KOLARCTIC ENPI CBC Programme Document
2007-2013
TABLE OF CONTENTS

1. INTRODUCTION TO THE PROGRAMME

2. DESCRIPTION AND ANALYSIS OF THE GEOGRAPHICAL AREAS CONCERNED BY THE PROGRAMME
   2.1. Statistics on the programme area
   2.2. Economic structure
   2.3. Infrastructure
   2.4. Education, research and culture
   2.5. Environment and nature

3. PREVIOUS EXPERIENCES, EXISTING STRATEGIES AND POLICIES
   3.1. Experiences from previous CBC programmes
   3.2. Coherence with existing strategies and policies

4. SWOT ANALYSIS

5. VISION, AIM AND JOINT CROSS BORDER DEVELOPMENT STRATEGY

6. OBJECTIVES OF THE PROGRAMME
   6.1. Objective 1 Economic and social development
       6.1.1. Orientation and aims
       6.1.2. Directions of support
   6.2. Objective 2 Common challenges
       6.2.1. Orientation and aims
       6.2.2. Directions of support
   6.3. Objective 3 People to people co-operation and identity building
       6.3.1. Orientation and aims
       6.3.2. Directions of support
   6.4. Technical assistance
   6.5. Coherence with other programmes and policies

7. ENVIRONMENTAL ASSESSMENT

8. INDICATORS

9. INDICATIVE FINANCING PLAN

10. JOINT STRUCTURES AND DESIGNATION OF COMPETENT AUTHORITIES

11. PROGRAMME IMPLEMENTATION
1. INTRODUCTION TO THE PROGRAMME

The Kolarctic ENPI CBC Programme 2007 – 2013 will complement national cross-border activities, focusing on the co-operation between European Union Member states and Partner Countries. In Kolarctic ENPI context Norway as an EEA and Schengen country has equal status as EU member states Finland and Sweden. Russia is the strategic partner of the EU and its largest neighbour. As agreed at the EU/Russia summit May 2003, the EU-Russia partnership will be further developed through the creation of four common spaces: A common economic space (including and with specific reference to environment and energy); a common space of freedom, security and justice; a space of co-operation in the field of external security and a space of research and education, including cultural aspects.

The new procedures introduced in this Programme are based on the ENPI Regulation (Regulation EC 1638/2006 of the European Parliament and of the council laying down general provision establishing an European Neighbourhood and Partnership Instrument). This is a new step in improving the opportunities for real cross-border co-operation across the external border.

Being co-financed by the European Commission from ERDF (European Regional Development Fund) and ENPI (European Neighbourhood and Partnership Instrument), the approach to be followed for cross-border co-operation is oriented on principles such as multi-annual programming, partnership and co-financing. Furthermore, the Programme is based on the experiences and best practices gained during the implementation of the Kolarctic Neighbourhood Programme during the transitional period 2004-2006.

When establishing the present cross-border co-operation programme partners from all participating countries have reached common agreement on joint management structures, on the objectives to be pursued and on the activities to be financed. The preparation of the programme is perceived as a mutual undertaking, i.e. that the participating countries jointly submit the proposal for a common programme to the Commission adoption.

During the preparation of the Programme document the Joint Task Force (JTF) and the Content Drafting team (CDT) with representatives from all participating countries have had several joint meetings in order to find a common view about the content of the Programme and of the Management issues. JTF have had 4 meetings of which 3 in Helsinki and 1 in Rovaniemi. CDT has gathered 4 times; in Saariselkä (Lapland), Luleå (Norrbotten) and in Murmansk. In addition to joint meetings CDT has also had vital discussion via e-mail.

In order to strengthen the visibility of the regional view in the Programme, four Public Meetings were arranged. In Tornio there were 50 participants, in Murmansk 96 participants, in Luleå … participants and in Kirkenes … participants. In the point of view of the Joint Managing authority the public meetings gave good possibilities to spread information about the Kolarctic ENPI CBC Programme and at the same time gave valuable information about regional point of views for the preparation.

The Kolarctic ENPI CBC Programme 2007 – 2013 has been drawn up in accordance with the ENPI Regulation, the EC Strategy Paper on the ENPI/CBC 2007 -2013 and the Implementing rules of the CBC Programmes financed within the Framework of the legal basis of the ENPI. The Programme is in conformity with the European Neighbourhood Policy (European Neighbourhood Policy Strategy Paper, COM (2004)373 final, 12 May 2004) and the EU-Russia Strategic Partnership with its four Common Spaces.

The basis of the joint cross-border development strategy of the programme is the geographical position of the programme area and long-established co-operation between the regions. The strategy responds to the development needs and opportunities identified in the analysis of the programme area as well as in the update of the Midterm Evaluation of the INTERREG III A North
Programme. The strategy goals will be realised by implementing the selected strategic themes and other objectives of the Programme. These themes and objectives take into account complementarity with other programmes and relevant objectives included in the Regional Strategic Programmes of the participating regions. In order to address the potential for regional development under the Programme, its priorities described in chapter 4 have been set out taking into consideration a sustainable development approach, with a coherent and integrated coverage of relevant regional development issues.

The joint cross-border development strategy is to be seen as a plan to reach the goals (objectives) in terms of systematic actions and activities to be taken under the key themes of the Programme. The leading theme in the strategy is a sustainable economic growth in the programme area combined with socio-economic development patterns across the participating regions.

Strategically important themes to be implemented through project activities under corresponding priorities of the Programme shall be determined on an annually basis by the Monitoring Committee. The selected themes for each year as well as project selection criteria will be reflected in annual plans for calls for proposals. The annual plans also specify the financing resources available for each call for proposals.

2. DESCRIPTION AND ANALYSIS OF THE GEOGRAPHICAL AREAS CONCERNED BY THE PROGRAMME

2.1. Statistics on programme area

The area covered by the Kolarctic ENPI CBC Programme encompasses Lapland in Finland, Norrbotten in Sweden, Finnmark, Troms and Nordland in Norway and Murmansk Oblast, Archangelsk Oblast and Nenets Autonomous District in Russia. Adjacent areas are Northern Ostrobothnia in Finland, Västerbotten in Sweden and Republic of Karelia, Leningrad Oblast and St Petersburg in Russia. The area lies in the north-east border region of the European Union, bordering on two external borders. Joint border area between this Schengen border area towards Russia is about 700 km.

In terms of its land area, the programme area covers approximately one million square kilometres. The programme area is a good example of a peripheral region, because it is situated in the northernmost corner of Europe thousands of kilometres away from the heart of the European economy. From the point of view of the programme area countries Finland, Sweden, Norway and Russia, the area is part of the northern periphery.

The borders between Finland, Sweden and Norway are of the most open borders in the EU and in the entire world, as they are also internal Schengen borders. The border between this North Calotte area and Murmansk Oblast is also a border between the greatest differences in the standard of living in the whole of Europe. Besides the standard of living, also the differences between cultures, development and population are high.

The programme area has four dominant languages – Finnish, Swedish, Norwegian and Russian. In addition, different varieties of the Sámi language and the language of Nenets are spoken in the area. Of the programme area’s population, more than 70 % live in the Russian part of the programme area. The largest population centres are also situated in Russia – as much as 91 % of the population of the Murmansk Oblast and 73 % in the Arkhangelsk Oblast live in cities. In Northern Norway situation is quite the similar, in Sweden and Finland the largest population centres are far smaller, as in Norrbotten and Lapland only less than a half of the population lives in urban-like municipalities.
The programme area is characterised by a falling population trend due to net emigration and fall in birth rate. Most of the outmigration from the Programme area consists of working age population, mostly young and highly educated people, leaving for growth centres in search of work. The population of Northern Norway, however, has remained almost unchanged or even increased in some areas. At the same time, the income level in the programme area is well below that in the southern parts of these countries. In addition, differences in the standards of living have increased in the programme area to the benefit of the larger population centres. Age structure will be added.

