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Deepening of co-operation forms

If we talk about co-operation we can note, that already today there are many partners in the Baltic Sea Region which have created a complex network of cross-border, transnational and interregional co-operation converting Northern Europe into the most integrated region in Europe, going even beyond the boundaries of EU and NATO. A great variety of bi- and multilateral cooperation agreements as well as efforts of numerous bodies on various levels are stabilizing these structures.

To list just some of these bodies we could name the BEAC, the BSSC, and the UBC, the BCCA and last but not least the CBSS. As the chairman of the CBSS, Norwegian Foreign minister Knut Vollebaek stated at the Ministerial conference in Helsinki November 12, "the focus of the Northern Dimension is the focus of the CBSS".

In this context the Helsinki final communique comes up with something new. The communique emphasizing the role of existent regional bodies such as the Council of Baltic Sea States and the Barents Euro-Arctic Council, stated that regional bodies have a specific role as instruments identifying and implementing joint Northern Dimension priorities. Further, closer contacts on the sub-national level is one of the most promising features of the entire Northern Dimension.

What is new here? First the term “identifying joint priorities”. However, this task of “identifying” is in contradiction to what is said earlier in the communique, where it states that “priorities are developed and identified by the EU Council of Ministers Conclusion from May 31, 1999”, which obviously means that the priorities were already identified by the EU Council in May. Therefore, of more interest is the mentioning of the sub-national level which might in fact add a new actor to the list of possible bodies implementing the Northern Dimension.

Assuming that the Northern Dimension does materialize however, (I have my doubts and will come back to them later), I will elaborate on the possible role the CBSS could take in a future co-operation network in the Baltic Sea Region.

The Role for the CBSS

The Communique of the CBSS Eighth Ministerial Session in Palanga, Lithuania on June 14-15, 1999 stated: “The Council stressed the high political relevance for the Baltic Sea Region of three interrelated political processes of the European Union — EU enlargement, the Common Strategy towards Russia, and the Northern Dimension. The similarity of aims and close links between EU and CBSS countries offer a unique opportunity for the Council to bring added value in key sectors of economic and social life of the Region.”

Even though this emphasizes a stronger involvement of the CBSS, it does so far not assign any specific tasks to the CBSS. As stated in the

Cologne European Council – Presidency conclusion, possible tasks will rather be within the implementation of the “Northern Dimension”, obviously not within the development of the concept. But due to its geographical scope and the fact that the CBSS links EU with non-EU partners and tries to integrate Russia into European structures through increased co-operation, there seems to be obvious ground for a stronger involvement of the CBSS at least after the “Action Plan” is drawn up by the EU Commission. This raises however questions of what the CBSS and other cooperation bodies can offer in implementing an EU formulated policy.

Obviously, complementing the EU’s “Common strategy on Russia”, the “Northern Dimension” could become an important means for the development of co-operation between Russia and the EU. The CBSS would be a natural partner for such co-operation: Russia is an equal partner in the CBSS; the concept concerns the northwestern regions of Russia adjacent to the Baltic Sea. Therefore, the two EU concepts should be treated as two complementary fields for possible activity.

Important to mention in this context is the US Northern European Initiative which also states: “We value our many chances to share information and implement ideas in cooperation with regional organizations, including the BEAC, and the CBSS”.

Already today, the CBSS formulates and co-ordinates as an intergovernmental organization efforts in enhancing economic co-operation as well as nuclear safety, human rights and democratic institutions

and civil security. To a large extent also the Northern Dimension deals with these issues. Therefore, the CBSS could assist and give support in defined subjects of co-operation, i.e. promoting, coordinating and structuring the political and economic developments which are under way.

As the Northern Dimension will not create new structures, the CBSS can offer its developed organizational structure to avoid inefficient and costly competition and duplication. The CBSS could support the concept with its organizational framework, its general experience and contacts on various levels, i.e. BSSSC and UBC to mention just some. This would certainly strengthen the intergovernmental and sub-regional co-operation.

A Critical Summing-Up

In practically all areas of relevance to the Northern Dimension, the CBSS has established structures for such co-operation.. But as the Northern Dimension is being developed in a rather lengthy time perspective, probably no concrete results should be expected in the short term. Additionally, the CBSS and other actors in the region should not underestimate a kind of “Catch 22”: To define their position on a concept that so far has a rather unspecific content and that does not assign the organizations a specific role – besides mentioning their importance.

