thematic sectors; 3) working-group level meetings and other cooperation between different councils; 4) staff exchanges between councils; 5) development of websites for the organisations that would be better for external use; 6) the possibility of using the ND ministerial/steering group meetings for purposes of coordination, possibly in place of separate ministerial meetings, and in general utilising to the full the coordination potential of the ND

interest to the BEAC, having expanded from environmental and energy related work to the health and social sector, culture, and transport and logistics. The ND also has an Arctic window. *The ND offers an inclusive, apolitical and sectorally expanding forum for coordination built on openness and the principle of equality, and as such compares favourably with the CBSS, NCM, BEAC and AC.*

Improving the ND's capacity to coordinate requires the consent of the ND partners. Now the EU's status as a 'bloc' within the ND is both a strength and a weakness. The legitimacy of ND coordination among EU Member States, as well as Iceland and Norway, could be improved with more consultation among the partners and within the EU. Now the agenda is strongly dominated by the Union's institutions and Russia. If the participation in the preparation of the ND agenda could be widened this problem could be overcome and the ND could better realise its coordination potential. However, no widening and increase of democracy in ND decision-making will do as the result may well be more politicisation, which, for its part, compromises the ND's current apolitical nature. In this light the ND parliamentary forums do not offer the optimal vehicle for opening the agenda setting process of the ND, as they run the risk of drifting into particularities on historical controversies between, for example, Russia and the Baltic states.

Consequently, to best serve a coordination function, the ND's policy preparation process could be opened up on the intergovernmental level while also developing the ND Business Forum. At the same time

the partners and participants of the ND must recognise the *de facto* strong role of the EU and Russia in the north.

The scientific expertise of the NDI could be used to explore the ND's potential for enhanced coordination. A study could be commissioned from the NDI on what issues are best brought to the ND fold, taking into account that Russia values/appreciates the ND as a forum where it is an equal partner with the EU, Iceland and Norway. Such a study should adopt a strong focus on the Russian thinking on the ND and could act as catalyst for awareness-raising in Russia.

2. To recognise the EU's centrality in the North, release the full potential of the ND and to enrich its own work, the AC should grant the EU Commission permanent observer status. This would enable the Union to contribute fully to the organisation's scientific work and represent the EU in line with the competences its Arctic Member States have assigned to it. In response to any concerns of the EU not having Arctic coastal states as its members – except Denmark through its relationship to Greenland, which is currently devolving from the home state – it should be reiterated that the AC's mandate does not include any issues directly related to the future international governance or border delimitation regime of the Arctic which the coastal states wish to keep within the UN framework.

3. By having as many as 16 working groups, the BEAC risks watering down its work and accomplishments by overextending. *The BEAC should rethink the number of its working groups and the system of how they*

are in principle situated on two levels, the national and regional. If in practice many of the groups are joint ones uniting the two levels, and if joint groups can indeed best serve the interests of both levels, there seems little rationale for having separate government and regional level administration. Reducing the number of working groups might also alleviate the increasing financial problems in the participation of Member States' officials in their work – taking into account the financial and economic problems in Europe and the need to downscale MFA spending in several states.

4. The transition of the CBSS into a project-based organisation is now in its third year and has run into difficulties. The organisation lacks its own project finance, even proper seed funds, and, amazingly, throughout its almost two decades of existence, has managed to conduct only one project to which all Member States have contributed financially or in kind (see Appendix 2). Its organisational format with summits, expert groups, task forces and the secretariat is not ideally suited to this transition and the whole entity is difficult to coordinate – even though the present director's approach is well regarded. As it is in part dependent on funding from the NCM, and seems partly overshadowed by the new ND partnerships, its independence as an organisation is in question.

The CBSS's energy and economy priorities do not reflect the organisation's day-to-day work while there are scant prospects for better performance in these spheres. Its environment, education and culture and human trafficking activities could be integrated with ND partnerships,

and the secretariat's staff transferred under the ND correspondingly. The CBSS summits could be maintained as information exchange forums.

5. In terms of organisational membership and financial contributions the Nordic states are the most active promoters of northern regional cooperation. In fact the NCM funds several activities of the CBSS and with its expanded geographical working area poses serious questions about the viability of the CBSS as an organisation. Yet owing to the NCM's narrow membership, which in practice cannot be extended, the NCM cannot function as a generally accepted forum of coordination and joint work. Indeed many of its activities on the working group level are more or less internal, even insular Nordic projects, and contacts in these areas with other organisations are minimal. This means that *the NCM cannot really assume a much greater role in promoting cohesion than it now has as an important funder.*

The NCM may currently be working in too many sectors, which is well seen in how the declared priorities of the presidencies sub-divide into various further items in sectors on which the NCM has councils. Some of the work is insufficiently coordinated with EU-level work and may be redundant in that context. *The NCM should study the possible overlaps in its work in relation to the EU, check that it provides optimal support for other regional organisations and on that basis define clearer long-term priorities that would help to streamline the now crowded agendas of presidency programmes.*

6. *Rotating presidencies/chairships* are a problem, especially the one-year terms in the CBSS and NCM.

