



4th BALTIC SEA STATES SUMMIT
(St. Petersburg, 10 June 2002)

Chairman's conclusions

At the invitation of the Prime Minister of the Russian Federation, the Heads of Government of Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, the Russian Federation and Sweden met in St. Petersburg on 10 June 2002. The Presidency of the European Union and a member of the European Commission also participated.



Summit participants with President Vladimir V. Putin

The 10th anniversary of the Council of the Baltic Sea States (CBSS) provides a good opportunity to assess results achieved to date and to set the agenda for the coming ten years. The implementation of the goals and spirit of the 1992 Copenhagen Declaration of the CBSS has helped to create a common identity for the Baltic Sea region. Having developed multilateral co-operation covering a wide range of issues, the CBSS has become an important political and economic factor contributing to security and stability in an undivided Europe. It is of great importance that co-operation within the framework of the CBSS supports and complements bilateral relations among the Member States.

Baltic Sea Regional Co-Operation and European Union Enlargement

The Heads of Government reiterate the significance of further European Union enlargement embracing Estonia, Latvia, Lithuania and Poland. The CBSS will utilise its advantage of encompassing both members and non-members of the EU to prevent divisions and achieve cohesion.

The pending EU enlargement will open new prospects for EU-Russia relations but at the same time may create new problems, including in the sphere of trade, economic co-operation and human contacts. The Heads of Government welcome the intention of the EU and Russia to continue discussions on these matters. They emphasise the objective of creating a EU-Russia Common European Economic Space. Existing opportunities should be used to the full with the aim of reaching a high degree of economic integration.

The Heads of Government stress that Kaliningrad Oblast of the Russian Federation should become an example of fruitful EU-Russia interaction in solving relevant practical problems and seizing the opportunities offered by EU enlargement. They welcome the intentions of the EU and Russia to continue joint work with a view to reaching mutually acceptable solutions for the Kaliningrad Oblast.

The Heads of Government recognize that the EU Northern Dimension is a dynamic framework for dialogue and co-operation and encourage the CBSS and other organisations in the region to contribute to its implementation. The new Northern Dimension Action Plan, to succeed the present one expiring in 2003, should be complementary to EU enlargement and implemented in parallel to it, in order to ensure that the benefits of enlargement do not stop at the new external borders of the EU.

The Heads of Government agree to focus on measures for improved cross-border and sub-regional co-operation with the aim of further development of the Baltic Sea region. Enhancement of direct contacts at local and regional level forms the common ground for finding answers to new challenges. In particular, they support expanded cross-border co-operation with the North-West of the Russian Federation to benefit its economic development. They also underline the importance of transnational co-operation between countries, regions, cities and municipalities in the field of spatial planning and development as highlighted by the 5th Conference of Ministers for Spatial Planning and Development in the Baltic Sea Region.

The Heads of Government encourage further support for Baltic Sea youth co-operation. Countries of the region should strive for a knowledge-driven approach to youth policy, and promote active participation by young people in the development of democratic and

pluralistic civil societies in the CBSS Member States. They welcome the results of the Baltic Sea Youth Ministers conference in Vilnius.

Development of a common civil society is of particular importance in a reunited Europe. Baltic Sea “region–building” needs to be supported by maturing civil societies in all CBSS Member States. The peoples of the Baltic Sea region share the same values and face similar challenges. The region stands to benefit from the exceptional potential of NGO-related co-operation, which the civil society structures have begun to exploit by establishing a Baltic Sea area-wide NGO network. The Heads of Government welcome the outcome of the Lübeck and St. Petersburg NGO fora and the convening of the NGO forum in Turku in 2003.

Promotion of democracy and the rule of law, civil society and human rights, including the rights of persons belonging to minorities, as well as combating all manifestations of racism and xenophobia, form an integral part of CBSS activities. Activities of the CBSS Commissioner on Democratic Development are of particular importance in this respect. Regular meetings of national/parliamentary ombudsmen provide a further important channel of regional co-operation.

The Heads of Government welcome co-operation between the CBSS and the Council of Europe. They underline the importance of regional co-operation in various parts of the European continent as outlined in the Vilnius Declaration of the Council of Europe on Regional Co-operation and the Consolidation of Democratic Stability in Greater Europe.

