

Celebrating 30 Years Promoting the Baltic Sea Environment

EXCLUSIVE BALTINFO INTERVIEW WITH THE EXECUTIVE SECRETARY OF THE HELSINKI COMMISSION, MS. ANNE-CHRISTINE BRUSENDORFF.

BALTINFO: *BALTINFO would like to congratulate HELCOM on its 30th anniversary. Looking back, what would you highlight as the Commission's main achievements?*

Anne-Christine Brusendorff: During the last 30 years the Baltic Sea region has faced tremendous political, social and economical changes. Despite those, the Helsinki Commission has managed to maintain its cooperative spirit and to concentrate on its main objective – to restore and protect the marine environment of the Baltic Sea. This “spirit of HELCOM” has made the Helsinki Commission the environmental focal point in the region and has led to significant environmental achievements:

The load of nutrients to the Baltic Sea has been reduced considerably especially from point sources, leading for example to cleaner beaches and coastal waters.

Scientific research also shows decreases in concentration of the main hazardous substances in the environment of the Baltic Sea. This was one of the key factors in the recovery of the populations of the top predators i.e. seals and white tailed eagle.

To decrease environmental



The President of Finland, Tarja Halonen, being escorted by Anne Christine Brusendorff (right) to the 25th Meeting of the Baltic Marine Environment Protection Commission held on 2–3 March 2004 in Helsinki.

impacts of shipping and to increase the safety of navigation in the Baltic, HELCOM has developed and introduced a number of measures, some of them via the International Maritime Organization (IMO). I can say with certainty that shipping today is cleaner and safer than it was 30 years ago. The Baltic Sea countries are also well prepared to respond jointly to pollution incidents at sea. This has been proven in real life operations.

A network of 62 Baltic Sea Protected Areas has been established in order to protect vulnerable natural habitats

and to conserve biological and genetic diversity.

The “Hot Spots Programme” has been important for HELCOM due to its public appeal. Active participation by the International Financial Institutions in the JCP Programme has been very positive and useful. The fact that we have been able to delete about 50 of the most polluting sites from our List of Hot Spots speaks for itself.

BALTINFO: *Which are the “success factors” and are there constraints to the process?*

Brusendorff: First of all I

would like to mention the commitment of the Contracting Parties to protect the Baltic Sea. Commitment to dedicate the necessary resources, not only human but also financial, to solve environmental problems has been, and still is, crucial to our success.

Political commitment is strengthened by open discussions in the Commission. A number of politicians, experts, institutions, international organizations and NGOs are involved in the HELCOM work and are contributing to achieve our common goals.

Another important success factor is good scientific background of HELCOM decisions. Harmonized monitoring programmes and extensive use of thematic assessments let us evaluate the need for new measures as well as the effectiveness of measures already applied.

BALTINFO: *Looking forward, there are still environmental challenges for the Baltic Sea – how would you rank them?*

Brusendorff: Eutrophication still remains the problem number one in the Baltic Sea. More effective measures should be taken to reduce the

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input of nutrients from diffuse sources, especially from agriculture which is the main source of nutrient input to the Baltic Sea.

Threats to the marine environment and human health from “new” hazardous substances are identified constantly and we need to ensure that we have sufficient knowledge of the sources and pathways to the sea of these substances in order to be able to establish adequate measures for the protection of the Baltic Sea.

Protection of habitats and biodiversity remains very high on the list due to increasing human activities on the coast and open sea, such as use of the coast line for construction, fisheries and wind parks. Environmental impacts of shipping, including transportation of non indigenous organisms and risk of accidents are not to be forgotten, especially bear-

ing in mind the rapid growth in maritime transportation.

BALTINFO: *How do you see the future role of HELCOM after the enlargement of the European Union?*

Brusendorff: HELCOM is, of course, changing to adapt to the new situation. We already have an efficient and well-functioning international co-operation structure, and just a short time ago we decided during the annual Commission meeting on our strategy for the future. While emphasising the need to link all levels – the national, the European and the global – in order to achieve satisfactory results – we also underlined that HELCOM still has an independent and important role to play in the protection of the Baltic Sea.