While in the CBSS *prolonging the term* is not feasible due to the large number of members, each of which needs a slot, *in the NCM this is possible and could be considered* even though no great problem of continuity of priorities was detected – rather one of proliferation of priorities under countless sub-titles. *Chairship 'troikas' consisting of past, present and future Chairs/presidencies should be formalised as best practice in all four councils but not expected to solve all problems of leadership.* When the presidency of a council changes, on the senior officials' level it would be useful to *appoint as chairs for incoming presidencies officials with at least one year's experience of work on that level within the same organisation*, which would for its own part help to improve coherence.

7. Improved networking between the four regional organisations is desirable but has its limits. Today a considerable number of the practitioners interviewed, especially those taking part in senior official level meetings, commented on the very high volume of information they receive already in their own sectors regarding the activities of their own organisations. This is especially the case in the NCM, which in the northern context is a large organisation. Also on the working group level the information received from above, from the project level, and from other organisations when exchange of information exists, can be very high. Many working group level actors have serious reservations about the practical feasibility of more coordination because it would mean more meetings, more travel, more money spent on it and fewer funds used for concrete project activities – especially since most organisations suffer from a lack of project funds.

Contacts and meetings of expert/working groups across the four organisations could improve coordination and help to assess the benefits of greater communication – of which relatively little evidence is now available on this level. Yet whether the terms of references or other guidelines and instructions from the senior official level or secretariat to the working/expert group level allow enough opportunities and flexibility to coordinate the work of working/expert groups with other organisations requires investigation. Here it must be borne in mind that greater coordination may cause pressures to change activities. It should be considered if the mandates or freedom of manoeuvre of the working/expert groups can be flexibly reconsidered.

At the same time, if the practitioners already in some cases perceive information overload, it makes no sense to mechanically increase the amount of information. The NDI expert pool and research capacity could be commissioned to thematically study overlaps in different sectors across the four organisations, and then provide the officials with targeted summaries – what related/relevant work is done across the organisations, what overlaps exist and whether they are excessive or functional. The first such studies could concern the environment, education and culture, energy and the economy.

In some sectors of cooperation the work is of such a specific nature either scientifically or technologically that there is simply no need or possibility for coordination. Therefore there should be no overarching principle of more coordination and

information exchange for its own sake.

8. Noting the difficulties in increasing cross-organisational information flows, in many cases it would be easier to increase national-level coordination at less cost in time and money. This means *ensuring within the respective MFAs that one country's positions and actions are consistent in the work across the four organisations*. For example, in the Swedish MFA there is an aim to send at least partly the same people to the meetings of different organisations. At the same time the biggest challenge here concerns coordinating the work of line ministries and other representatives who participate in sectoral or working/expert group meetings.

9. Some participants reported that the annual four-council meetings are not ideally arranged at present and not necessarily very productive. Now Member States send to the meetings of existing presidencies/chairships representatives lacking the authority to change policies jointly agreed within their own organisations and approved by their own ministers. *Consider if the four-council meetings could be realised among incoming presidencies whose priorities are still in the process of formation (and with secretariats represented).*

10. Thematic meetings of all councils might be useful in some policy sectors. In areas such as the environment most councils have several potentially relevant working groups. This is also a very diverse area with several different sub-topics. *As thematic meetings in the environmental sector might become relatively big and expensive, but could be useful, the NDI could be*