The rate of unemployment is higher in the programme area than in the southern parts of these countries. When comparing the unemployment rates from year 2000 to year 2004, the trend is declining. (Table ?)

Natural conditions and resources
There are major climatic variations within the programme area, which is due to its northern location, the vast sea areas surrounding the Barents Region (Norwegian Sea, Arctic Ocean, Barents Sea, White Sea and Bothnian Bay), and the Kjølen Mountains that lie on the border between Norway and Sweden. Mean temperature in January is between −10 and -20 C, with slightly higher temperatures on the Norwegian coast. In July, mean temperature is between +10 and +20 C, except for the Kola Peninsula and the northern parts of Norway where the climate is slightly cooler. The closeness of the sea makes the climate in the Murmansk Oblast milder, and the trend is particularly evident on the Norwegian coast, which is warmed by the Gulf Stream.

Most of the programme area lies in the arctic or in the sub arctic climate zone. The entire area is characterised by vast uninhabited stretches of wilderness and unspoilt nature. Most of it belongs to the temperate coniferous zone, with tundra in the northern parts. The area makes up a unique natural environment in global terms, containing species that are rarely encountered elsewhere. Yet some aspects of its natural diversity are threatened, and there are some endangered species and stocks that need special protection.

The largest forests are situated in Lapland and Norrbotten and in the southern parts of the Murmansk and Arkhangelsk oblasts. Forest growth rate is slow due to the area’s northern location, which gives added value to the products made out of the northern wood due to its hard formation.

The most important fishing waters and favourable fish farming areas are situated on the Norwegian Sea, Barents Sea and White Sea. The coastal areas of the Programme area, particularly the coasts of the Norwegian Sea and Barents Sea, have one of the richest fish stocks in the world, thanks to their favourable growth conditions. In addition to the sea areas, the Programme area is also known for it’s lakes and rivers, which gives good opportunities to develop different kinds of experience industry services.

Different types of mineral and ore deposits are found throughout the programme area, the most extensive ones being situated in the Kola Peninsula where more than 400 mineralisations, ore or chemical deposits have been encountered so far. The exploitable natural resources of the Murmansk Oblast cover almost all possible mineral wealths and minerals, as many as 68 chemicals listed in Mendeleev Periodic Table of Elements can be found from the area. In fact, the Kola Peninsula is one of Russia’s most important mineral and ore areas. Norrbotten has deposits of iron ore of international significance, Lapland has deposits of, for example, gold and nickel. Arkhangelsk and Komi have important bauxite and fluorite deposits as well as valuable diamond deposits. Several areas of Nordland, Troms and Finnmark have different valuable mineral deposits.

There are extensive oil and gas resources in the Norwegian Sea, the Barents Sea and the land and sea areas of Nenets, where total recoverable hydrocarbon reserves number 3,6 bln. tons of conditional fuel. The arctic area is estimated to contain about forth of the world’s undiscovered petroleum resources. In 2004 about 12 million tons of oil was shipped from North West Russia to
Europe. The amount is expected to be nearly double this year and by 2010 it can be as much as 200 million tons. More information is expected from Norway and Russia.

2.2. Economic structure

Economic structure varies according to area. The industry’s share of the GDP is as much as 70% (Is to be checked) in north-west Russia, as compared with about one fourth in the North Calotte. The service sector is still poorly developed in the Russian parts of the programme area.

Primary production

In terms of agriculture, the area is climatically marginal and the share of agricultural jobs is constantly falling. The trend has been most dramatic in north-west Russia. The areas of Lapland and Norrbotten have quite long traditions in forestry and forest industry, which is also becoming a growing line of business in the Arkhangelsk Oblast even though most of its forest industry production is exported unprocessed. Fishing and the fish cultivation industry are important lines of business in Northern Norway and the Murmansk and Arkhangelsk oblasts. There are several large and medium-sized fish cultivation units in Northern Norway that have access to modern cultivation technology. Northern Norway and north-west Russia are developing their fishing co-operation in the fields of fish cultivation, product manufacture and marketing. Reindeer husbandry plays an important role particularly in Lapland and in the Finnmark regions. It is largely based on exploiting natural pastures. The numbers of reindeer are adjusted according to nature’s tolerance, but still the North Calotte region occasionally suffers from the lack of lichen, which grows in large quantities in the Russian parts of the programme area. Reindeer husbandry is also important in the Nenets Okrug and Lovozero district of the Murmansk Oblast.
Refinement

The metal industry is of importance to the lines of business of the entire Lapland and Norrbotten. Large quantities of nickel, iron and apatite are produced in the Murmansk Oblast, but only a fraction of the raw material resources available to the area’s mining industry are exploited on location.

The industrial sector in Lapland and Norrbotten, and increasingly also in the Russian parts of the programme area, is mainly in the hands of outside owners, which means that also profits flow out of the area. In addition, the industrial sector in the area has undergone substantial structural changes in the last few years: work stages have been automatised, the number of industrial jobs, besides in the mining industry, has decreased and the efficiency of energy use has been improved in order to reduce environmental strain. As a result, the sector currently has access to globally cutting-edge technology and expertise, whereas Russian industrial establishments have not been refurbished or repaired significantly.

Energy production. Hydroelectric power is produced throughout the programme area except for the Arkhangelsk Oblast. Its role is most prominent in Northern Norway where almost all the electricity is derived from hydroelectric power plants. The Murmansk Oblast, in turn, produces most of its energy using nuclear power. Electricity is exported from there to Finland and to Russian Karelia. However, the energy distribution network in the area is obsolete and lacks power. Wind power and bioenergy have raised as an alternative during recent years. In the Norwegian coast there is already several wind power stations and some plants have been built in Norrbotten and Lapland, too.

Oil & gas is of growing importance for the North Norwegian counties, and especially for the Russian participating regions. Nenets autonomous okrug has already a rapidly growing oil economy which has put for instance wages on second place among Russian regions. Cooperation between Norwegian and Russian interests in this field is of importance, which naturally involves participating countries in the programme area.

Private and public services

Attraction factors for tourism and experience industry in the area are unspoilt nature and tourist centres. Tourism is a growing branch of industry in the North Calotte region, and the countries have launched fruitful co-operation in the branch in the last few years. Russian dimension in the co-operation is still not very strong, although there are also wide stretches of untouched wilderness, emerging skiing centres, sports fishing and other recreational tourism opportunities, and “eastern mystique” in the Murmansk and Arkhangelsk oblasts and Nenets Okrug. Despite the evident improvement needs in the area’s tourism infrastructure, transportation, hotels and other facilities, the area is already attracting tourists from Finland and Norway in particular. The SME’s operating in the North Calotte region are on the average small or micro size businesses, usually employing less than five persons and lying in large population centres. The most important branches of industry are the wood and metal products industry, foodstuff processing, tourism and all hi-tech branches as well as in service- and trade.

To gain a foothold in other programme area’s countries, companies and actors in the Programme region must obtain a sound knowledge of variable legislation and conditions, and an ability to interpret these reliably. In any case the North Calotte is a natural venue for Russia-related expertise in terms of its location, contacts, business structure, services and expertise - even when considering the European Union as a whole. There is thus every reason to further strengthen this type of expertise.

The economy structure (industry sectors) Table ???
2.3. Infrastructure

There are several lively internal Shengen border crossing points between Finland, Sweden and Norway, and the road connections are mainly good. There is an international border crossing point at Storskog/Borisgleb between Norway and Russia, and two between Lapland and Russia – Rajajooseppi/Lotta and Kelloselkä. The border crossing point at Virtaniemi/Jäniskoski has mainly been used for co-operation between the municipality of Inari and the Petsamo region.