A final remark on the overall “political landscape”: To my understanding, the political developments in Europe create further chal-

lenges that have to be taken into account: Among others, the EU will particularly have to focus within the next years on two challenges: First, the accession process, second, the recovery of the Balkan region after the Kosovo crisis. These two fields of EU activity will certainly also determine the pace and future substance of the Northern Dimension.

The Northern Dimension will have to compete for political awareness between the above two challenges and additionally with the two other concepts, the EU's Common Strategy on Russia and the American Northern European Initiative.

Therefore the present regional organizations are placed within the triangle of the three concepts: Northern Dimension, the EU's Common Strategy on Russia, and the US Northern Europe Initiative. Considering the major tasks of accession and reconstruction of the Balkans, it might not be an easy to receive strong political recognition on the part of the EU. Obviously it is a complex setting, which has to be considered when defining possible "fields of action".

Additionally, it seems rather obvious that the European Commission so far did not want the CBSS or others to play a specific role in the development of the concept, for example, the outlining of an Action Plan. Our role seems to lay in the implementation after the Action Plan as formulated by the Commission. One could also state that so far the process has been rather slow, as the Commission was obviously reluctant to give major impulses. Some of the EU member countries probably had reservations, as they feared that the

Northern Dimension might drain money away from the Mediterranean region. It has been stated that no new financial funds will be made available for the region with respect to the Northern Dimension. It might even be difficult to maintain the present level of financial resources.

Still, the opportunities for co-operation are flourishing in the region. In order to support further integration and positive interdependence, we must continue to work together and improve our communication with each other.

As said before, the guidelines for the implementation of the Northern Dimension aim so far at strengthening the profile of the EU in the region and the relevant organizations without, however, assigning a specific role to these bodies and without supporting new structures, assigns new mandates, and giving new resources. As the regional actors in the Baltic Sea region are already today actively co-operating with each other, I would like to close with the provocative question: As we get what we already have, where is the added value of the Northern Dimension?

Mr. Conrad Tribble,
NEI Coordinator,
U. S. Department of State

NEI and the Northern Dimension

Thank you ladies and gentlemen – I am delighted to be here and to participate in this important conference.

There are three main themes I want to discuss this morning. First, I want to outline the thinking behind our Northern Europe Initiative, the “Why NEI?” question. Second, I want to describe what NEI is and highlight some of the key projects we have established under the initiative. And finally, I will look at how NEI relates to the EU’s Northern Dimension strategy that we have been discussing here.

It’s interesting that I am often asked why the United States has a Northern Europe Initiative and why the United States is so interested in this region. The answer goes back to the fall of the Berlin Wall and the ensuing debate this event launched in the United States about the future of Europe and especially of our relationship to Europe. As you know, this is a debate that continues to run its course, but a number of points of clear consensus have emerged in the last several years:

First, the U.S. must remain in Europe and must continue to contribute to stability and security here – this is still a fundamental interest.

Second, we have to be more than just “present.” We need a broad partnership with the new Europe, one that does not concern itself only with traditional security questions but enables us all to address the new global challenges we face.

Third, it remains in our fundamental strategic interest to ensure that the peace, security, and prosperity we have enjoyed in western Europe is expanded to include all of Europe, including particularly Russia.

Fourth, we can’t achieve these goals alone; we need committed and capable partners in Europe.

Finally, meeting those new challenges requires a high degree of cooperation and integration in Europe. This will only be possible if the old zero-sum mentality is replaced with a new “win-win” approach.

All of these considerations underlie NEI. In northern Europe we see one of the best opportunities to work toward this vision of Europe and of a new U.S.-European partnership, for a number of reasons:

- The region boasts a longstanding tradition of local and regional cooperation upon which we can build. The Nordic countries and Germany, prosperous and outward-looking, share our commitment to cooperation and are excellent partners for us. The Baltic states are equally committed to integration into regional structures and key

western institutions, and they understand that that is only possible in cooperation with each other and with their neighbors. And Russia, too, increasingly sees the value of regional cooperation, despite or perhaps especially because of the social and economic problems it faces.

- Indeed, Northern Europe offers an excellent opportunity to integrate Russia into a cooperative and positive network with its western neighbors. Our Nordic and Scandinavian partners maintain good relations with Russia and play key roles in this effort. At a time when Russia's policies in other areas of Europe raise concerns, cooperation here can have even greater significance, and not just for this region.
- In general, we see here a chance to demonstrate the benefits of a "win-win" cooperative approach over the old way of thinking. As my boss, Madeleine Albright, often says: no other part of Europe has suffered from the old zero-sum thinking as much as this one, but no other region stands to win as much by implementing a new approach. And if it works here, that can only help in other parts of Europe.