HELCOM will remain an environmental policy maker

for the Baltic Sea area for the development of common environmental objectives and actions and as the environmental focal point providing information about the state of/trends in the marine environment which can form the basis for decision-making in other international fora as well. Furthermore, HELCOM will continue to develop Recommendations of its own for the specific needs of the Baltic Sea and Recommendations supplementary to measures imposed by other international organisations as well as monitoring their implementation and effectiveness. And of course we will continue our work to ensure a multilateral response in case of major maritime accidents.

Acknowledging the need for full integration of all aspects and interests HELCOM has also decided that all future decisions shall be based on the

ecosystem approach, for which Ecological Quality Objectives are to be developed. Within this ecosystem approach the following areas are set as the priorities for HELCOM’s future work:

- monitoring and assessment;
- nature conservation and biodiversity;
- eutrophication;
- hazardous substances; and
- safety of navigation and response activities

We will also in the future make use of HELCOM’s potential capacity to identify uniform priorities and develop common strategies. And we will continue to share – also in a global context – our examples of productive co-operation – for the protection of the world’s marine environments.

[Link to HELCOM’s website: www.helcom.fi](http://www.helcom.fi)

International Conference on the 30th Anniversary of the Helsinki Convention RIGA, 22–24 MARCH 2004

OPENING REMARKS BY H.E. MR. TIIT NABER, AMBASSADOR-AT-LARGE, CHAIRMAN OF THE CBSS CSO

Mr. Chairman, Mr. Prime Minister, Lord Mayor, Excellencies, Ladies and Gentlemen:

First of all, let me express my gratitude for inviting me to address this important Conference on behalf of the Presidency of the Council of the Baltic Sea States. Today we celebrate the fact that cooperation on the Baltic Sea maritime environment has been a major focus for intergovernmental cooperation in our region for three decades. The signing of the Helsinki Convention in 1974 and the creation of the Helsinki Commission, (HELCOM), took place at a time when over-

coming the cold-war division of our region into opposing blocs of east and west seemed a distant prospect. HELCOM was a harbinger for the post-cold-war blooming of Baltic Sea regional cooperation, including the birth of the CBSS some twelve years ago. Indeed, if we look back at the Ronneby meeting of the Baltic Sea states Heads of Government in 1990 we can see a direct link between the work done by HELCOM in the 1970s and 1980s and the CBSS: not only was Ronneby important for HELCOM, it was also a part of the process which led to the radical transformation of the political map of our region and thus helped

pave the way for the creation of the CBSS.

We all know that the Baltic Sea is a globally unique and sensitive environment vulnerable to the impact of human activities. The environmental protection of the Baltic Sea must never be considered a secondary issue. In fact, it is a *top priority* for the Estonian CBSS Presidency. As host of the upcoming 5th Baltic Sea States summit meeting on 21 June at Laulasmaa, (a beautiful resort on the southern shore of the Gulf of Finland), Estonia will do its utmost to ensure that the Heads of Government will give due attention to this issue with

a view to agreeing on new joint action.

In conclusion, let me state my sincere wish that this anniversary session will be seen as an important landmark underlining the political commitment of the states surrounding the Baltic Sea to take the next steps needed to ensure success in our common mission. On behalf of the Presidency of the Council of the Baltic Sea States, let me wish you all success in your deliberations here today and tomorrow. I look forward to the follow-up of this conference and continued co-operation with HELCOM in the future.

Banking on Future Success

FINANCING DEVELOPMENT IN THE BALTIC SEA REGION

THE FINANCING OF economic development is increasingly receiving attention as western countries augment their level of support for poorer countries, in particular those in their immediate neighbourhood. Private banking structures are also evolving in the region, in particular in the new EU member states, the Baltic States and Poland, where the western and eastern private banking communities are sharing their role in these developments.