East-west rail connections are inadequate throughout the programme area, in Troms and Finnmark there is no railway at all. The Tornio-Haparanda railway between Lapland and Norrbotten is intended for freight transports only, and there is a railway connection from Sweden to Narvik, Norway. There is no direct railway connection from the North Calotte to Russia, however studies are being conducted to prolongue the Murmansk-Nikel railway to Kirkenes. More than 80 % of all transports in north-west Russia take place by rail. Finland and Russia use the same rail gauge, which facilitates concrete co-operation.

Air traffic in the area traditionally takes place within the individual countries and mainly in the north-south direction. Most of the air traffic from the North Calotte to north-west Russia is passenger traffic, though small quantities of goods are also delivered from Finland, Norway and Sweden. There are regular flight connections from Murmansk to Luleå and Troms and from Arkhangelsk to Troms. A new route from Murmansk to Kirkenes has already got a permission to open and is to be opened soon. Several Russian airlines have flights from Murmansk and Arkhangelsk to Moscow and St. Petersburg and to some other parts of Russia, and from Narjan-Mar (Nenets) they fly to Arkhangelsk, Moscow, Saint-Petersburg and Syktyvkar.

There are shipping connections from the programme area to other parts of the world via the ports of the Bothnian Bay, the Norwegian coast, Murmansk, Kandalaksha and Arkhangelsk. A large proportion of Russia’s foreign trade freight is transported via Murmansk Commercial Port. All ports in the Barents region will gain an even more prominent role in future when the oil deposits of the Barents Sea and Kara Sea are exploited. The commercial utilisation of the Northwest Passage is under development. Ships departing from the ports of the Bothnian Bay transport area's metal and forest industry products to global destinations.

The North Calotte is the home of globally modern telecommunications and information technology. In Norrbotten about 93 % of people have possibility to have a broadband connection. The national baseline is built in north-west direction in Finland, Sweden and Norway, the connection of the net between Mo I Rana in Sweden, Troms in Norway and Vaasa in Finland is going on. East-west transboundary connections lack in several areas in North Calotte and between North Calotte and south-west Russia. Strategic planning and investments are needed in order to have a sufficient and safe broadband network to the whole Programme area. The mobile phone networks are rather good in the Murmansk and Arkhangelsk oblasts, only the most sparsely populated areas are outside the range. The Internet connection to Murmansk and Arkhangelsk is very good, it covers the same areas as the mobile phone network, and it can also be used via the mobile phone. In Nenets Autonomous District situation is a bit worse, the mobile phone network covers only Narjan Mar and the area surrounding it, in other places the signal is low. Call charges for foreign countries by line telephones and by mobile phones are still high in the Russian part of the programme area.

Besides TV and radio the Internet has raised in importance as a news media, several collective domains have been set up during resent years. Those domains are maintained in common with the programme area countries, one example of which is the domain www.euroarctic.com.

Television and radio companies in Finland, Sweden and Norway produce together programmes in sami, which can be seen every workday in these countries. In autumn 2007 joint TV-programmes
for children in Sami shall begin. Joint radio programmes in Sami language have been available already for years. Programme stations produce both joint programmes and separate programmes which they change with each other. There is also an own Sami programme station in Lovozero, which Norway is financing under the Barents programme. It produces material mainly for its own region, but also does that for Sami TV news and radio programmes in Skolt language.

2.4. Education, research and culture

In 2004, 40.1% of all persons aged 15 years or over in the programme area had completed a degree. Of them, 19.6% had completed a tertiary degree. In secondary and tertiary degree the highest rates are in Norrbotten and the lowest in Nenets. (Table ?)

Co-operation in the Euro Arctic Barents Region in the field of higher education and research has a long history mainly based on strong bilateral agreements between the higher education institutions, regional or national authorities. Higher education institutions in the region are very diverse regarding the amount of students, academic programmes, management structures, ownership and operational standards. Nevertheless they share the same vision and challenges related to the internationalisation of the curricula and administration, implementation of the Bologna Process, peripheral geographical location in the north and many others. Thus network cooperation and common development work has gained a significant role in day-to-day activities.

The Barents Education Network has been established on the bases of the cooperation among thirteen higher education and scientific research institutions in northern parts of Finland, Norway, Sweden and Russia and is planning to extend to cover all 31 institutions.

In terms of its geographical location, the Kolarctic ENPI programme area has excellent opportunities for developing into a region with Russia-related special expertise both in education and in research.

Information about the cultural co-operation in the area is to be added

There are good, extensive cultural services in the Programme region. Basic cultural services are available in every municipality in certain amount. Besides the public cultural services there is a lot of cultural activity at the programme area, which is maintained in villages by voluntaries. Cultural teaching in the area is of high quality, for example a university degree in arts can be given in the University of Lapland, in Murmansk Pedagogical University and in Luleå University of Technology’s Department of Music and Media.

Information about other universities offering a degree in arts is to be added if there is any?

Besides of the cultural richness of the Programme region with four nationalities and languages, the region has also got special cultural heritages, the only indigenous people in European Union, the Sami and the Nenets. There lives Sami people in Norway, in Sweden, in Finland and 1,790 in Russia. Information is to be specified to concern the Programme area.

The amount of the Nenets people living in the Nenets Autonomous Okrug is 7,200.

2.5. Environment and nature

The programme area is one of the most densely populated arctic areas in the world. It contains the last, almost untouched stretches of wilderness in Europe, but there are also badly contaminated areas. The natural environment is extremely vulnerable to contaminant-induced damage, due to harsh, severe natural conditions and the area’s small natural purification capacity. It should be noted, however, that the pressures of human action only involve fairly small areas, thanks to the area’s large size, sparse population and the concentration of industrial activity.
The situation with environmental protection in the North Calotte is good as compared with the southern parts of the programme area countries and the rest of Europe. As much as some 90% of Finland’s total protected land area is situated in Lapland. There are long nature protection traditions in Russia, where attention is also paid to the protection of historically and culturally valuable areas or places. Different types of nature protection scheme cover 9.5% (1.4 million hectares) of the Murmansk Oblast’s total land area and 8% (3.4 million hectares) of that of the Arkhangelsk Oblast.

In Norrbotten county there are eight National Parks and 171 nature reserves, distributed all over the county. More than 90% of Sweden’s National Parks lies in Norrbotten County. In all, 24 300 km², or about 25% of the county’s area, is protected in the form of national parks or nature reserves.

The National Parks Sarek, Padjelanta, Stora Självallet and Muddus, together with the nature reserves Sjauja and Stubba, by the organization UNESCO have been declared a World Heritage for their outstanding natural beauty. The area has been given the name Laponia, or The Laponian Area. At the World Heritage site at Gammelstad Church Town, visitors can see Sweden’s largest and best preserved Church town, close to the mediaeval church.

Pressure on nature in the North Calotte region is largest on the coast of the Gulf of Bothnia that also houses the largest industrial establishments. On the Norwegian coast, extensive fish cultivation gives rise to nutrient emissions to the sea. The problem with fish cultivation is that it may spread fish diseases and mix the cultivated fish stock’s genetic properties with natural fish. In Lapland and Finnmark, reindeer overgrazing causes extensive abrasion of the vegetation.

Many of the environmental problems encountered in Arkhangelsk and Murmansk Regions are due to economic actions and structures of production, which have been developed without paying sufficient attention to environmental issues. The situation has now gradually been improved through actions launched by the authorities, environmental protection organisations and industrial enterprises. The purpose of these actions is to modernise companies and cut down industrial emissions that pollute the air and contaminate the water areas.