So what is NEI concretely? In a sentence, NEI is our strategy in the Baltic Sea region, providing the conceptual framework for our policy and programs in this region. Under NEI, we pursue three broad objectives:

- integrate the Baltic states into a regional network of cooperation that addresses key areas and supports their preparations for mem-

bership in the EU, NATO, WTO, and other western institutions;

- integrate northwest Russia into the same network, both as a means of promoting stability and prosperity in Russia and as a means of enhancing Russia's relations with its western neighbors, particularly the Baltic states;
- strengthen our relations with the Nordic states, Poland, Germany, and the EU and promote regional cooperation among them.

When we launched NEI in 1997, we identified six priority areas in which regional and cross-border cooperation seemed particularly useful and necessary. In each of these areas we have established a number of concrete projects and activities, all of which fulfill two basic criteria:

- They address concrete needs in the region;
- They do so in a way that promotes cross-border linkages and connections.

Let me go through the six priority areas and note some of the projects underway in each:

Business Promotion: Increasing trade and investment in the region is a key part of promoting prosperity here. Of course our focus is on American business, which sees many opportunities here. We have developed a regional economic-commercial program to support

American companies interested in investing in and trading with the Baltic and Nordic states and northwest Russia. We've organized, for example, a number of sector-specific trade fairs to bring together potential U.S., Baltic, and Nordic business partners, including one here recently focusing on environmental technology. The U.S.-Baltic Partnership Commission includes a private sector component that enables the business community to discuss its needs directly with U.S. and Baltic economic decision-makers. The Baltic-American Enterprise Fund (BAEF), established in 1994 with \$50 million in U.S. funds, provides capital in all three Baltic states for small- and medium-sized companies and for residential mortgages.

Law Enforcement: One of the themes we've emphasized is the importance to political stability and economic prosperity of establishing the rule of law in all aspects of public and private life. Under NEI, the U.S. has developed a number of programs to help complete the development of efficient legal systems in the Baltic states, combat corruption and money-laundering here and in northwest Russia, and establish the legal framework to encourage trade and investment. We provide direct legal assistance and training to all three Baltic states and Russia, including through legal advisors from the Department of Justice, and we have supported the Graduate School of Law here in Riga, which provides a modern legal education to students from all three Baltic republics. Finally, we cooperate very actively with the Council of Baltic Sea States (CBSS) Task Force on Organized Crime.

Civil Society: We strongly believe that throughout the NEI region,

increased public participation in the political system will contribute significantly to internal stability and economic prosperity. Our goal is to help develop an active and healthy political culture. Estonia and Latvia in particular face the challenge of integrating their Russian-speaking minorities in a way that strengthens social cohesion. Together with our Nordic partners, the U.S. has undertaken a number of activities to promote social integration in Estonia and Latvia, including native language training programs. The U.S. cofinances (with the Soros Foundation) the Baltic American Partnership Fund (BAPF), established in 1998 to develop a dynamic NGO community in the three Baltic states. On another front, we co-sponsored the Reykjavik Conference on Women and Democracy, held last October 8-10. A number of projects – some \$5 million worth – are now being developed in Russia and the Baltic states as a result of that conference, designed to promote the full participation of women in political and economic life and to build people-to-people contacts throughout the region.

Energy: Promoting the region's economic transformation and growth will require major reform in the energy sector, which will in turn produce some not insignificant short-term economic and social challenges. Under NEI, the U.S. Government has been supporting the development and implementation of a Baltic regional energy investment strategy and a common regional electricity market. Our efforts are directed at helping to restructure the power sector, develop an effective price and regulatory framework, and encourage the privatization of the energy sector in order to attract strategic investment, especially U.S. investment. We have also focused on nuclear

power plant safety and strongly support the Lithuanian government's decision to close down for safety reasons Unit #1 of the Ignalina Nuclear Power Plant prior to 2005.

Environment: Dealing with the many environmental challenges in the NEI region — both nuclear and non-nuclear — requires a regional approach. An NEI Task Force oversees a number of nuclear waste management projects in the Russian northwest and far east, projects that bring together funds and technical expertise from the U.S., the Nordic states, and the EU. Examples include the Murmansk 80-tonne Cask, which will provide transportation and temporary storage for special nuclear fuel from Russian nuclear submarines and icebreakers, and a low-level radioactive waste treatment facility in Murmansk. Other regional projects include the Great Lakes/Baltic Sea Partnership run by the U.S. Environmental Protection Agency and a U.S.-Swedish program to improve environmental management at military bases in Lithuania and at Adazi here in Latvia.