Economic Growth and Sustainable Development

The Heads of Government pledge to make a strong common effort to reach the goals as set out by the CBSS Ministers of Trade and Economy in the Moscow Action Plan, particularly with regard to removing the remaining barriers to trade and investment and promoting economic growth, including efforts to nurture the development of SME's. The Heads of Government request a special report to their next Summit meeting on achievements with regard to crucial cross-sectoral issues: reaching the objective of maximum two hours for border crossing of goods; combating corruption, which constitutes a hindrance to increased trade and investment; establishing the Baltic Sea Region as an investment area characterised by transparency, predictability and the rule of law. Further progress is also needed in the areas of standardisation and certification requirements, in order to make it easier for companies to gain market access.

The Heads of Government are committed to further strengthening of the Baltic Sea region's leading position in the IT sector through national action and multilateral co-operation. It will be of particular

importance to provide continued focus on the Northern e-Dimension Action Plan (NeDAP) as an important tool for existing and new IT-activities in the region and to stimulate integration and synergies of various IT networks in the Baltic Sea area. The Heads of Government call for efficient implementation of the NeDAP action lines on high-speed research networks, e-Security, e-Skills, e-Commerce, e-Government and e-Indicators. They also welcome the financial support announced by the European Commission and others for NeDAP activities.

The Heads of Government reaffirm their commitment to promoting sustainable development in the Baltic Sea region and emphasise the role of the Agenda 21 for the Baltic Sea region (Baltic 21). They forward a common message to the upcoming UN World Summit on Sustainable Development in Johannesburg.

The Heads of Government acknowledge that in order to reduce greenhouse gas emissions at the international level, an internationally binding system is absolutely necessary. The Kyoto Protocol is a first important step in this direction. For this reason it must be ratified and implemented as quickly as possible by all CBSS Member States and developed further.

Energy supply is vital for sustainable development. Successful integration of energy markets in the Baltic Sea Region would considerably increase the security of supply and at the same time make possible cost-effective environmental improvements. The results gained so far in the Baltic Sea Regional Energy Co-operation (BASREC), being one of the most important instruments to fulfil the intention of the EU Northern Dimension, are promising. The Heads of Government urge the Ministers of Energy, meeting later this year in Vilnius, to facilitate efforts to integrate national energy systems through harmonisation and development of policies, continued regional co-operation on electricity and gas markets, climate issues, energy efficiency and utilisation of renewable energy sources. The ambition to develop the Baltic Sea Region into a testing ground for flexible mechanisms under the Kyoto Protocol should now be fulfilled.

The Heads of Government support on-going efforts aimed at developing a sustainable regional transport network and note its positive impact on the improvement of infrastructure, economy and trade in all parts of the Baltic Sea region, in the context of EU enlargement and the main objectives of the Northern Dimension. Full realisation of Pan-European Network Corridors I, II and IX and the creation of new rail connections, together with the modernisation and development of existing rail networks and further enhancement of short sea shipping by developing the concept of “Motorways of the Baltic Sea”, are important steps towards connecting the Baltic Sea regional infrastructure with the Trans-European network. The Heads

of Government take note of the conference of CBSS Ministers of Transport held in Gdansk in 2001 and expect an efficient follow-up.

The Heads of Government recognise the severe environmental stress in the Baltic Sea and urge all relevant stakeholders to take immediate action to reduce the input of nutrients and hazardous substances in order to restore the ecosystem function of the Baltic Sea. They note in this regard the progress made by individual countries and through HELCOM's Baltic Sea Environmental Action Programme and call for its further effective implementation.

The Heads of Government urge all stakeholders to take relevant action in order to secure long-term sustainable fisheries, taking into account scientific catch recommendations and the ecosystem approach, thus ensuring a more selective fishery and an effective fisheries control.

The Heads of Government underline the importance they attach to co-operation on nuclear safety and radioactive waste and urge all parties concerned to make every effort to bring the Multilateral Nuclear Environmental Programme for the Russian Federation (MNEPR) negotiations to an early successful conclusion. They support the elaboration of the Northern Dimension Environmental Partnership (NDEP) with the aim of speeding up financing of environmental protection projects, including in the field of nuclear safety. In this context, they also stress the importance of timely joint actions to improve wastewater treatment facilities in St. Petersburg and elsewhere in the Baltic Sea region.

Human Security

The Heads of Government note with satisfaction the establishment of the Child Centre for IT-based exchange of information and experiences regarding children at risk and welcome the broadening of this co-operation taking into account i.a. the problem of the large number of street children, homeless children and children in social care institutions. Joint efforts are also needed to find appropriate solutions to the acute problem of trafficking in children and the increasing number of unaccompanied minors crossing the national borders within the region, their proper care, identification, repatriation and rehabilitation. In these activities, the member states will take into account the outcome document of the UN General Assembly Special Session on Children held in May 2002.