The condition of radioactive waste depositories causes some concern despite the fact that the authorities in the Murmansk Oblast pay much attention to this question. Insufficient wastewater handling and the resulting poor-quality potable water require even more attention, as most epidemics are due to unhealthy potable water. Water problems are most severe in certain industrial areas where also the population density is high as compared with the rest of the quite sparsely populated area. The need for developing the water supply infrastructure is particularly acute in these areas.

To reduce the loss of biological diversity, attention should be paid to addressing the causes for such loss. It is particularly important that the ecological use of the natural resources should be secured in agriculture and forestry and in fishing. Endangered, sensitive diversity must be protected, and renewed where possible. Of special importance is the protection of endangered, sensitive biotopes and cultural landscapes, which are included in World Conservation Union (IUCN) Red List on threatened species.

Water areas extending across the border are important with regard to cross-border co-operation. The most important rivers between the North Calotte and Russia are Paatsjoki and Tuulomajoki that were already included in INTERREG and Tacis projects during the previous programming.
period. Monitoring and improving the state of the environment especially in these water areas calls for cross-border co-operation.

Tackling climate change is to stabilise concentrations of greenhouse gases in the atmosphere at a level that will not cause increase unnatural variation of the climate. This will be achieved for example by supporting cutting greenhouse gas emissions and support renewable energy sources.

3. PREVIOUS EXPERIENCES, EXISTING STRATEGIES AND POLICIES

3.1. Experiences from previous CBC Programmes

EU programme work has been carried out jointly with the regions of Northern Finland, Sweden, Norway and North-west Russia since 1996. The Barents II A Programme was implemented in 1996-1999, with the total amount of 36 million euros and the Interreg III A North-programme 2000-2006 with the total amount of appr. 130 million euros. Interreg III A North 2000-2004 programme has been made up of three sub-programmes; Kolarctic, North Calotte and Sápmi.

Between 2004-2006 a new approach was followed, with an introduction of the Neighbourhood Programmes. The previous sub-programme Kolarctic was transferred in to the Kolarctic Neighbourhood Programme 2004-2006.

The main amendment was that EU financing was also provided to the Russian partner through Tacis CBC. A single application and project selection procedure operated for joint projects, but formally two financing decisions were made concerning EU-financing: one on the INTERREG funds by the Finnish managing authority for the Programme and the other on Tacis CBC funds by the EU delegation in Russia.

The experience gained from the CBC cooperation in recent years has been taken into account in the preparation of the ENPI CBC Programme. A successful cooperation and working for mutual benefit can be built upon in the Programme through capitalising the prior experience, best practise and achievements. Despite the fact, that under the previous Neighbourhood Programme, the combination of different sources of funding (INTERREG and Tacis) has caused some inconvenience, the partners have become accustomed to working together, for instance in the joint project selection and decision making process.

A mid-term evaluation of the INTERREG III A North Programme was carried out in 2003 and it was updated in autumn 2005. As a conclusion of the Kolarctic sub-programme was seen, that the sub-programme has been strengthening the bases of co-operation from EU/EEA to Russia. The strengthening has been done in several fields of activities and the model that has been done can be called gradual institutionalisation. Co-operation has been harmonised and institutionalised also in terms of posing same requirements for operating partners from different areas. Important issue is to make sure, that the knowledge about the criteria and formalities of the Interreg-programmes grows in Russia.

According to the inspectors, in future programmes the resources should be shifted over to measures with high levels of financial commitments and high number of good applications coming in. The level of payments should be monitored more closely to limit the negative effect of the N+2 rule.

In addition, the inspectors point that a significant challenge in relation to the next programme will be to develop indicators for “softer” goals, as this is a precondition for giving these goals more attention when it comes to the assessment of results. The indicator system should also be simplified, the database should be operative before the programme starts and to the quality on data input should be given priority.
Three main priorities were set in the Kolarctic Neighbourhood Programme: Business co-operation; Expertice and welfare and Internal Functionality of the programme area.

During 2004 – 2006 three joint calls for proposals for Interreg- Tacis financing was launched. All at all 41 grant applications which included Tacis financing were submitted and 18 of them have been selected by the Joint Selection Committee of the Kolarctic Neighbourhood Programme by the end of 2006 and one project will be sent to the written approval.

Most of the projects (9) have been financed from the Priority concerning Expertice and welfare, of them most belong to a measure concerning Culture and Welfare.

Lead applicants (LA) have mostly been public organisations, such as educational or research institutes, municipalities or state organisations. In 18 projects LA has in 16 cases been a Finnish organisation and in 2 cases a Swedish organisation. In one project a Russian applicant has been a lead applicant for Tacis funding. 11 of the 18 projects have been bilateral (10 Finland-Russia and 1 Sweden- Russia) and 7 multilateral projects (3 Finland-Sweden-Russia, 3 Finland-Norway-Russia and 1 Sweden-Russia- Norway- Finland).

3.2. **Coherence with existing strategies and policies**

**The Lisbon strategy** is an action and development plan for the European Union, which was set out by the European Council in Lisbon on March 2000. On 2005 the Commission launched a new start for the Strategy focusing the European Union’s efforts on two principal tasks – delivering stronger, lasting growth and more and better jobs. The goal of the Lisbon partnership for growth and employment is to modernize our economy in order to secure our unique social model in the face of increasingly global markets, technological change, environmental pressures and ageing population. The strategy is also to be seen in the wider context of the sustainable development requirement that present needs have to be met without compromising the ability of future generations to meet their own needs. In Commission’s Community strategic guidelines for 2007-2013 is sought to align cohesion and rural development policy closely with the Lisbon agenda so that the priorities are reflected in operational programmes at national and regional level.

**Bilateral cooperation** agreements between North Calotte regions and Russian regions. Almost all participating regions in the programme area in Norway, Sweden and Finland, have annual or similar agreements on cooperatin directions, and even specified into different sectors.

**EU-Russia Strategic Partnership**’s aim is to deepen and diversify the interregional cooperation by involving local and regional actors and civil society in deeper cooperation.

**EU-Norway Partnership**

**Northern Dimension**

The Northern Dimension (ND) is a tool for dialogue and cooperation involving the European Union, Russia, Norway and Iceland.

The Northern Dimension Policy Framework increasingly focuses on North West Russia and its specific challenges and opportunities for the whole Northern Dimension region. In this context it is a regional expression of the EU/Russia Common Spaces with full participation of Iceland and Norway in matters relevant in the region.

The Northern Dimension shall support sub-national and governmental cross-border and trans-boundary cooperation as one of the instruments for promoting regional development. The priority

---

1 Northern Dimension Policy Framework Document, 24 November 2006
sectors for dialogue and cooperation under the Northern Dimension are economic cooperation; freedom, security and justice; external security; research, education and culture; environment, nuclear safety and natural resources; social welfare and health care.

Northern Dimension activities are implemented by various actors and financed from different sources, including the existing and future European Union financing instruments and programmes, national budgets, international regional organisations, international financial institutions, regional and local public organisations and other public bodies. The most important and concrete achievement of the Northern Dimension is the Environmental Partnership.

The views and perspectives underlined in the concept of the Northern Dimension have been taken into account in the ENPI CBC Strategy 2007 - 2013. The ENPI CBC Programmes 2007 - 2013 will seek to ensure synergies with the Northern Dimension policy where appropriate. This is particularly relevant for the priority themes of the Northern Dimension, which are in some correlation with the general objectives of the ENPI CBC Strategy and specific ENPI CBC Programmes.

**Barents co-operation**’s objective is to support and promote co-operation and development in the Barents region. The Barents Council and the Barents Regional Council was established in 1993 by the signing of the Kirkenes Declaration. Joining member regions are Archangelsk, Murmansk, Karelia, Nenets and Komi in Russia, Finnmark, Nordland and Troms in Norway, Norrbotten and Västerbotten in Sweden and Lapland, Kainuu and Oulu in Finland. Since the start of the cooperation, several working groups have been established with participants from all the Barents countries.