Public Health: Tuberculosis and HIV infection rates are exceptionally high in parts of northwest Russia and the Baltic states. Under NEI, disease experts from the U.S., international health organizations such as the World Health Organization (WHO), and the Nordic countries are engaged in numerous activities to combat these diseases. Together with Finland, UNAIDS, and the health experts in the region, the U.S. is developing an HIV/AIDS treatment strategy for the region. With Swedish, Latvian, and EU co-funding, the U.S. Centers for Disease Control and Prevention (CDC) are establishing a Center of Excellence for Multidrug-Resistant TB in Latvia, which

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will serve as a magnet research, treatment, and training center for the entire region. I had the opportunity two days ago to visit the State Center for Tuberculosis and Lung Disease outside Riga, where the MDR-TB Center will be housed; we expect the Center to be up and running within a few months.

Those are our priority areas. I've noted a few projects by way of example, but naturally there are a number of other projects and activities that serve our NEI goals – technical assistance programs, training seminars, conferences, and so forth. This is the visible aspect of NEI, and each of these has a concrete practical value in and of itself. But the real gain here, the real purpose of all of this, comes from the culture of cooperation that develops out of these projects and activities. Cross-border contacts, the experience of working together, etc. – in the final analysis these are the elements that create positive changes in the Baltic Sea region.

This spirit of cooperation is also evident in the way we work closely with the existing institutions in the Baltic Sea region, particularly with the CBSS, the Barents Euro-Arctic Council, the Arctic Council, and the Nordic Council of Ministers. As I'll discuss in a minute, we have worked hard to coordinate our activities with those of the European Union's Northern Dimension strategy. This kind of cooperation multiplies the effectiveness of our efforts and avoids duplication. In a time of tight financial resources everywhere, this is absolutely essential.

Let me stress one thing here. In the grand project underway here to

create a new Baltic Sea region, we do not see ourselves as the main actor. We have neither the money nor the capacity to be this. Rather, we see our role as that of an actor whose activities can bring added political, symbolic, and financial value to the efforts of the countries in the region.

Now let me turn to the relationship between our Northern Europe Initiative and the EU's Northern Dimension. It's clear that there are a number of similarities between the two efforts and many possibilities for cooperation. Let me tick these off:

- NEI and the Northern Dimension share the same broad objective – promoting stability and prosperity in northern Europe through increased regional cooperation – and they share a similar assessment of the crucial importance of this region to Europe's future.
- They both place a premium on transatlantic cooperation in this endeavor. We have had an active dialogue with the EU over the past year as the Northern Dimension developed, including two days of very detailed experts' consultations in Washington last October. We intend to continue this U.S.-EU coordination as the Northern Dimension Action Plan is developed next year, with the aim of working together with the EU where feasible and ensuring that our separate programs are complementary.
- That coordination on the ground is important, because both NEI and the Northern Dimension are in the final analysis guiding principles for concrete actions.

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- It should be clear, but let me stress this if it is not, that both initiatives start from the premise that EU enlargement to include the Baltic states is a positive and welcome development.
- But both NEI and the Northern Dimension equally emphasize the importance and opportunity of integrating Russia into the regional network of cooperation we are creating.
- Finally, both we and the EU must operate with limited resources and therefore realistic expectations about what we can attempt in the region.

All in all, the U.S. takes a very positive view of the Northern Dimension initiative, and we will continue to work closely with the EU as it is refined into a concrete Action Plan. The role of the Commission in this process will be key.

Ladies and Gentlemen, thank you very much for giving me this opportunity to discuss our Northern Europe Initiative, and I look forward very much to the ensuing discussion.

Mr. Indulis Bērziņš,
Foreign Minister of Latvia

Latvian Foreign Policy and the Development of Northern Europe

Introduction

Since taking on the job of Foreign Minister last July, I have had the chance to express my views on foreign policy in Berlin, Stockholm, and other places. But this is the first conference in Riga. This is quite natural given the high regard we have for Mr. Lejiņš and the Institute as well as the Konrad Adenauer Foundation for its contributions in Latvia. Thanks to all who have put this event together !

Today, I will give some general outlines of Latvia's foreign policy and talk about my perspective of the current situation before the Helsinki Summit and the turn of the year.

Development of the North of Europe

Let me start with the Northern Dimension.

We realised that – in their heart of hearts – the Finns had come up with an idea that would contribute to the strength of Europe as a whole. And we do not want to be part of a weak Europe.

America's NEI, the Northern European Initiative, has a similar intent; to promote cooperation and stability in the region, to reinforce the U.S.-Baltic Charter, and to encourage Russia toward engagement.