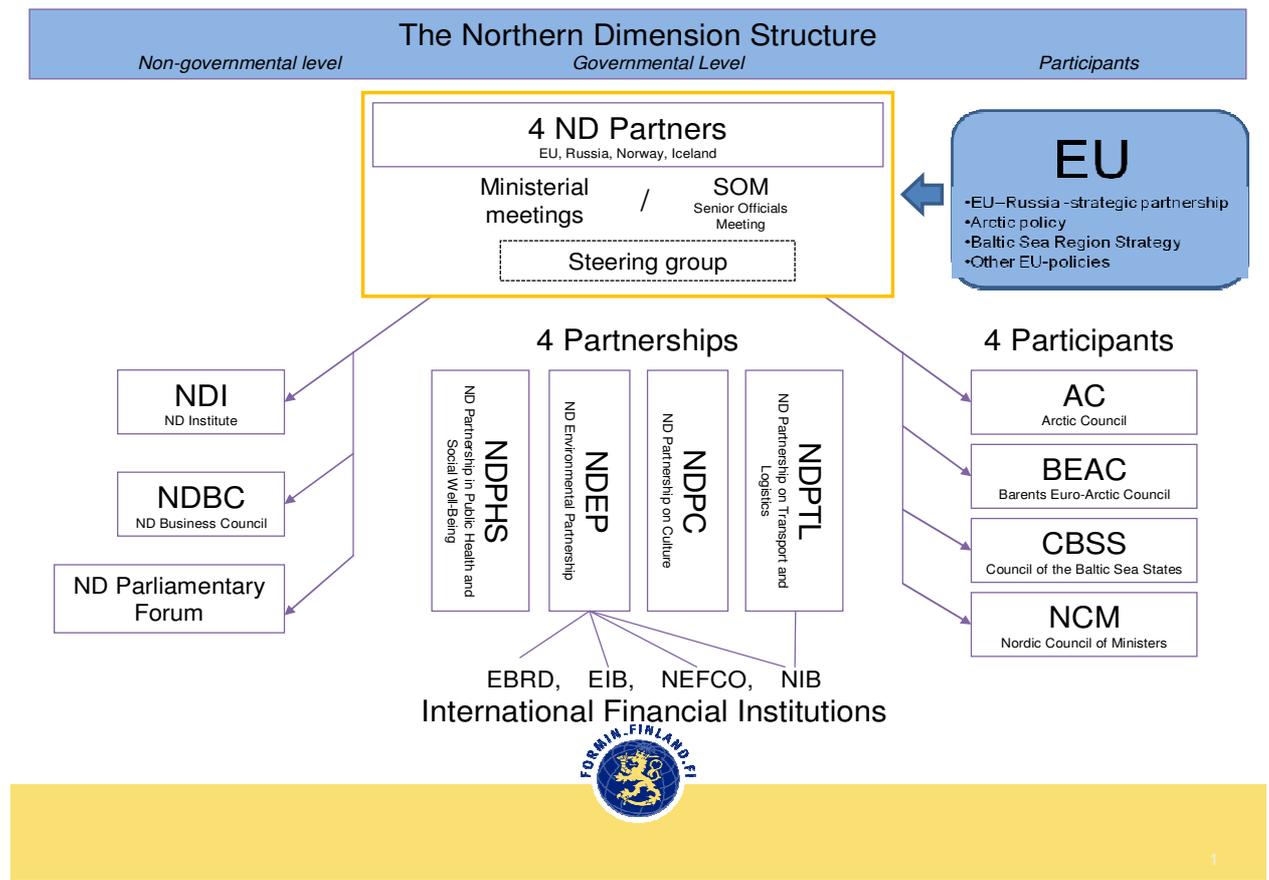
used to study which of them could be organised on a one-off basis or twice a decade. The extent to which in the areas of energy and transport thematic meetings could be best organised under the ND framework – bearing in mind the considerable role of the wider developments on the EU (and EU-Russia) levels in these sectors – could also be evaluated by the NDI.

11. A monitoring system to assess the results of work would in practice mean implementation research, which is challenging, expensive, and time-consuming. *Making existing project reports available on a joint web database would be a more economical option than a heavy monitoring system, but has not proved an unqualified success previously when tested in the ND context.* Given the large number of projects – in the hundreds each year – the database should have a proper search function. To be effective, this database should probably be the property of all northern states and might be best conducted as an NDI

project. The possibility of using NCM funding should be examined; secretariat-based joint funding of the four councils, however, is not a very feasible funding option for this database creation activity as the AC only has a very small secretariat (for the time being).

12. Joint ministerial level meetings of different councils might be useful in imbuing northern regional co-operation with political direction and authority. However, some practitioners doubt their usefulness. High-level meetings have had the positive effect of kick-starting the organisational development of the CBSS since 2008. Yet, as a rule, ministers can only be knowledgeable about the surface layer of the extensive networks of actual northern cooperation. Even on a senior official level the distance to actual projects can be considerable even though the projects may be presented several times to the officials. *Ministerial level meetings might be most useful when engaging centralised countries such as Russia is important.*

Appendix 1: The ND institutions



Source: MFA Finland 2011.

Appendix 2: The Pskov EuroFaculty project

This project started in December 2007 on the decision of the Committee of Senior Officials of the CBSS. It is the third EuroFaculty project launched by the CBSS. It is also the only project of this organisation – which among the four regional organisations faces perhaps the biggest challenges in achieving coherent action as argued in this report – where all Member States are donors either financially or in kind. The project is further interesting from the point of view of coherence as the NCM and the city of Hamburg participate as co-funders. The project is led by Sweden and includes an international expert group of originally six and now five universities, with first the Turku School of Economics and then the University of Turku as the leading academic institution. According to the Terms of Reference, the aim of the project is to 'upgrade education in Business Economics/Business Administration in at two institutions of higher education: the Pskov State Polytechnic University and the Pskov Volny Institute'.