Development Banking

When seeking funds for projects in the region, all major IFIs (International Financing Institutions) are interesting candidates. The EIB, EBRD and World Bank are all active in many sectors. The family of Nordic development banks, NIB, NDEP, NEFCO have a specific brief to focus on the region, even if they also have a Nordic promotional role and also fund projects outside the region. German regional and national development banks, such as the Kreditanstalt für Wiederaufbau and the Schleswig-Holstein Investment Bank are equally active. These organizations all offer attractive lending, which is possible because they are publicly owned and generally have not-for-profit statutes.

Of course, these institutions work closely coordinated with national, regional, EU and global developmental policies. In that respect they complement national and re-

gional funding schemes. This is not a problem since the policies of IFIs are very similar to developmental policies, and developmental objectives are very often written into their statutes. This applies to loan criteria of a general nature, promoting economic growth, but also to specific sectoral objectives, such as environmental requirements for energy or transport projects, the improvement of social conditions etc.

The scope of the potential financing portfolio is broad, covering small and large projects in infrastructure and industrial development, municipal and rural activities, as well as small projects in, for example, the environmental and technology domains. The development banks are well-equipped with both financing and sectoral specialists, and are structured appropriately to manage such breadth.

The relationships with domestic banking vary. Some, such as the EBRD, focus mainly on large infrastructure projects, and there are fewer relationships with domestic banking. The World Bank's IFC (International Financing Corporation) channels its funding entirely through local banks. Others, such as the EIB, mix these approaches, depending upon the sector and size of the projects.

On a number of projects and in some of the financing mechanisms, the IFIs cooperate closely. This is particularly true for large investment pro-

jects, in sectors such as energy and transport. Furthermore, cooperation with national, regional and EU funding programmes is also traditionally strong. Often, pure developmental funds from, say, the EU structural funds (eg Interreg), can act as a lead-in to loans from the development banks, which would then phase out, to be replaced later in the life of the project by private banking. Clearly, the risk decreases as the sector progresses. The role of developmental programmes and development banks is to cushion the higher risk period. If this coordination was sporadic and not very structured in the early 1990s, today the IFIs exchange information and experiences on a regular basis and have found their complementary roles.

Development banking is seed funding to trigger future economic growth. With this in mind, many development banking instruments are intended to be phased out as economic growth progresses and as a target sector matures. This in turn leads to mechanisms appropriate to gradual phasing out, such as limits on the proportion of financing by IFI loans and project structuring with strict criteria.

Private Banking

Private banking in the Baltic States and Poland is evolving gradually towards the high standards we see in the western part of the region. Following the collapses of banks in

the east of the region in the 1990s, the banking sectors have largely recovered, both financially and in terms of their integrity. We have not reached the phase of development yet in these countries when private banking can be the main vehicle to fuel economic growth.

Nevertheless, a number of IFIs use private banking to deliver their loans in the region. Recently, credit conditions have considerably improved for the consumer sector, which should hopefully also fuel growth.

Conclusion

Financial institutions must deliver stability and conditions appropriate to economies still in transition. EU and national programmes will form the basis for development policies. IFIs will continue to play a key role for some time, to cushion risk and build infrastructure and bolster the emerging private financial sector. IFIs have evolved into the main backbone of development financing today. Private banking is entering a new phase of maturity, which promises to create a solid financial infrastructure in the Baltic States and Poland in the long-term. Russia remains a more major challenge, with the need for larger projects, but weaker financial infrastructure and traditions.

*Janis Folkmanis
Head of the BASREC Unit,
CBSS Secretariat*

CBSS and EIB: Enhanced Partnership for Regional Development

BALTINFO INTERVIEW WITH MR. SAULI NIINISTÖ, VICE-PRESIDENT OF THE EUROPEAN INVESTMENT BANK

BALTINFO: *The European Investment Bank (EIB) is a key stakeholder in integrating Europe. How will the changes in the EU – and in particular the EU enlargement – affect the bank's programmes that cover the Baltic Sea region?*

Sauli Niinistö: Firstly, I would like to stress that the European Investment Bank has been operating in the Accession Countries since the early 90s. Therefore, we already have a substantial loan portfolio and our counterparts in the area are in fact quite familiar with our lending objectives and programmes.