The Barents Programme has since 1994 promoted joint projects for finance. The Barents programme has shown to be an efficient incubator for projects to be developed for Interreg Kolarctic finance.

Focus in the **Barents 2010 strategy** is put on sector programmes, which are strongly oriented towards the natural resource potentials in the region and linked to closely related industries. The aim is to advance educational programmes, support industrial development, R&D as a significant driving force and environmental protection as well as upgrade upgrading cross-border transport links by using multilateral cooperation. Five sector programmes have been launched; on forestry, on mining and minerals, on oil and gas, on tourism and on east-west logistics.

### 4. SWOT ANALYSIS

Analysis of the Programme regions strengths, weaknesses, opportunities and threats have been identified in proportion to the objectives of the programme (annex 1). In the analysis the basic idea was to bring up the issues which are common for the whole area. Issues concerning only parts of the area were left out unless they are of special importance.

The result and the impact of the swot analysis is seen in the orientation chapter of each objective, where the most important issues are clarified and to which development of aims and directions of support are based.

### 5. VISION, AIM AND JOINT CROSS-BORDER DEVELOPMENT STRATEGY

The joint **vision** for the Kolarctic ENPI CBC Programme is defined as follows;

> The programme area is a strong, well-known cross-border co-operation venue in the Barents Euro-Arctic region. Activities are done in accordance with the principles of sustainable development and area can be characterised by a good quality of life.
**Overall aim** of the Programme is to reduce the peripherity of the countries’ border areas and the related problems, and to promote cross-border co-operation. Another aim is to strengthen co-operation structures that are already well in progress and to build new structures on the existing networks. At the same time, an attempt will be made to strengthen the area’s ability to accept international investments by relying on its special expertise, and to ensure that the programme area gains maximum benefit from such investments ensuring at the same time, that these investments are made following the ideas of the sustainable development. In the whole Programme emphasis will be put into activities concerning the cross border co-operation of the young people in the Programme region.

In Kolarctic ENPI CBC Programme the strategic base is on the Lisbon strategy’s dimensions focusing on economical, social and environmental issues.

Sustainable development is seen as a horizontal principle for the Programme and thus is part of the development strategy. Ecologically sustainable development aims at conservation and promotion of biodiversity and functioning of ecosystems. Economically sustainable development as a horizontal principle means that long-term impacts on the region’s economic development and employment are required from projects. Culturally sustainable development aims at enabling free mental activities and conservation and development of cultural diversity and the cultural heritage. Socially sustainable development has an objective to promote socially balanced development in the region.

The regional emphasises have been brought up through the SWOT analysis and they are taken into notice in Programme’s Objectives together with the background information and the statistics about the Programme area.

In the implementation of the strategy the principals of EU-regulations concerning partnership, equality and sustainable development, as well as the information society, will be taken into account. Basic requirement for the actions is the additional role of the programme compared to national strategies and supports in the Programme area. The common emphasis on actions carried out with the support of the Kolarctic ENPI Programme is on internationalisation and the cross-border co-operation within the implementation of the objectives.

### 6. OBJECTIVES OF THE PROGRAMME

#### 6.2. Objective 1 Economic and social development

**6.2.1. Orientation and aims**

The importance of promoting economic and social development derives from several issues, most important of which is the growing joint business co-operation between Programme area’s countries bringing along a lot of challenges and both positive and negative social issues to deal with. The sustainable economic and social development in the Programme area has to be ensured in each activity and this can be done by focusing on the specific needs of the participating regions.

Abundant natural resources and unique accessibility to raw materials and renewable energy sources offer opportunities for launching cross-border business activities. New growing areas in north-west Russia create possibilities and challenges for the whole programme area, challenges concerning mainly changing framework conditions (for example in taxation), which demands education and training of expertise within the cross-border business activities. Co-operation of basic industries and regionally specific industries gives strength to activities and regionally important businesses may act as a pulling force to co-operation in other fields of industries. Future development in new industrial sectors gives good possibilities for the networks of smaller enterprises to be part of the business activities as subcontractors to the bigger companies.
Most of the natural environment covered by the programme area is unspoilt and in natural state, which is a major attraction factor in view of tourism in the programme area. Preserving the unspoiled nature may, on the other hand, hamper the industrial development of other sectors, which brings an important field of co-operation also to this programme. Harsh climate and long distances are challenges for the businesses not to mention their affects to the living conditions in the Programme area; harsh climate and long distances hamper co-operation both within the programme area and with other areas. Though the programme area is far away from the economy markets and geographical distances are long, the transport connections run mainly in the south-north direction. East-West connections are far too inadequate even though good transverse transport and telecommunication connections are basic requirements for all types of cross-border activities and networking. Development and co-operation in the utilisation of the existing infrastructure in the Programme area is important in order to take the total advantage of efforts done so far. Fluent, well-functioning, efficient and safe traffic is a common interest of the Programme area and of the EU and also a potential area for innovative development.

The SMEs operating in the Programme area differ in terms of their framework policies, business cultures and sizes. In spite of the long experience in co-operation, the knowledge about cross-border entrepreneurship and business co-operation is not yet comprehensive. Expertise in the different fields of cross-border co-operation activities is to be maintained and developed during the programme period. Broad knowledge offers opportunities for developing business co-operation that benefits the whole programme area and gives possibilities for growth to companies.

Companies within the Programme area are mainly of micro-size, lack of middle-sized companies hamper the participation of the business sector to the R&D activities, which keeps the share of private funding to R&D in inadequate level. Due to this also innovative environments and companies are small and far away from each other and active innovative surroundings are rare. Actions should be made to strengthen the existence of joint innovative “campus-areas”. Special educational and network activities should be made to create positive attitudes towards cross-border entrepreneurship. In order to minimize the negative effects of the populations’ ageing, to lower the amount of young people leaving the area and to create work places for female, support for entrepreneurship should be implemented especially within the young and female.

The programme area houses several universities, education institutions and research institutes that derive their expertise from regional strengths and from the long-term work done so far. Cross-border co-operation between public sector, business life and R&D is already started in some fields within the programme area. By improving the information exchange on education and training systems and qualifications and by strengthening the existing networks and getting new partners to the activities the use of resources and the level of know-how can be raised in the whole area, which is a good base from which innovative actions can be derived.

Within the region there are big differences between the areas, when paying attention for example to industrial development, GDP or education level. Activities with an aim to lower these differences need support for co-operation between authorities in different sectors and support for enhancing the expertise in administration. Special emphasis should also be made to lower the administrative barriers which hamper joint activities.

Common problem within the labour market is the difficulty to recruit highly educated workers and professionals to the area. The needs of working life do not match with the expertise of the regionally existing labour, which creates a need of increasing the co-operation between educational and business sectors and developing joint structures of professional education and finally common labour market to the Programme area.

Possibilities of the new technology and content production can be used to assist the co-operation in cross border activities. ICT gives also uncountable amount of possibilities in developing different
kinds of services which are essential in order to keep equal living possibilities through the Programme area.

**Operative aims (Are to be measured by indicators)**

- Cross-border networks and business relations are established between SME’s
- Ongoing communication and joint educational planning between businesses and the education on the field of needed competence
- SME’s and authorities have better knowledge about doing cross-border businesses.
- SME’s increase their innovative competence
- Labour force can easily move across the borders

**6.2.2 Directions of support**

- SME and business development, incl. labour market development and support for entrepreneurship
- Trade and investment promotion
- Transport, logistics and communication
- Education and research
- Ensuring the quality of services
- Innovations and technology
- Enhancing the usage of renewable energy sources
- Energy co-operation
- Strengthening of regional identity
- Exchange of best practises

**6.3. Objective 2. Common challenges**

**6.3.1. Orientation**

Common challenges of the Programme region include issues concerning health, security, accidents and environmental risks, management and border issues. Feeling of basic security is a precondition to a successful co-operation, a stable and safe environment is also a major factor to attract investments and skilled labour to the Programme area.