It is now left for us all to try to correlate these two initiatives and make them work together.

The trans-Atlantic link, we believe, highlights the economic potential of the Baltic Sea area. Furthermore, it projects a vision of all three Baltic States in NATO thereby helping to convey a clear picture of our future for everyone to see.

When thinking of the Northern Dimension, Latvia has stuck to two principles - one, "the equal participation principle"; two, the principle of "mutually-reinforcing cooperation."

So far, Latvia has been pleased by the course of the dialogue in the Northern Dimension. It was our idea to use "common" criteria for project evaluation; this idea gained steam and is now widely supported. Now we are pushing to see that common criteria will be included in an Action Plan for the Northern Dimension.

Infrastructure is the big issue. Also energy supply. Solutions in this field will ensure long-term regional development and growth.

And when talking energy, ecology naturally becomes a prime concern. Latvia has been asking that environmental impact be assessed when implementing any project of regional importance. We are ready to pay a high price for progress, but not at the expense of our environment.

Several projects have our full support. These include:

THE BALTIC RING - creation of a common electrical system in the Baltic Sea area.

THE NORDIC GAS GRID - a common network for natural gas in Northern Europe. Latvia has a huge underground storage capacity. Experts say storage could be expanded. Latvia has the potential to store gas for the whole of Europe, not just for our region.

A third project is the new oil pipeline from Russia to the port of Ventspils, called the "Western Pipeline System."

Fourth: there is the transport infrastructure meaning roads, railroads, ports and ferries, shipping facilities, and air transport. Latvia wants Via Baltica to be fully integrated in the Trans-European System.

Last but not least, I want to mention telecommunications and information technology; these are essential if we wish to keep our region modern and competitive.

What provides cohesion for all the ideas about the North of Europe? The idea of profiting from interdependence.

The EU

Now I would like to turn to the EU.

Launching of a single currency, creation of an area of security and

justice, the strengthening of the CFSP - these are all signs that political integration is closer than ever before.

And the most important single decision for Europe in the next millennium has already been made. It's the right decision – the decision to enlarge to the Baltic States. Yes, and to the rest of Central and Eastern Europe.

The decision is right, but it has created major challenges.

One, the EU is forced to reform its institutions; the euro must be kept strong; and the work on political integration has to proceed.

Deeper political integration as well as a wider Union are needed in order to confront globalisation and the advent of new global players.

As with Alice, from "Alice in Wonderland," not only Latvia but also Europe itself needs to be running faster just to stay in place.

But running faster, completing the process of institutional reforms and taking in new members, should not mean "rushing."

Quality and speed; both are very important.

Enlargement

Enlargement will certainly pour a new flash of energy into the project of building a new Europe.

Latvia is welcoming the Commission's efforts to strike the right balance between the speed and the quality of the enlargement process.

Compliance with the Copenhagen criteria is the smartest way to guarantee political stability, economic growth and social cohesion in applicant states. It's what we in the candidate countries really need!

New members, well-prepared to join the EU, are the best guarantee of a viable and strong European Union. And that's what the Member States want.

It was our attention to quality as well as speed that helped ensure success in Latvia's internal reforms.

This year's Progress Report of the European Commission is the most objective catalogue of our achievements. There, it is said that we can meet competitive pressures within the European Union in the medium term and that we can be designated as a fully functional market economy.

Flying home from the presentation of that Progress Report in Brussels, I picked up the Financial Times. On the front page of the paper - that was October 14th - it said the Commission had singled Latvia out as an economic success story among EU candidates.

This was no accident.

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Latvia was the first Baltic State to join the World Trade Organisation;

this year, exports from Latvia to the EU are over 63% of our total exports; that figure was 54% in 1998; also, trade dependence on Russia is down; total trade with Russia is now under 8%.

The remarkable diversification of our export markets came about because of our links with Europe, and also, due to the crisis in Russia and artificial barriers to trade.

Extension of accession negotiations should still ensure the quality of new members and the quality of an enlarged EU.

In this way, Latvia fully shares Mr. Verheugen's opinion that "opening negotiations with six candidate countries that still differ in their state of preparations demands that the negotiation process be clearly differentiated from the very outset."(1)

A country's individual achievements should define the date of EU accession. Application of the merit system is a good way to enable all three Baltic States to join the EU in the first wave of enlargement.

Common Security for Europe

Latvia sees the Baltic Sea area as inseparable from European and trans-Atlantic security, and we will continue to do so.