Regarding our main objectives, the integration of the new Member States is one of the key priorities for the EIB. Perhaps one of the most relevant operational consequences of accession is going to be a reinforced cooperation with the Commission grant programs, where the Bank is providing complementary funding to the Commission contributions. Apart from that, the other operational priorities of the EIB, such as the Innovation 2010 Initiative, apply to the Baltic Sea region.

Internally, the Bank's organisation for the acceding countries has already been fully merged with the organisation for the EU-15 area. In the new set-up, lending departments include a mixture of EU-15 and EU-10 countries.

BALTINFO: *What is your assessment of regional cooperation fora in Europe – and to what extent do they influence your deliberations?*

Niinistö: We have already seen how both public sector entities and private enterprises have become increasingly internationally focused. A good example of the development is the Baltic Sea region, which has over the last decade undergone a major integration process. For a European Institution, such as the European Investment Bank, it is important to facilitate and catalyse implementation of cross-border activities.

BALTINFO: *Russia is a crucial partner for Europe. From your standpoint what are the main opportunities and the main challenges vis-à-vis Russia?*

Niinistö: I believe that the vast economic potential of Russia and its importance to the European Union are gaining increased recognition within the union. Therefore, closer economic cooperation between Russia and the Member States benefits both the economies and private businesses seeking new opportunities.

As regards the Bank, our operational experience from Russia is still quite recent and we need to establish new contacts and reinforce the existing ones. As in any other country, we



Former Finnish Minister of Finance Sauli Niinistö went from national politics to the EIB in Luxembourg.

have to overcome the operational challenges that we face when entering a new area. In practice, we intend to operate in Russia in close cooperation with the Commission and other IFIs in order to maximize our output.

BALTINFO: *CBSS has a focus on the Northern Dimension. We have gathered a substantive contribution from Baltic Sea region actors to the EU Northern Dimension Action Plan and are keenly involved at the moment in monitoring and implementation of the NDAP. In what way does the Northern Dimension affect the activities of EIB?*

Niinistö: The EIB has been operating in Russia under the

Northern Dimension Environmental Partnership program, which includes donors, IFIs and Russia. Based on that program, the EIB is prepared to lend up to EUR 100 M to finance environmental projects. The very first loan towards a project in St.Petersburg was signed in December 2003. I have been personally much involved in the NDEP, as I am the current Chairman of the NDEP Steering Group.

Additionally, we have recently been granted a new lending mandate for operations in the area. This new mandate is to extend our activities in Russia, including environmental operations located in northwestern Russia.

BALTINFO: *CBSS as an intergovernmental regional organisation covering the Baltic Sea region is seeking closer contact and cooperation with EIB, on the basis of mutual interest. How could such cooperation benefit your institution?*

Niinistö: As a public bank, the EIB is focused on the implementation of the EU objectives. It is evident that the presence of organisations with cross-border and regional objectives, as in the case of CBSS, is facilitating our mission in the area concerned.

[Link to the European Investment bank: www.eib.org](http://www.eib.org)



Susan Scherrer and colleague at an INTERREG partner search forum in Berlin in March 2004.

CBSS and EU-INTERREG: Strategic Partners in the European Neighbourhood Program

BALTINFO INTERVIEW WITH MS. SUSAN SCHERRER, PROGRAM DIRECTOR OF THE INTERREG IIIB/IIIC JOINT SECRETARIAT IN ROSTOCK/KARLSKRONA/RIGA

BALTINFO: *Interreg programmes are key stakeholders in integrating Europe. How will the changes in the EU – and in particular the EU enlargement – affect the Interreg programmes that cover the Baltic Sea region?*

Susanne Scherrer: The four new member states in the Baltic Sea region, namely Estonia, Latvia, Lithuania and Poland, will be fully eligible partners benefiting also from Structural Funds programmes like INTERREG after 1 May 2004. Preparation for full membership of these countries in the INTERREG programmes has been going on for more than a year. The INTERREG IIIC programme promotes cooperation between regions all across Europe, and has proved to be very popular. This

programme presents attractive and equal opportunities for the Baltic Sea's northeast regions for working together for example with regions from Spain or Ireland. All regions from the new Member States can require a contribution from INTERREG of up to 75 % of the project costs!