The Heads of Government welcome the report from the Task Force on Communicable Disease Control in the Baltic Sea Region. They draw attention to the measures that are specified in the attached separate statement. The Task Force shall continue its work, and issue a final report to the 5th Baltic Sea States Summit.

The Heads of Government welcome the report from the Task force on

Organized Crime in the Baltic Sea Region and note the conclusions of the Ministers responsible for police co-operation in Lübeck in May 2002. They stress that the countries of the Baltic Sea region are united in the view that organised crime is a threat to democracy and good governance and therefore consider the work carried out by the Task Force on Organized Crime of profound importance. The Heads of Government deem terrorism to be one of the greatest threats to modern civilized societies and endorse the decision to include organized crime in relation to terrorism in the operational co-operation within the Task Force. They welcome the decision by the Ministers responsible for police co-operation to meet again in two years in order to review the Task Force co-operation and its structure. They welcome that Denmark will chair the Task Force until the end of 2004.

Developments in the Baltic Sea area during the past decade have generated an increasing awareness of the importance of civil security. Co-operation in this field, launched at the Riga Summit in 1998, is of direct interest to all citizens of the region. The Heads of Government recommend further efforts on civil protection, surveillance and crisis management research according to the agreed priorities set forth by Poland as CBSS lead country. The co-operation on civil protection between the EU and CBSS within the framework of the Northern Dimension (EUROBALTIC) should be implemented rapidly.

The Heads of Government note the increase in oil transports in the Baltic Sea area. They emphasise the importance of implementation of the recent decisions of HELCOM on maritime safety, including the phasing out of single-hull oil tankers, the introduction of the joint Automatic Identification System for sea traffic as well as enhancing the use of pilotage in the Danish straits and promoting the Vessel Traffic Management and Information System in the Gulf of Finland. They also underline the urgency of improving oil-combating ability in the Baltic Sea area.

The countries of the Baltic Sea region look toward the future with confidence and optimism. The CBSS, working together with other regional organizations, will continue to play an indispensable role bridging members and non-members of the EU. In its second decade as in its first, the CBSS will work to secure a prosperous future for the region as a whole, a region of sustainable development, where all countries and societies enjoy security and stability and share common democratic values. The Heads of Government welcome the invitation of the Estonian Prime Minister to meet next time in the same format in the spring of 2004 in Estonia.

Over 150 government officials, industry representatives and other stakeholders gathered in St.Petersburg on 26–28 May 2002 to discuss the development and use of the Kyoto Protocol flexible mechanisms in the Baltic Sea region at the BASREC Conference “The testing ground for the development and implementation of the flexible mechanisms of the Kyoto Protocol”. The conference was arranged by the Baltic Sea Region Energy Co-operation (BASREC) in co-operation with the Nordic Council of Ministers, the European Commission, BALTREL, Baltic Gas, and the International Energy Agency. It provided an ideal opportunity for interested parties in the Baltic Sea region to better understand the processes involved, the assistance that is available to them as well as to meet potential partners.

The aim of the conference was to increase understanding of the flexible mechanisms, which help countries to meet greenhouse gas reduction targets, and to outline the framework for their implementation among businesses, governments and academia. The conference explored the role of the flexible mechanisms in the Baltic Sea region, analysed current pilot projects and provided practical information on how to start new projects. Items such as the BASREC Handbook for Joint Implementation, results from the BASREC emissions and electricity trading simulation, the green investment scheme and model project contracts were covered by experts within their respective fields.

Implementing the Kyoto Protocol: Handbook for the Baltic Sea

The first version of the Handbook aimed at promoting understanding of the Kyoto Protocol’s Joint Implementation mechanism was presented and discussed. The Handbook is a guide for governments and businesses co-operating in energy sector Joint Implementation (JI) projects in the region. The Handbook is the first guide to running JI projects in the Baltic Sea area.

While most countries are in the earliest stages of meeting JI participation requirements, the Baltic Sea region, with its mix of EU countries and transition economies, is the ideal testing ground for Joint Implementation. The Handbook will be revised to reflect the expert opinions expressed in the Conference workshops and new information on JI rules.

Emission and electricity trading simulation suggests sellers’ market

Results of the Baltic Sea region's first CO2 emission and electricity trading simulation presented at the BASREC Conference in St.Petersburg suggest that Kyoto Protocol emission objectives will affect the profile of power generation in the region. Other energy policy choices, particularly in the nuclear and renewable dimension, will also have a prominent effect on strategies adopted to reduce CO2. The simulation also highlighted the impact of the CO2 market on the traded electricity prices.