We will be enhancing the trans-Atlantic dimension and strengthening the link to the United States. Whichever way discussions go, Latvia maintains that an indivisible security in Europe can only be actualised with the membership of the Baltic States in NATO.

The hardened security of NATO combined with the EU's economic strength and the EU's strength in home and justice affairs is the right combination for Latvia.

The Washington Summit was a stimulus for further work, not a signal to relax till the year 2002. Latvia supports the individuality of the MAP process and, at the same time, we do not believe in a membership invitation to just one Baltic State alone.

The situation is changing and decisions on invitations should be up-to-date. Pre-judgements should be avoided. To be at our best, we will stick to our determination to spend at least 2% of our GDP on defense by 2003.

Even without being in the Alliance, we are participating in NATO's peace support operations. All three Baltic States provided humanitarian aid, medical teams. BALTBAT is ongoing in Bosnia. And Latvia will now be joining KFOR.

Events in Kosovo have shown that:

one, atrocities comparable to those committed by the Hitler and

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Stalin regimes can still occur today;

two, NATO and the EU are able to ensure such atrocities do not take place within their member states, and to deal with them when they occur elsewhere in our continent; NATO acts as a moral force;

and three, the Baltic States acted in harmony with the Alliance during the Kosovo crisis.

A simple conclusion to be drawn from the crisis and from the new situation after Kosovo is that NATO and EU enlargement need to be accelerated.

Russia

Security in the Baltic Sea region can hardly be discussed without mentioning Russia. We all want to prevent Russia from isolating itself.

Unfortunately, indiscriminate killing of civilians in the North Caucasus have put European and Russian value systems on collision course.

With its economy in the shape it is today, even with oil up at \$25 a barrel, it is hard to believe it could be in Russia's interest to act in a manner that disturbs foreign partners and investors.

How Russia acts with Latvia and Estonia and Lithuania is a measure of how well Russia is prepared to cooperate with Europe itself.

There are many ways to cooperate. The inter-Governmental Commission. The signing of the border agreement ready exactly two years ago; unfortunately, Russia is not ready to sign it. The Council of the Baltic Sea States. So many chances to cooperate, so many mechanisms. It is up to Russia itself to make the use of them.

But Russia can be engaged constructively only if its engagement is not compromising common European values.

We in Latvia remain optimists because our record of relations with Russia has some brighter points. Skrunda and its dismantling in accordance with the treaty showed Russia can honour its word.

One thing would be a great help in the relationship with Russia, i.e., a clear message.

The states of NATO and the EU must send a clear message on the full integration of the Baltic States once and for all. A clear message would help Russians themselves to understand what the future is bringing, and allow Russia to prepare for the next challenges.

Conclusion

Latvia's foreign policy demonstrates the will to cooperate. By cooperating with all our partners, Latvia intends to make the Northern Dimension initiative a success.

Cooperation and integration are words which can be applied equally well to our internal development.

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With NATO and the EU, we can meet the challenges ahead, working together with our partners and allies.

Notes:

1. Speech by G. Verheugen, Member of the European Commission, at the conference "The Second Decade Towards a New and Integrated Europe", Den Haag, 4 Nov. 1999.

1999 Workshops

January 25

Dr. Hanna Ojanen from the Finnish Institute of International Affairs, delivered a paper on the Finnish perspective of the Northern Dimension, which was commented by Dr. Z. Ozolina of the Latvian Institute of International Affairs.

Dr. Ojanen described the history, contents, and present status of the ND. According to her, the Finnish motive for initiating the ND in the EU was to further develop EU policies in the North with the view to enhancing stability in the Baltic sea region. As the initiative matured, Russia increasingly began to play a prominent role in the ND concept leading to the question of how Russia could be integrated in the region so that no new lines are drawn and economic disparities narrowed.

There are now three interpretations of the ND: 1, A scheme to attract investments and develop energy and transport resources in the region; 2. to bolster Finland's profile in the region and bring the EU and the Finnish people closer together: 3. to increase security in the region by engaging Russia, by, among other things, addressing the issue of nuclear waste.

The ND was well received by the EU, but each member state had its own national interests for doing so. Its virtues are that it is cost-effective, does not create new institutions, and relies on existing resources. On the other hand, the Vienna summit listed the issues and problems, but did not offer how and by whom they should be addressed.

Feasibility studies on energy, transportation, and investments now must be undertake and an action plan presented at the EU summit in Helsinki in December 1999.

