



**MINUTES OF THE MEETING OF THE BEAC AD HOC WORKING GROUP ON FINANCIAL MECHANISM  
STUDY** **27.5.2015**

**DATE: 27.4.2015, 12.00–16.00**

**LOCATION: Ministry for Foreign Affairs of Finland, Helsinki**

**List of participants**

**Finland**

**Birgit Autere**, Ministry for Foreign Affairs  
**Marja-Leena Vuorenpää**, Ministry for Foreign Affairs  
**Tiina Kupiainen**, Ministry for Foreign Affairs  
**Timo Tolvanen**, Ministry for Foreign Affairs  
**Joska Nylander**, Ministry for Foreign Affairs  
**Harry Ekestam**, Ministry of Employment and the Economy

**Sweden**

**Sven Hegelund**, Ministry for Foreign Affairs

**Norway**

**Pål Erik Holte**, Ministry of Local Government and Modernisation

**Russia**

**Sergey Petrovich**, Ministry for Foreign Affairs

**International Barents Secretariat**

**Tomas Hallberg**

**1. Opening of the meeting, adoption of the agenda and timeline for the drafting process**

Chair Birgit Autere opened the meeting and presented the agenda. Autere stated that overall this is the 7th meeting of the BEAC ad hoc Working Group on Financial Mechanism (AHWG) and the 2nd meeting devoted to drafting the Final Report. The Agenda was approved without any changes.

The following timeline for the drafting process was presented:

- Next meeting will be held on 27 May in Helsinki at the Ministry for Foreign Affairs
- If needed, the Secretariat is prepared to organize an additional meeting in June

- The Final Report will be presented to the BEAC CSO in August 2015
- The BEAC Ministerial Meeting will take place on 14-15 October in Oulu, Finland. The outcomes of the AHWG's Final Report will be reflected in the final communiqué of the Ministerial Meeting.

## **2. Drafting of the Final Report**

Based on the comments received, the Secretariat has made a new draft of the Final Report, which has been distributed to the members of the AHWG prior to the meeting. Secretariat's intention has been to take into account comments from all members, yet bearing in mind that the outcome of the Final Report must be something that all members can commit to. Hence, some compromises have been made and all comments from the members have not been used as such.

The following general comments regarding the drafting process and the 2<sup>nd</sup> draft version of the Final Report were expressed:

- The Secretariat emphasized the fact that - according to AHWG's mandate – all the information presented in the Final Report is to be based on the hearing sessions and the answers derived from the questionnaires and the internet survey.
- Annexes, references, lists of speakers etc. will be added to the Final Report at a later stage.

The 2nd draft of the Final Report was discussed and addressed chapter by chapter. The following notes were presented:

### 1.1 Summary

- It was expressed that there should be a mutual understanding of the body text in its entirety before the summary can be fully compiled.
- Norway pointed out that the summary – as well as the whole Report in general - must be delicately formulated when it comes to voicing out different stakeholders' views and opinions. It must be precisely sorted out whether some specific view, opinion, recommendation etc. is presented by a stakeholder or the Ad Hoc Working Group.

### 1.2 Background and Mandate

- Sweden underlined that an essential part of the mandate was to assess the existing financial instruments, not just to investigate the possibility of launching a new financing mechanism. This should be distinctly expressed in the Report.

## 2. The Operating Environment of the Barents Euro-Arctic Region

- A map of the Barents region has been added under the title of chapter 2
- All figures presented in the tables and charts should be up-to-date when available. As a follow up, the Secretariat will, together with the working group member Harry Ekestam, verify the figures and add explanations when suitable. The Chair also stressed the use of footnotes and references.
- Norway suggested that the description of the operating environment could be expanded so that it would cover – or at least give a short portrayal of – business and trade, health issues (life expectancy etc.), transport as well as culture and people to people activities.
- Sweden reckoned that, in general, chapter 2, as it stands, might give a slightly too positive image of the Barents region.

- It was agreed that the description of the operating environment will remain as a region wide overview instead of a country-by-country analysis.

### 3. Existing Financing Sources

- Norway undertook the task of verifying the paragraph that deals with Norwegian funding on the Barents region. Possible amendments will be supplied to the Secretariat.
- A matrix combining different funding sources for Barents cooperation has been composed by the Secretariat. A draft version (skeleton) was passed out to the members of the AHWG. The following notes were given regarding the matrix:
  - some columns should be combined in order to make the matrix printable and easier to fit into the Final Report
  - The Secretariat was encouraged to consider whether some columns could be erased bearing in mind that the same information is available and being updated on the websites of the parties presented in the matrix
  - the matrix could be divided into two different tables – one to provide general information and the other to provide more detailed information to possible applicants
 As a follow up, the Secretariat will draw up a new version of the matrix and send it to the members of the AHWG for comments.
- Regarding the paragraph dealing with the Nordic Council of Ministers, Russia suggested that reference to human rights would be deleted and the educational aspect of cooperation between the NCM and Russia would be highlighted instead. The Secretariat promised to check the minutes of the meeting in September concerning this matter.

### 4. Financing needs and gaps

- It was agreed that all parties and stakeholders represented in chapter 4.2 should be allowed to verify the information on their own part.
- Norway suggested that some parts of chapter 4, for instance the last paragraph of chapter 4.3, could be moved to the analysis part of the Report (chapter 5).

The Chair stated that the whole structure of the Final Report will still be analyzed and some parts may be moved to more suitable sections.

### 5. Analysis

- The Chair estimated that approximately 2-3 pages would be devoted to the analysis and asked the members of the AHWG to bring up some key elements which the analysis part could be built upon. The Secretariat will draft the analysis chapter based on the following guidance by the members:
  - it should be distinctly indicated that there are already plenty of different kind of financing mechanisms in the Barents region.
  - the analysis part should be composed bearing in mind the strategies, objectives and goals of the BEAC
  - attention should be paid to possible overlapping mechanisms and instruments
  - are there so called thematic gaps in Barents cooperation funding (health, social, culture)
  - different forms of funding should be separated: grants, loans, technical support etc.

-why is there a lack of good projects? Is money "too expensive"? Are the prerequisites too difficult? Are there funds for the preliminary work? Is it too complicated to apply for funding? Is there a lack of information?

-analysis part should also reflect the current political situation

### **3. Next steps**

The Secretariat will compose a new draft version of the Final Report and submit it to the members of the AHWG by 20 May.