Transnational cooperation under INTERREG III B has had a longer tradition of East-West cooperation. However, the incompatibility of INTERREG with PHARE or Tacis funding has hampered real cooperation – this will change now. Finally, there will be a number of new cross-border programmes in the Baltic States and Poland, offering EU support to a wide range of small-scale people-to-people

activities. Two of these were integrated in the III B management structure. In the view of our soon to grow to three programme secretariats (Rostock, Karlskrona and Riga), which now handle all three types of INTERREG, the EU enlargement provides new and exciting prospects for learning and joint competence development.

BALTINFO: *Russia is a crucial partner for Europe. From your standpoint what are the main opportunities and the main challenges vis-à-vis Russia?*

Scherrer: Besides EU enlargement, the introduction of the new EU Neighbourhood Initiative in mid 2003 has really changed our III B pro-

gramme. Specific Tacis funds for Russian and Belarussian partners will be allocated to the III B part but also to the two cross-border IIIA parts of the programme. This means that projects can apply for INTERREG and Tacis funding in one procedure, simultaneously. Since last year, both Russian and Belarus interest in cooperation has already grown considerably. In addition, the III B programme will have completely new elements including a wide range of topics for cooperation deriving from the Neighbourhood Communication. Also bilateral cooperation with Kaliningrad and St. Petersburg areas across the Baltic Sea will be possible.

We are now engaged in making theory work in practice. The ambitious aim is to launch the first joint call for joint project applications for INTERREG and Tacis funds in the course of 2004.

BALTINFO: *Please give your comments on regional cooperation such as the CBSS, and on how cooperation with CBSS could benefit your institution?*

Scherrer: Envied by other European areas, the Baltic Sea region has a very tight set of pan-Baltic institutions and organisations. These organisations have helped shape the INTERREG programmes as well. The CBSS has been regarded as the most important reference for political cooperation in the BSR, and the scope for cooperation under INTERREG has been linked to the priorities of the CBSS. In particular, the second NDAP is mentioned as important source for project development under INTERREG.

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Peipsi, the Lake that Unites

BALTINFO INTERVIEW WITH MS. MARGIT SÄRE, PROGRAM MANAGER OF THE PEIPSI CENTER FOR TRANSBOUNDARY COOPERATION

BALTINFO: *Please tell our readers a little bit about yourself – what is your personal background and how did you become involved in the work you are presently doing?*

Margit Säre: I have been employed at the Peipsi CTC for the last six years. I started as a project assistant during my final year of university. (I have a BA in Social Work from Tartu University and two master degrees: on European Minority Rights, from Strasbourg University; on Governance and the Politics of European Integration, from Bologna University). I am presently employed as a program manager for cross-border cooperation at the Peipsi CTC and manage projects with schools, NGOs and local authorities in the Estonian-Russian border region. I was recently appointed to the CEE Region Public Participation Task Force of the Global Water Partnership. I am also involved in the Estonian Development Cooperation Roundtable.

BALTINFO: *Please provide a brief overview on the Peipsi CTC: how did it get started, what is its mission? Has its mission and organisation changed over time? What are the major achievements of the Peipsi CTC to date?*

Säre: The Peipsi CTC is an international non-profit institute, established in Tartu, Estonia in 1993. The center promotes sustainable development and cross border cooperation in the Estonian-Russian border region and the Lake

Peipsi international water basin. Today, our programs are divided into four: 1) Community Development and Public Participation; 2) NGO support; 3) Water management in Lake Peipsi Basin, 4) Cross-border Cooperation. Our initial focus was on environmental and sociological research in the border area. It became evident that social, political and environmental changes had to a large degree affected the people of the region who were struggling to find ways to meet the challenges of the new environment. The original focus of the project was thus expanded to include projects aiming to increase socio-economic and civil society development in the region. Advanced communications technology has played an important role – a component for computer technology, e-mail and other communications tools was included at an early stage. The project slowly developed into a broadly focused NGO with different programs targeting the whole Lake Peipsi watershed area as well as other border regions in transition countries. Major achievements to date include the following:

- Operation, since 1999, of the Tartu and Jõgeva Counties' NGO Support Center;
- Launching of the Tartu Volunteer Center that has since become an independent organisation;
- Pioneering, in the mid-1990s, family-based Estonian language learning for Russian-speaking children.