Summary

April 12

The Northern Dimension

Many questions were raised about the definition and geographical limits of the ND. Is the key word in the ND Russia? Russia already has PAC, TACIS. Will the ND duplicate the EU's Russian strategy? Will the ND stretch across North Russia as far as the gas and oil resources reach? Does Russia see herself as a European state or a Euroasian state?

If the ND will involve all three regional organisations - CBSS, Barents Euro-Arctic Council, and Arctic Council - where will its center of gravity be? The ND appears to have no focus, and there is an overlap of strategies. Several sub-regions are involved, and the participating countries vary enormously in size, demography, exposure, strengths and weaknesses, military capabilities and interests. In Europe itself, will there be a conflict of interest between the North and South over the ND?

What will the administrative framework look like? At present cooperation in the EU on the ND is to take place within the framework of existing arrangements: the Partnership and Cooperation Agreement with Russia; the Association Agreements with Poland, Lithuania, Latvia and Estonia; and the European Economic Area Agreement with Norway. The question therefore is - which institution will be the overall coordinator? Does not the EU Commission need a special unit in Brussels for the ND? Who decides if one ND project is better than another? Will pre-accession funds be reduced to advance ND projects? If the ND will only be an umbrella concept, and money for projects only available from existing programmes, what is the utility of the concept? Where is the added value?

The Northern European Initiative

The NEI arose after the finishing touches were being put to the USA-Baltic Charter (signed Jan.16. 98). It is a USA and Canadian initiative to bring together private, government and non-governmental institutions for strengthening common interests of countries bordering the Baltic sea.

Presently the NEI appears to be more focused than the ND. The stated aim of the NEI is to help the three Baltic states to join European and Atlantic institutions, integrate NW Russia with her Baltic neighbours in areas like energy, trade, transportation and investment and is centered on the Baltic sea region. The Barents and Arctic sea Councils are involved mostly in dealing with global issues such as nuclear waste and information exchange. It boosts the trans-Atlantic link as does the Baltic Charter. The USA clearly plays a role in regional cooperation in Northern Europe, it has observer status, for example, in the CBSS.

Both the ND and NEI concepts, however, are still in their development stages and many programmes and projects that would fall into both concepts are already in place, especially in sectoral industrial projects (BAL-TRING), law enforcement and crime prevention, environmental protection, and civil society development.

Conclusions

An open approach to the ND should be adopted where the advantages for all the participating states are evident and their existing and economic resources are used rationally. Duplication of projects must be avoided. At issue is not the concept, but rather the projects! Effective networking within a common regional framework is essential to link the numerous organizations in Northern Europe and existing and planned projects together. The experience of the CBSS in bringing the Baltic sea states together must be utilized.

Summary

Next Agenda

The NEI will be further presented by the USA in a coming meeting of the CBSS. The Vienna European Council requested that the next Council (unclear whether the Cologne or Helsinki councils) must identify the main ND guidelines that will lay the basis for an action plan. At the EU Cologne summit on June 3-5 an EU Russian strategy will be adopted where aspects of the ND may be incooperated. The final draft of ND guidelines is expected to be adopted at the Helsinki EU summit in December.

June 11

This workshop tried to answer the questions raised at the previous workshop in April and accordingly grouped the discussion around three main issues;

1. The ND guidelines adopted at the Cologne summit;
2. The role of regional organizations;
3. The role of non-EU member participating states.

The EU Cologne summit on June 3-4 agreed on three main principles with regard to the ND, mainly, that the ND guidelines adopted at the summit form a "suitable basis for raising the EU's profile in the region;" that the ND is "conceived as a way of working with the countries of the region to increase prosperity, strengthen security and resolutely combat dangers such as environmental pollution, nuclear risks and cross-border organised crime;" and that "it is time to bring about closer involvement of the acceding countries concerned, the Russian Federation, Norway and Iceland in the process as it unfolds."

The workshop agreed that special attention should be attached to the status of EU Associated countries (Latvia, Lithuania, Estonia, Poland) providing opportunities for their equal participation in the ND. They are not con-

sumers but contributors to regional cooperation and regional EU interests. These states will become EU members and hence will participate in the shaping of future EU policy.

The Cologne summit also stated, that the “possibility of drawing up an action plan should be considered” for the ND and a decision was taken that a special inventory of existing regional projects should be established.

A clearer idea of the ND will materialise when Finland, holding the EU presidency, will convene a Ministerial Conference on the ND on 11-12 November. The workshop felt that this conference must determine the new added value of the ND initiative, otherwise otherwise it will be difficult to arrive at commonly acceptable decisions at the EU Helsinki summit in December.