"The basic agreement on the start of the testing ground should be reached by the time of the meeting of the CBSS Energy ministers in Vilnius on 20 November 2002"

Governments of the ten Baltic Sea states and 20 electricity and energy companies took part in the simulation during March and April 2002 to explore the Kyoto Protocol's flexible mechanisms and the interaction between the electricity and emissions markets. While not intended as an accurate projection of the future, the simulation indicates that CO2 emission allowances for countries of the region could affect competition and pricing among power generators.

This was the first electricity trading simulation to cover such a large geographical area with so many players, based on existing production and transmission capacities and demand.

Conclusions

The conference contributed to on-going efforts of BASREC aimed at establishing a testing ground for flexible mechanisms of the Kyoto Protocol in the Baltic Sea region. The tools and procedures needed in the process of implementation require further development - and so does the human capacity among the actors for them to make use of the tools. The basic agreement on the start of the testing ground should be reached by the time of the meeting of the CBSS Energy ministers in Vilnius on 20 November 2002.

In the meantime, regional co-operation on the climate issue will continue between competent national authorities, together with the industry and financial institutions.

*Olle Björk
Deputy Director
Ministry for Industry, Employment and Communications
Sweden
Co-chairman of the BASREC ad hoc Group on Climate Change*

On 6–9 June 2002, Vilnius hosted the 3rd Baltic Sea Youth Minister Conference, Youth in the Knowledge Society. The Conference gathered CBSS ministers in charge for youth affairs, delegates from non-governmental youth organisations, experts from National Agencies of the EU Youth Programme in 11 countries of the region, as well as representatives of the European Commission and the Council of Europe.

Participants of the Conference discussed on-going and future youth activities as well as guidelines and opportunities for youth co-operation in the context of building a knowledge society in the Baltic Sea region. Along with the ministers in charge for youth affairs from CBSS Member countries, the list of speakers at the Conference also included Mr. Joao Vale de Almeida, Director for Youth, Civil Society and Communication from DG for Education and Culture of the European Commission, Mr. Arturas Paulauskas, Chairman of the Seimas (Parliament) of the Republic of Lithuania, Mr. Peter Lauritzen, Head of Unit for Education, Training, Research and Communication, Directorate for Youth and Sports of the Council of Europe and other officials from international and Lithuanian governmental institutions.

The initiative to involve youth into the process of integration of European countries originally came from Sweden, which hosted the 1st Baltic Sea Youth Minister Conference in Visby in 1998. The Visby Conference adopted the Plan of Action for co-operation in the field of youth and each of the eleven participating countries undertook to implement specific tasks. The 2nd Conference on Baltic Sea Youth Co-operation, organised in Lübeck in 2002, set up the Baltic Sea Secretariat for Youth Affairs for the purpose of co-ordinating youth activities in the region.

Organisers of the 3rd Conference in Vilnius proposed to convene it under a specific theme, Youth in the Knowledge Society, and focus the discussions on different ways of promoting life-long learning, self-change with regular improvement of one's knowledge and life perceptions. The Conference analysed the following main components of the knowledge society: E-community: strengths and weaknesses, perspectives for creation and development; Non-formal education and life-long learning; Youth participation and active citizenship – building up cross-sectoral approach; Baltic Sea regional identity, inter-cultural, inter-religious dialogue; Youth mobility and networking in the region; Threats and possibilities within knowledge society.

The main objectives of the 3rd Conference included evaluating the on-going co-operation among regional, national and non-governmental youth organisations, identifying new opportunities in the fields of information, dissemination and communication, pushing forward the implementation of joint projects, thereby promoting the creation and evolution of the knowledge society in the Baltic Sea region. CBSS Ministers responsible for youth affairs had the opportunity to examine the most promising regional youth co-

operation projects and listen to arguments and proposals of their institutional partners in other sectors.

"The Ministers recommended the Working Group on youth affairs to be integrated into the structure of the CBSS"

The main outcome of the Conference was the adoption of the Vilnius Plan of Action for future Baltic Sea co-operation in the youth field, focusing on participation of young people in the knowledge society. This forward-looking document i.a. spells out commonly agreed priorities, which include developing knowledge-based youth policies, promoting concepts of non-formal education and life-long learning, encouraging close co-operation between the governmental and non-governmental actors in the field of youth policy, promoting a cross-sectoral approach to youth policies, securing the integration of young people from disadvantaged backgrounds, who are not able to match the demands of the knowledge society.