This project falls into the education and culture long-term priority area of the CBSS and also matches with the specific priority of the Lithuanian presidency of the CBSS (1.7.2009-30.6.2010) on working on the Pskov region. While educational projects of this type are not specifically implied in the NCM's Punkaharju Declaration, the Icelandic NCM presidency in 2009 (1.1.-31.12.2009) did mention education as a priority. It also has to be recalled how the NCM's geographical focus area has in recent years, to an extent, shifted towards the northwest Russia. As a rule, projects are implemented in close cooperation with local stakeholders. As a precondition for success an attempt is made for projects to conform to the federal priorities of Russia. This was also the case with the Pskov EuroFaculty project where one of the partners received a financial contribution of 130,000 Euros from the Russian Ministry of Education and Science in 2009 for developing a master's programme, to complement the EuroFaculty's focus on BA and vocational level education.

It is evident from the project's public documentation that it encountered several difficulties. These included serious delays owing to a change of the leading institution with the merger of the Turku School of Economics with the University of Turku, which led to the appointment of a new project leader. Another difficulty was the loss of the federal accreditation licence of the Pskov Volny Institute in April 2010 and consequent reduction in the number of students which questioned its contribution to the project.

These commonplace problems in project implementation show how coherent policies do not necessarily bring entirely successful results. In this case some of the main challenges the CBSS was found to be facing in producing more coherent action were fixed: all Member States contributed, the target country Russia supported the project on both federal and regional levels, a proper institutional set-up was arranged, and financing from another regional organisation, NCM, was also secured. Despite two organisations providing input and all these facts accounting for an important degree of coherence in regional cooperation, results are mixed. Although the project was set to finish by the end of 2011, Russia has pledged continued funding with 9 million Roubles (approximately 212,000 Euros) for 2011-2013. This means that some of the actions the project has generated are likely to continue.

Appendix 3: Sources for presidency/chairship programmes

CBSS

Riga Declaration on the Reform of the Council of the Baltic Sea States (2008) available at <http://www.cbss.org/Summits-and-Council-Ministerials> last accessed 29.09.2011.;
Lithuanian (2009-10), *Norwegian* (2010-11) and *German* (2011-12) presidency programmes all available at <http://www.cbss.org/CBSS-The-Council/council-presidency> last accessed 29.09.2011.

NCM

'Nordic premiers meet at Punkaharju to promote a more skilled, visible and thriving Nordic region' available at <http://norden2007.fi/Public/default.aspx?contentid=92863&nodeid=36238&culture=en-US>, last accessed 29.09.2011.;
Nordic Road Map - Icelandic Presidency Programme (2009) available at <http://norden2007.fi/Public/default.aspx?contentid=92863&nodeid=36238&culture=en-US> last accessed 29.09.2011.;
The Nordic Region pointing the way forward – Programme for the Danish presidency of the Nordic Council of Ministers 2010, available at <http://www.norden2010.dk/NR/rdonlyres/ABA94ACC-A3B9-4EFD-A370-3B2C6FF963C5/0/TheNordicRegionpointingthewayforward.pdf> last accessed 29.09.2011.;
The Nordic Region: A Green Climate Leader – Programme for the Finnish presidency of the Nordic Council of Ministers 2011, available at <http://www.norden.org/en/publications/publications/2010-766>, last accessed 29.09.2011.

BEAC

Program of the Russian Chairship in the Barents EuroArctic Council 2007-2009 available at http://www.barentsinfo.fi/beac/docs/BEAC_Russian_Program.pdf, last accessed 29.09.2011.;
Towards an Eco-efficient Economy in the Barents Region –combining economic growth with environmental responsibility, Swedish Chairmanship programme of the Barents-Euroarctic Council 2009-2011, available at http://www.barentsinfo.fi/beac/docs/BEAC_Swedish_Chairmanship_Programme_2009-11.pdf last accessed 29.09.2011.

AC

Norwegian, Danish, Swedish common objectives for their Arctic Council chairmanships 2006-2012, available at http://arctic-council.org/article/2007/11/common_priorities, last accessed 29.09.2011.

Appendix 4: List of abbreviations

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| AC | Arctic Council |
| AEPS | Arctic Environmental Protection Strategy |
| BSR | Baltic Sea region |
| BASREC | Baltic Sea Region Energy Cooperation |
| BEAC | Barents Euro-Arctic Council |
| CBSS | Council of Baltic Sea States |
| EEAS | External Action Service |
| IPY | International Polar Year |
| MFA | Ministry of foreign affairs |
| NCM | Nordic Council of Ministers |
| ND | Northern Dimension |
| NDEP | Northern Dimension Environmental Partnership |
| NDPHS | Northern Dimension Partnership on Health and Social Affairs |
| NDI | Northern Dimension Institute |
| NDPC | Northern Dimension Partnership on Culture |
| NDPTL | Northern Dimension Partnership on Transport and Logistics |