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Ministry of Foreign Affairs

A New Era of cooperation between Norway and Bulgaria

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Colleagues, Excellencies, Ladies and Gentlemen,

It is with great pleasure and with no less expectations I stand here today in connection with the launching in Bulgaria of the EEA Financial Mechanism and the Norwegian Bilateral Cooperation Programme.

I am also very pleased to note the great interest there is for this launching conference, both from the Bulgarian and Norwegian business community, central, regional and local authorities as well as members from the civil society and academic institutions. This bodes well for our future cooperation and the development of suitable projects.

A similar launching conference took place in Oslo on 7 November followed by events in other Norwegian cities. Quite a number of participants from those events are here today, pursuing possible partnerships with Bulgarian counterparts, which is just what we want.

Norway and Bulgaria have come closer to each other the last few years, through membership in NATO and the European Economic Area (EEA), increased business relations and finally, the new financial contributions.

Norway is not a member of the European Union. But we participate in different areas of cooperation within the EU. Most important is the EEA Agreement, making Norway, Iceland and Liechtenstein part of the EU internal market. Norway has a very open economy, and EU countries are already by far our most important trading partners. Through the EEA Agreement, Norway also takes part in programme cooperation and related activities in areas such as research, information services, education and training, environment, employment, entrepreneurship and civil protection.

The EEA Agreement implies that Norway, like Bulgaria, must follow EU legislation governing the four freedoms, notably the free exchange of goods and the free movement of persons, capital and services. Consequently, Bulgarian economic operators face the same basic conditions and rules when conducting business and activities in Norway as in any EU member state. Likewise, Norwegian economic operators have the same opportunities in Bulgaria as any operator from a EU member state.

I am confident that this new and favourable situation will generate increased cooperation and business links between our two countries.

Another expression of Norway's close ties with Europe is our participation in the Schengen cooperation, together with many EU member states. Through this we are associated with important aspects of cooperation within justice and home affairs, especially relating to external border control.

And finally, we are close across a range of foreign and security policy issues. We share the basic foreign policy outlook of the EU, and we clearly see the value of a clear European voice in the world. Together with the EU, we share a strong commitment to broader multilateral cooperation.

Social and economic disparities in the EU has increased through the recent enlargements. Norway is committed to making reasonable contributions to help bridge the gaps in the enlarged EU. And this is exactly what the EEA Financial Mechanism and the Norwegian Cooperation Programme are all about, and the main reason why we are here today.

The purpose of today's conference is to provide an arena where interested parties from Bulgaria and Norway can come together, learn from each other and team up in new partnerships. I trust that this will be the start of mutually beneficial contacts and cooperation.

Ladies and gentlemen,

Norway has since the EU enlargement in 2004 contributed annually some 227 million euro of the total EEA/EFTA contribution of 233 million euro to bridge economic and social gaps in the EU. We see this as an investment in a more stable, more prosperous and more integrated Europe. And we see it as a contribution to the good functioning of the Internal Market.

Three years into the five year period of the mechanisms (2004-2009), we are starting to see the effects “on the ground” of our efforts in the countries that became EU members in 2004. Projects are being implemented, and many funds and programmes have become operational. We also see plenty

of cooperation and partnerships between institutions and operators in the beneficiary states and counterparts in Norway, within the public as well as the private sector and civil society.

EU has now 27 members and for the remaining part of the 5 year period an additional amount of 140 million euro will be added to the benefit of Bulgaria and Romania. Of this 41,5 million euro in all will go to projects contributing to social and economic development in Bulgaria.

As is the case with the contribution to the other beneficiary states, our support to Bulgaria will be split in two. Some half of the amount will be channelled through the existing *EEA Financial Mechanism*, targeting projects in important fields like protection of the environment, human resource development, health and childcare and conservation of European cultural heritage. Under the EEA Financial Mechanism, it will be Bulgaria that develops, proposes and implements the projects. I trust that a number of partnerships between institutions and operators from Bulgaria and the donor states (Norway, Iceland, Liechtenstein) will be established to the benefit of all parties. The NGO Fund and the Scholarship Fund to be set up under the Mechanism should also contribute to strengthen our cooperation.

Promotion of social dialogue is a focus area under the EEA Mechanism. Widespread experience show that constructive, tripartite cooperation between the government, employers' organisations and trade unions is important for the good functioning of the labour market, the reduction of welfare gaps and the implementation of relevant EU legislation. Dialogue both at national, sectorial and company level should prove productive. We therefore hope to see projects in this field.

The other half of our support to Bulgaria will be channelled through the *Norwegian Cooperation Programme for Economic Growth and Sustainable Development in Bulgaria*. This programme will in many ways be different from the EEA Mechanism.

The Cooperation Programme targets the following four priority areas:

- **Energy efficiency and renewable energy.**
- **Reduction of greenhouse gas emissions and other pollution of air and water.**
- **Sustainable production, including certification and verification.**
- **Implementation of Schengen aquis as well as strenghtening the judiciary.**

Environment, energy, climate change and sustainable production are all high on the agenda both globally, regionally, nationally as well as locally.

The broader and crucial question is how can we create economic growth and energy security without destroying the environment and biodiversity?

The problems may look insurmountable, but the fact is that we have never been better equipped to meet the challenge. We have among us the knowledge, technology and the financial resources necessary. This is the global picture. But we must act locally. There are challenges to be met in these important areas also in Bulgaria. Here our new programme may play a role. Norwegian institutions and companies have high competences in these fields and stand ready to pursue common projects. The potential for further developing existing partnerships and establishing new ones is great.

I would like to underline that we will pursue a balanced approach between the four priority areas, meaning that as a starting point each priority area will be allocated an equal share of the overall amount. Within this context, all project applications will be appraised and processed according to the same rules and procedures governing the Programme.

Another basic feature of the Programme is the focus on partnerships – of various kinds - between institutions and operators from our two countries. All projects under the Programme shall be based on such partnerships. To develop and diversify our future cooperation, the Programme is open to all actors - private as well as public, large as well as small. We trust that NGOs as well social partners will play a substantial role under the Programme.

The Programme will be managed by Innovation Norway, a Norwegian semi-public institution. However, the established rules and procedures for the implementation of the Programme take due account of the need for close involvement of the Bulgarian Ministry of Finance (Focal Point) and other relevant Bulgarian authorities. Through such close cooperation, the chances of making the Programme a success is much greater.

The duration of both the EEA Mechanism and the Cooperation Programme is short. No projects will be approved by the donor side after 30 April 2009, and no payments will be made after 30 April 2011. That may be a challenge and necessitates frequent reviews of performance and progress.

In the implementation of both schemes one must adhere to some crucial principles, of which I would like to stress especially:

- the need for transparency in the decision-making process;**

- **the promotion of equal opportunity for men and women in the projects;**
- **the projects must promote sustainable development;**
- **the projects must be compatible with the principles and precepts on which EU funded activities are founded; the rules on government aid and public procurement included.**
- **and last but not least the activities undertaken will be subject to appropriate anti-corruption and financial control measures.**

Ladies and gentlemen,

Let me conclude by reciting the words on the folders prepared for this conference and which you have received today: Solidarity, Opportunity and Cooperation. These words truly encompass what the objectives of the EEA Mechanism and the Norwegian Cooperation Programme are all about and I am convinced that today's event will contribute to meet these objectives.