The 3rd Baltic Sea Youth Minister Conference also agreed to transform the Steering Group of the Baltic Sea Secretariat for Youth Affairs into a Working Group with equal access for all countries in the Baltic Sea region, and to arm this Group with the mandate to implement the Plan of Action. The Ministers recommended the Working Group on youth affairs to be integrated into the structure of the CBSS and to co-operate with the newly established Working Group for Co-operation on Children at Risk.

*Darius Bazaras
Secretary,
State Council for Youth Affairs of the Republic of Lithuania
Vilnius*

Baltic Sea Chambers of Commerce Association celebrates its 10th anniversary

10 years, 10 states, more than 50 Chambers of Commerce: the Baltic Sea Chambers of Commerce Association, BCCA, celebrated its 10th anniversary in Rostock-Warnemünde on 3 June 2002.

During the last 10 years the BCCA has helped improve the economic conditions in the Baltic Sea region through initiatives like the Hansewirtschaftstage ("Hanse Business Days"), which facilitated the dialogue between governments and entrepreneurs. As one of the results of this dialogue, the "2 hours in 2000" campaign, which aims at doing away with the long waits for border clearance, was put squarely on the agenda of the Council of the Baltic Sea States and became one of the CBSS priorities in the field of economic co-

operation.

The BCCA also promoted the idea of Baltic Partenariats, which led to numerous joint endeavours between companies in Baltic Sea countries. The next annual Baltic Partenariat is scheduled to take place in St. Petersburg in 2003, when the city will be celebrating its 300th anniversary.

Other projects of the BCCA have included i.a. the on-line company database, BASIN, set up in mid-1990s as a co-operation exchange on the Internet. Later on, the outgoing BCCA President Mr. Wolf Rüdiger Janzen came up with the initiative of organising video conferences in order to facilitate the first contacts of potential business partners without expensive – and sometimes unsuccessful – business trips. Meanwhile, 10 Chambers of Commerce and Industry in all Baltic Sea states have been equipped with the necessary technical equipment.

In 1991, a co-operation agreement between the Kiel Chamber of Commerce and Industry (CCI) and the re-established CCI of Estonia was signed to support the latter's economic self-administration and the country's transition to market economy. Today, with almost 3000 members, the Estonian CCI is the largest Chamber of Commerce in reforming countries, an acknowledged advisor to the national government and a useful service institution for Estonian companies. As another result of this co-operation, an office of the Delegation of the German Ministry of Economy, responsible for all three Baltic countries, was set up in Tallinn.

"The BCCA promoted the idea of Baltic Partenariats, which led to numerous joint endeavours between companies in Baltic Sea countries"

Mr. Janzen was praised for his contribution to the economic development of the Baltic Sea region and the build-up of the economic self-administration in countries on the south-eastern shores of the Baltic Sea. As a representative of the Baltic Sea business community, the President of the BCCA has been invited to annual CBSS Ministerial sessions and other important regional conferences, as well as to meetings of CBSS Working groups. Mr. Janzen also served as Chairman of the Baltic Business Advisory Council (BAC) within the framework of the CBSS, a member of the Advisory Board of the Baltic Development Forum and of the Baltic Partenariat-Riga 2001.

After a decade of successful work as President of the BCCA and having been re-elected to this post four times, Mr. Janzen stepped down and was appointed honorary president of the Association. Mr. Stephan Mächler, President of the Southern Sweden CCI in Malmö, was unanimously elected new president of the BCCA during the BCCA-member conference on 3 June 2002 in Rostock-Warnemünde

– the venue where the Association was founded 10 years ago.

*Werner Koopmann
Chamber of Commerce and Industry
Kiel*

No copyright. • Graphic form: Svensk Information AB • Printed by Awj Kunskapsföretaget •
ISSN: 1650-2051

Edited and published by the CBSS Secretariat • Jacek Starosciak, Director • Serguei O. Sokolov, Senior Advisor

Useful CBSS addresses

Chairman of the CBSS Committee of Senior Officials (CSO):
Alexey A. Obukhov, Ambassador-at-Large, 2nd European Dept.,
Ministry for Foreign Affairs of the Russian Federation,
32/34 Smolenskaya-Sennaya Pl., 121200 Moscow, Russia
Tel: +7 095 244 28 63 Fax: +7 095 244 14 80
Internet: <http://www.cbss.mid.ru> * E-mail: cbss-chair@mid.ru

CBSS Secretariat:
Strömsborg, P.O. Box 2010, 103 11 Stockholm, Sweden
Tel: +46 8 440 19 20 * Fax: +46 8 440 19 44
E-mail: cbss@cbss.st * Internet: <http://www.cbss.st>