The existing long-term co-operation and existing agreements between the authorities in different fields gives good possibilities to react to the mutual challenges and also to impact on threats and risks which are originated outside own territories. Within the support of the programme it is important to strengthen and activate the ongoing co-operation and to promote joint planning of administration and activities.

Continuous dialogue and co-operation within the programme area between environmental sector and industries will assist in reducing nature damages and interest conflicts. Ensuring sustainable management of wastes is a challenge in which regional and local actors can play an important role. Availability of the public information concerning environmental issues should be improved as should the information about the differences in legislation and standardisation between countries in environmental issues.

The Programme area is in the key position in assessing and forecasting of and adaptation to climate change. There is already high-level know-how about issues concerning the climate change in the Programme area, this knowledge can be utilized in joint research activities and thus rise the world wide knowledge of Programme area’s resources.

Growing energy costs is a threat which can make living conditions and economic growth much more difficult within the programme area. Actions should be carried out to joint research and
development projects between research institutes, authorities and industries in order to strengthen the use of renewable energy sources.

Health and social problems are linked to economic problems, unhealthy habits, insufficient services and lack of information. By exchanging experiences, increasing countermeasures and training at the international, national and local level it is possible to increase the capacity to meet these challenges. Activities implemented under the Programme at the regional and local level will support national and international activities within the same issues.

Setting up and training on the cross-border emergency preparedness ensures the safety of local citizens and also assists the Programme region in profiling itself as a safe venue to industries and to the travellers.

In order to ease all cross-border activities it is important, that border formalities are fluent and border-crossing procedures are harmonised. The co-operation and exchange of best practises between border authorities and border personnel as well as small-scale investments to assure the availability of modern technology in order to minimize border disadvantages can be supported within the Programme.

Operative aims
- Local and regional authorities have common plans/ agreements and practises for multilateral co-operation in common challenges
- Public awareness about the common challenges has risen
- Activities in environment and nature protection has been implemented
- Border crossing authorities are co-operating to harmonize and to simplify the procedures

6.3.2. Directions of support
- Health and social welfare (incl. prevention of diseases and drug abuse and e-health)
- Security
- Accidents and environmental risks (incl. emergency preparedness, radiation safety, marine pollution risks)
- Environment and nature protection
- Joint management of common challenges
- Border crossing efficiency (incl. small scale infrastructure, harmonisation of the border crossing procedures and increasing of transparency)
- Exchange of best practises
- Education and research

6.4. Objective 3. People to people co-operation and identity building

6.4.1. Orientation

The Programme provides an opportunity to strengthen people-to-people and civil society contacts at the local level. Actions in the educational and cultural fields as well as enhanced cross-border contacts between civil society groups and NGO’s aim also at promoting local governance and mutual understanding. Networking of different fields of art, improving people’s knowledge of history and cultural heritage and people-to-people co-operation in other fields aims at creating direct linkages between citizens, educational and research institutions, societies, foundations and communities for the purpose of promoting understanding, sharing know-how and developing new solutions to common problems. Cultural co-operation acts also as a basis for development of tourism and experience industry services.

People-to-people co-operation and identity building shall be built on the strong and positive northern identity, great variety of cultural traditions and languages and the existence of indigenous
people in the Programme area. The utilisation of both the similarities and the differences gives possibilities to co-operation and also to education and business life. Special emphasis will be put on activities concerning equality, identity building and co-operation of young people.

Difference in cultures and languages can also hamper co-operation, which makes the lowering of existing boundaries also an important objective in co-operation. In spite of already existing co-operation between organisations, there is still lack of basic communication and co-operation agreements between institutions. Giving possibilities to overall discussions and knowledge about each others’ interests this basic communication could be a source of innovations and new future activities.

Common and easily available information about the programme area would give a possibility to receive equal knowledge about different areas to the people living in the region and outside of it. Information technology is a good instrument in ensuring the availability of the information, but since the existence of the broad-band network and people’s ability to use new technology still limits the use of electric information, other instruments (newspaper, radio and television) should neither be forgotten.

Implementation of umbrella projects is one way to simplify the management of small projects and gives an opportunity also for small organisations to be active in carrying out projects.

**Vulnerable people**

**Operative aims**

- More direct contacts between inhabitants through people-to-people-contact
- Common cultural events and meeting places gather people from the programme area
- Common information is published regularly

**6.4.2. Directions of support**

- Cultural co-operation (e.g. co-operation between institutions, support for the cultural identity of the young people, supporting and maintaining the cultural heritage, for example handicraft, which can be utilized in tourist services)
- Information exchange (e.g. common information about the whole Programme area, co-operation networks between information workers)
- Social and cultural integration (e.g. participation to the local social life, common meeting places and activities, support to civil society and local communities and support to local governance and administrative reform)
- Educational co-operation (e.g. common educational programmes)
- Co-operation between institutions (e.g. basic communication and co-operation agreements)
- Integration of vulnerable groups into people to people activities
- Exchange of best practices
- Education and research on people-to-people co-operation and identity building

**6.5. Objective 4. Technical Assistance**

Technical Assistance (TA) will be used to finance activities which are necessary for the effective and smooth implementation and management of the Programme. This concerns the preparatory, management, monitoring, evaluation, information and control and auditing activities of the Programme and includes activities such as meetings of the Programme Committees, activities of the Joint Managing Authority and Joint Technical Secretariat with the branch office in Murmansk, Northern Norway and Sweden. It will also cover other costs such as seminars, information actions, evaluation and installation of computerised systems for management, monitoring and evaluation. Another element that will need spending of the TA is the task of organising the project assessment and monitoring.
The TA funds eligible to the EC financing are limited to a maximum amount of 10% of the EU/Norway’s contribution to the Programme.

6.6. Coherence with other programmes and policies

Coordination with the other ENPI CBC Programmes is of high value to the Kolarctic ENPI CBC Programme in order to avoid overlapping and to support activities of each Programme most effectively. During previous programme periods some projects have been implemented side-by-side in different programme areas with separate financing decisions but joint targets and activities. Joint geographical areas (either programme areas or adjacent areas) and operational targets are shared with following ENPI CBC Programmes;

**Karelia ENPI CBC Programme**’s general objective is to strengthen the co-operation in strategically important branches of activity in the programme area and to provide preconditions for pursuing practical cooperation. Programme area encompasses Kainuu, North Karelia and Northern Ostrobothnia in Finland and the Republic of Karelia in Russia.

**South-East Finland – Russia ENPI CBC Programme**’s strategic objective is to promote the promotion of the programme area as an integrated economic zone and a centre for transportation and logistics in order to strengthen its competitiveness and investment attractiveness. Programme area encompasses three regions in Finland; South Karelia, Kymenlaakso and South Savo and two areas from Russia; Saint Petersburg and Leningrad Region.

The programme areas in some new Interreg Programmes also cross the Programme area of the Kolarctic ENPI CBC Programme, which sets demands for coordination of also between these programmes.

*Interreg IV A North Programme*

**Bothnia Atlantica**

**Baltic Sea Region Interreg IV B Programme/ENPI** strategic objective is to strengthen competitiveness of the Baltic Sea Region, its territorial cohesion and its sustainable development by connecting potentials over the administrative borders. The programme area covers whole countries of Denmark, Estonia, Finland, Latvia, Lithuania, Poland and Sweden and parts of Germany (the states of Berlin, Brandenburg, Bremen, Hamburg, Mecklenburg-Vorpommern, Schleswig-Holstein and Niedersachsen).