The ND region has now been defined as limited to an area stretching from Iceland to Northwest Russia, including the Arctic region. However, two major regional bodies - the Council of Baltic Sea States and the Barents-Euro Council will form the two main “centers of gravity” in the ND. An inter-DG unit located in the Commission’s DG1A secretariat provides the technical machinery necessary for handling matters pertaining to the ND and the EU’s Russia strategy.

The concern voiced in the previous workshop that the ND would merely become an instrument for implementing the EU’s Russia strategy has been allayed; the ND is briefly referred to in the strategy as one possible field of activity.

It also appears that no new institutions will be created and no new funds allocated. Existing arrangements between the EU and participating countries - the EU Associated countries, Norway, Iceland and Russia - will serve as the basis for any ND Action Plan.

Summary

Yet the question of managing the ND remains because no answer has been given as to who exactly will determine the eligibility of projects put forth under the ND label, which, as seen from the guidelines, can cover a very wide variety of activities. Should there not be a "super structure," perhaps a rotating secretariat, or an outstanding personality as secretary general, a Mr. or Mrs. ND? Will the Commission be responsible for the ND under newly established arrangements for evaluating Phare, Tacis and Interreg applications? Can the two Baltic Sea and Barents Councils be responsible for judging ND projects and disbursing funds as proposed by some countries?

Perhaps it would be worthwhile in making an inventory of not just projects but also the very many organizations, institutions and activities occurring in the Baltic and Barents regions.

A particular challenge is Russia's approach to regional cooperation. Russia prefers bilateral relations with third states which can be detrimental to the Baltic states and hence inhibits regional cooperation. The other challenge is Russia's internal situation; Russia now has a virtual economy but the potential for growth is great if Russia is able to carry out the necessary reforms. The prospects for the Baltic Sea Region to compete on the global market depends to a large degree on stability in Russia and on her integration into regional cooperation. On-going regional development projects can be threatened by instability in Russia as the Nikitin affair and the decommissioning of nuclear submarines in Murmansk shows. Russian Federal Customs Service can arbitrarily halt any local cross border initiative compounding the fragility of trying to integrate Russia into regional cooperation. The rise of a civil society in Russia is a prerequisite for successful cooperation.

The ND overlaps with the North European Initiative (NEI) initiated by the USA: The latter has three main goals: Help the Baltic states become the best

candidates for participation in European and Atlantic institutions; promote cooperation and integration between Northwest Russia and its Baltic Sea neighbors; and work with the Nordic states, Russia, Poland, Germany, and the EU to achieve these goals. Moreover, the added value of the U.S. involvement in the ND could be twofold, i.e. the effective management of global issues and encouraging participation of international private and financial institutions. The question remains: How can the ND and NEI be conceptually and practically linked to achieve added value? Shouldn't the ND become a part of the Transatlantic dialogue?

The workshop decided that the "Southern Dimension" of the EU (the Barcelona process, launched in 1994) must also be examined at the next workshop especially because an EU Mediterranean strategy will be discussed during the Portuguese presidency next spring where the role of the USA, which has already a Southern European Initiative, will be defined in the strategy.

October 15

This workshop summarized the development of the ND before the convening of the international conference on the ND in Helsinki on November 11-12. For the first time ND partner countries of the region, Estonia, Latvia, Lithuanian, Iceland, Norway, Poland and the Russia will participate together with EU member states in determining the future of the ND.

The three main topics at the Helsinki conference are:
Promoting stability through economic integration;
Addressing trans-border challenges of European significance;
Outlining perspectives for regional co-operation.

Summary

However, the optimism of Finland that an Action Plan could be adopted already at the EU Helsinki summit on the December 10-11 was premature: EU policy making in major initiatives have a long maturing process of up to 7 to 8 years. It cannot be certain either that the Action Plan can be drawn up during the Portuguese presidency in the first half of 2000, or under France's presidency in the second half of next year. It can be fairly certain, however, that Sweden will reinvigorate the ND process when she assumes the EU presidency in the first half of 2001.

Much has been done since the EU Commission adopted an interim report on the ND in November 1998. What has not been done and needs to be addressed is the following:

1. Establishing an effective network between all institutions in the ND region;
2. Agreement on whether the existing regional framework is to be used for implementing the ND;
3. Designation of the Commission's role in exploring the potential of the ND;
4. Development of EU international policies to include the trans-Atlantic dialogue (NEI with regard to the ND);
5. Clarification whether the ND is a leading instrument for development or one of several possible instruments;
6. Resolution of issue of equal treatment and equal involvement of all partner states;
7. Understanding that the ND is an initiative that is important for many states, not just Finland.