**Northern Periphery Programme**

**EU’s Structural Fund Objective 2- Programmes in Finland and Sweden** are national Structural Fund Programmes which are developed to strengthen regional competitiveness and employment in EU Member States. International activities are made possible to implement also within these Programmes for the first time, which makes the co-operation even more important than before to avoid overlapping.

7. ENVIRONMENTAL ASSESSMENT

8. INDICATORS

Table x. Indicator structure of ENPI CBC Kolarctic programme
<table>
<thead>
<tr>
<th>Level</th>
<th>Intervention level</th>
<th>Expected indicators</th>
<th>Data collection schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme</td>
<td>Objectives of the programme</td>
<td>Impact indicators</td>
<td>At the end of programming period</td>
</tr>
<tr>
<td>Objective / Quantitative indicators</td>
<td>Specific objectives for the priorities</td>
<td>Result indicators</td>
<td>At the end of each year</td>
</tr>
<tr>
<td>Objective / Qualitative indicators</td>
<td></td>
<td></td>
<td>At the end of each project</td>
</tr>
</tbody>
</table>

**Programme level**

<table>
<thead>
<tr>
<th><strong>Objective</strong></th>
<th><strong>Indicator</strong></th>
<th><strong>Situation 2007</strong></th>
<th><strong>Objective 2013</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>To increase wellbeing and willingness to stay in the area.</td>
<td>Population in the programme area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental impact of the programme</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equality impact of the programme (gender)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affectivity of the borders</td>
<td>Number of border crossings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Time for border crossing for people/ goods in the borders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affectivity of the implemented activities</td>
<td>People participated to the creation of activities or to the conferences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation of young people in to the activities</td>
<td>Number of young people participating in activities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Priority level: Objective 1 Economical and social development**

<table>
<thead>
<tr>
<th><strong>Objective</strong></th>
<th><strong>Indicator</strong></th>
<th><strong>Situation 2007</strong></th>
<th><strong>Objective 2013</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-border networks and business relations are established between SME’s</td>
<td>Number of cross-border 1)networks and 2)business relations between SME’s</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ongoing communication and joint educational planning between businesses and the education on the field of needed competence</td>
<td>Number of projects implementing joint plans in education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SME’s and authorities have</td>
<td>Number of male/ female</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
better knowledge about doing cross-border businesses

entrepreneurs/ authorities participated to educational activities/ trainings/ conferences concerning cross-border business activities

SME’s increase their innovative competence

Number of innovative cross-border partnerships

Labour force can easily move across the borders

Number of people commuting across the borders/ Number of plans to ease the activities

<table>
<thead>
<tr>
<th>Priority level:</th>
<th>Objective 2 Common challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective</td>
<td>Indicator</td>
</tr>
<tr>
<td>Local and regional authorities have common plans/ agreements and practises for multilateral co-operation in common challenges</td>
<td>Number of common cross border plans/ agreements / strategies / practises for cross border co-operation in common challenges</td>
</tr>
<tr>
<td>Public awareness about the common challenges has risen</td>
<td>Number of published information/ information activities about common challenges</td>
</tr>
<tr>
<td>Activities in environment and nature protection has been implemented</td>
<td>Number of environment and nature protection activities</td>
</tr>
<tr>
<td>Border crossing authorities are co-operating to harmonize and to simplify the procedures</td>
<td>Number of educational activities and information exchange between border crossing authorities/ plans</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Priority level:</th>
<th>Priority 3 People to people co-operation and identity building</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective</td>
<td>Indicator</td>
</tr>
<tr>
<td>More direct contacts between inhabitants through people-to-people-contact</td>
<td>Number of common cultural/ sports events/ Number of participants</td>
</tr>
<tr>
<td>Common cultural events and meeting places gather people from the programme area</td>
<td>Number of common meeting places/ Number of participants</td>
</tr>
<tr>
<td>Common information is published regularly</td>
<td>Number of published common information about the programme area</td>
</tr>
<tr>
<td>Number of civil society and NGO’s participating in co-</td>
<td></td>
</tr>
</tbody>
</table>
9. INDICATIVE FINANCING PLAN

9.1. Financing sources

EU Financing

The EU funding for Kolarctic ENPI CBC –programme comes from two sources: from the financial allocations for the ENPI itself and from the European Regional Development Fund. These two sources of funding are presented together under one budget-line in Heading 4 of the EC annual budgets with two sub-lines corresponding to the ENPI and ERDF contribution.

Both sources of EU funding described earlier may be used on either side of the EU external border, for actions of common benefit.

Indicative allocation of EU funding for each individual ENPI CBC –programme will be presented in the ENPI CBC Strategy paper 2007-2013 and Indicative programme 2007-2010. In this strategy paper the EU financing has been divided into two parts: 2007-2010 and 2011-2013. For Kolarctic ENPI CBC programme these allocations are two following:

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-2010</td>
<td>14 728 177</td>
</tr>
<tr>
<td>2011-2013</td>
<td>13 512 841</td>
</tr>
<tr>
<td>Total</td>
<td>28 241 018</td>
</tr>
</tbody>
</table>

In 2009 (too early? – 2010 better!) the programmes will be subject to a mid-term review. Following the results of this review the financial allocations might be adjusted for the years 2011-2013 (how to plan a programme for 7 years if total funding is not sure?). At the same time it is also possible to make changes to the priorities of the programme.

Norway’s financing

National co-financing by Finland

The national co-financing from Finland comes yearly from the national budget and will be earmarked for each programme and indicated and transferred to programme’s managing authority.

JMA has a task to indicate the national co-financing into Kolarctic ENPI CBC –projects following the decisions of programmes Joint Monitoring Committee and Joint Selection Committee. The use of national co-financing follows the same rules as for the EU –funding: (programme has one eligibility rules). The use of national co-funding will be reported to national coordinating bodies following the yearly programme reporting system (yearly reports by the JME for the Steering Committee and for the use of European Commission) and separate reporting procedures will not be created.

The role of JMA as a responsible body for the use of national co-financing in the Kolarctic ENPI CBC programme will be defined in the national law on Management of ENPI CBC programmes in Finland.
The level of national co-financing from the Finnish national budget follows the programme’s EU contribution for each year with an equal amount of funding.

National co-financing by Sweden

National co-financing by Norway

National co-financing by the Russian Federation

Intervention rates/Project partners’ own financing

9.2 Indicative financial table

<table>
<thead>
<tr>
<th>FINANCING TABLE</th>
<th>KOLARCTIC ENPI CBC PROGRAMME</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total eligible cost</td>
</tr>
<tr>
<td></td>
<td>EU</td>
</tr>
<tr>
<td>1. Economic development</td>
<td></td>
</tr>
<tr>
<td>2. Quality of life</td>
<td></td>
</tr>
<tr>
<td>3. Technical assistance</td>
<td>2 824 102</td>
</tr>
<tr>
<td><strong>TOTAL YEARS</strong></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>28 241 018</td>
</tr>
</tbody>
</table>

10. JOINT STRUCTURES AND DESIGNATION OF COMPETENT AUTHORITIES

10.1. General issues

- principle of full equality between the participating countries
- principle of consensual decision-making in the committees
- efficiency must be maintained in determining the size of the bodies
- designation of a Ministry in each country through which designations to all bodies and other official communications will be channelled and which shall exercise the national vote in certain situations (see below 8.2.)

10.2. Joint Monitoring Committee (JMC)

10.3. Joint Selection Committee(s) (JSC)

10.4. Joint Managing Authority (JMA)

The participating countries and regions have designated as the Joint Managing Authority the
10.5. Joint Technical Secretariat (JTS)

11. PROGRAMME IMPLEMENTATION
11.1. General issues

11.2. Tasks of the Joint Managing Authority

11.3. Tasks of the Joint Technical Secretariat

11.4. Project selection procedures
11.4.1. Application rounds
11.4.2. Application guidelines/application pack
11.4.3. Geographical and institutional eligibility
11.4.3.1. Geographical eligibility
11.4.3.2. Eligibility of different types of applicants
11.4.3.3. Eligibility of partners from adjacent area
11.4.4. Eligibility check/technical evaluation
11.4.5. Selection committee
11.4.6. Contracting

11.5. Lead Partner Principle

A Lead Partner shall be nominated for each project. The Lead Partner is the final beneficiary of the ENPI CBC funding and ENPI CBC equivalent funding and will act as a link between the project partners and the Programme. It shall be responsible for all aspects of the project towards the Joint Managing Authority.

The role of Lead Partner can be held by a partner located in an EU Member State, Russian Federation or Norway. Each participating country will individually have overall liability for the Programme funds granted to the Lead Partner in located in its territory.

The Lead Partner principle is the central principle behind the control system of the Kolarctic ENPI CBC Programme. The Joint Managing Authority will conclude Grant
Contracts with each Lead Partner, on behalf of the Member States, Russian Federation and Norway. The Lead Partner is responsible for the submission of the joint application form and ensuring that the co-financing commitments are in place, as these provide evidence of match-funding.

The Lead Partner is also responsible for:

- Deliverance of project reports and documentation;
- The appointment of a project auditor;
- Delivering project outputs;
- Production of documents required for audits and payments;
- Verification that all project expenditure by other project partners has been validated by first level controllers;
- Overall project management;
- Concluding an agreement for its relations with the other project partners to guarantee sound financial management of the funds allocated, including the arrangements for recovering amounts unduly paid.

11.6. Financial procedures

11.6.1. General description

- sound financial management
- separation of tasks in the JMA
- protection of Community’s financial interests
- etc

11.6.2. Financial management

- single bank account under two JMA signatures
- treatment of interest income
- annual commitments
- first advance payment from the European Commission
- yearly payment requests accompanied by annual operational and financial reports
- yearly payments from the European Commission
- separate Programme accounts at the JMA
- N+4 automatic de-commitment
- contracting and payment of national co-financing
- advance payments to the Lead Partners
- consequent payments
- recovery of payments made to Lead Partners for unjustified or ineligible expenditure

11.6.3. First level controls

11.6.3.1. Description of first level controls

- According to the Article 6(2) of the [Draft Implementing Regulation] the JMA
11.6.3.2. First level controls in EU Member States

11.6.3.3. First level controls in the Russian Federation

11.6.3.4. Costs for first level controls

11.6.4. Audit procedures

11.7. Technical assistance

11.8. Use of languages

11.9. Information and publicity

[EuropeAid Visibility Handbook]


Figure 1 ENPI Kolarctic Programme Area. Adjacent areas are indicated in light grey.
Table 1  Land area, population density and population trends in the Kolarctic ENPI Area (forecast for 2020).

<table>
<thead>
<tr>
<th>Area</th>
<th>Land area km²</th>
<th>Population density 2000</th>
<th>Population trend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>- Lapland</td>
<td>98 937</td>
<td>1,9</td>
<td>191 768</td>
</tr>
<tr>
<td>- Norrbotten</td>
<td>105 500</td>
<td>2,6</td>
<td>256 238</td>
</tr>
<tr>
<td>EU countries, total</td>
<td>204 437</td>
<td>2,25</td>
<td>448 006</td>
</tr>
<tr>
<td>- Finnmark</td>
<td>48 637</td>
<td>1,5</td>
<td>74 054</td>
</tr>
<tr>
<td>- Troms</td>
<td>25 981</td>
<td>5,8</td>
<td>151 160</td>
</tr>
<tr>
<td>- Nordland</td>
<td>38 327</td>
<td>6,2</td>
<td>239 109</td>
</tr>
<tr>
<td>Northern Norway</td>
<td>112 945</td>
<td>4,5</td>
<td>464 328</td>
</tr>
<tr>
<td>Murmansk</td>
<td>144 900</td>
<td>6,0</td>
<td>932 000</td>
</tr>
<tr>
<td>Arkhangelsk</td>
<td>587 400</td>
<td>2,4</td>
<td>1 424 600</td>
</tr>
<tr>
<td>and Nene</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North-west Russia</td>
<td>732 300</td>
<td>4,2</td>
<td>2 356 600</td>
</tr>
<tr>
<td>Whole area, total</td>
<td>1 049 682</td>
<td>3,65</td>
<td>3 268 934</td>
</tr>
</tbody>
</table>
**Table 2**  Population of the INTERREG IIIA Kolarctic Neighbourhood Programme Area by age and sex in 2005.

<table>
<thead>
<tr>
<th>Area</th>
<th>GDP/ inhabitant</th>
<th>Unemployment rates (% of work force)</th>
<th>% of inhabitants over 15 years, who have completed a</th>
<th>Scondary degree</th>
<th>Tertiary degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Lapland</td>
<td>15 759</td>
<td>18 705</td>
<td>20 316 (2004)</td>
<td>21,0</td>
<td>18,7</td>
</tr>
<tr>
<td>- Norrbotten</td>
<td>-</td>
<td>-</td>
<td>125 703</td>
<td>14,2</td>
<td>13,0</td>
</tr>
<tr>
<td>EU countries, total</td>
<td>-</td>
<td>-</td>
<td></td>
<td>17,6</td>
<td>15,9</td>
</tr>
<tr>
<td>- Finnmark</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Troms</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Nordland</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern Norway</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Murmansk</td>
<td>44 100</td>
<td>61 600</td>
<td>156 300 (2004)</td>
<td>3,8</td>
<td>4,4</td>
</tr>
<tr>
<td>Arkhangelsk and Nenet</td>
<td>9 336</td>
<td>45 345,1</td>
<td>117 337,4</td>
<td>2,1</td>
<td>2,6</td>
</tr>
<tr>
<td>North-west Russia</td>
<td>5,6</td>
<td>4,7</td>
<td>3,1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Whole area, total</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table 3**  Population of the Programme area by age and sex

<table>
<thead>
<tr>
<th>Area</th>
<th>Age structure %</th>
<th>Sex %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0-14 yrs</td>
<td>15-64 yrs</td>
</tr>
<tr>
<td>- Lapland</td>
<td>16,6</td>
<td>66,1</td>
</tr>
<tr>
<td>- Norrbotten</td>
<td>17,6</td>
<td>63,5</td>
</tr>
<tr>
<td>EU countries, total</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Finnmark</td>
<td>15</td>
<td>48</td>
</tr>
<tr>
<td>- Troms</td>
<td>32</td>
<td>57,5</td>
</tr>
<tr>
<td>- Nordland</td>
<td>49</td>
<td>50</td>
</tr>
<tr>
<td>Northern Norway</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Murmansk</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Arkhangelsk + Nenets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Russian areas</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
ANNEX xx  Implementation of the INTERREG IIIA Kolarctic Programme 2000-2006 by measure (million euros).

<table>
<thead>
<tr>
<th>Measure</th>
<th>Programme EU financing</th>
<th>Tied %</th>
<th>Total budget</th>
<th>Tied %</th>
<th>Number of applications</th>
<th>Number of approved projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Business co-operation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1. Production co-operation and business networks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2. Development of expertise in businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Expertise and welfare</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1. Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2. Research and development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3. Culture and welfare</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Internal functionality of the programme</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.1. Infrastructure and transportation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.2. Information technology and communications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>