Margit Säre and the Peipsi CTC are strong supporters of NGO development in the region and participate regularly in the Baltic Sea NGO Forum

Schools in Röpina, Mikita-mäe and Väraska and NGOs in Narva continue these activities.

- Introduction of new methods in public participation and environmental education, (e.g. voluntary nature monitoring, focus groups, citizen juries).

BALTINFO: *What are the main obstacles you face in realising your goals?*

Säre: Our main aims are connected to cross-border cooper-

ation and sustainable development in the Estonian-Russian border region. Local cross-border cooperation is strongly affected by the general atmosphere of Estonian-Russian interstate relations, by specific problems unresolved at the intergovernmental level: i.a. the absence of a valid border treaty, the application of punitive double tariffs against exports of Estonian goods to Russia, unresolved disputes on the rights of the Russian-language minority living in Esto-

Peipsi Center for Transboundary Cooperation



nia. Another hindrance for cooperation is the weakness of regional development policy, (in both Estonia and Russia), and the absence of clearly formulated state policies towards border regions that could contribute to decentralisation of cross-border interactions. There is no overall framework to support launching particular cross-border initiatives. Neither the Estonian nor the Russian central governments have shown much interest in cross-border cooperation. The growing gap in social and economic development is also an obstacle to increased cross-border cooperation.

BALTINFO: *What impact do you think the coming EU enlargement may have on the work of the Peipsi CTC in near and mid-term future?*

Säre: Estonia's accession to the EU will bring great changes to the political and economic landscape of our country. New challenges and new opportunities will arise on both sides of the Estonian-Russian border. EU policies and programs to promote cross-border cooperation will help us to fulfil our goals. The future EU external border, including the Estonian-Russian border, will not be an obstacle to cooperation but instead will create new opportunities. The paradox of the border is that while it increases the political and cultural distances between states it also stimulates the need for new cross-border networks. The Peipsi CTC is looking for new opportunities

PEIPSI CTC is an international non-profit institute established in Tartu, Estonia in 1993, aiming to promote sustainable development and cross border cooperation in the Estonian-Russian border region, Lake Peipsi international water basin. Peipsi CTC has 10 years experience working in water and regional policy analysis with the focus to transboundary waters and cross-border cooperation; environmental information dissemination, communication and stakeholder participation.

Peipsi CTC programs are divided into four :

- **Community Development and Public Participation:** applied policy studies of public participation through elaborating methodologies, developing and testing specific approaches to public information and participation (focus groups, citizen juries). We initiate community events, such as roundtables, local environmental actions and deliberative forums; that support development of the local initiative.
- **NGO support.** Since 1999 Peipsi CTC runs Tartu and Jõgeva county NGO support center. We organize monthly capacity building trainings for NGOs, manage e-mail information lists, provide on-site consultations, organize NGO summer schools etc.

to start projects and to exchange our experience with other border regions of countries in transition. Recent examples include: a water management project in the Kyrgyzstan-Kazakhstan border region; work on environmental issues on the Macedonian-Albanian border; NGO projects in the Ukraine, Moldova and Belarus.

BALTINFO: *You addressed the CBSS-CSO at its recent meeting in Tartu. Did you find this a useful opportunity? Is the CBSS doing enough for organi-*

sations such as the Peipsi CTC and for cross-border cooperation in the Baltic Sea region, in your opinion? What advice would you give the CBSS in this respect?

Säre: I was delighted to be invited to the CSO meeting and used the opportunity to present the Peipsi CTC experience in cross-border cooperation in the Estonian-Russian border area. It was useful to listen to the presentations on intergovernmental efforts to promote cooperation in the Baltic Sea region and to get new contacts and information

- **Water management in Lake Peipsi Basin:** environmental policy analysis, research on transboundary water management and public participation issues; environmental education for local authorities, NGOs and schools; information dissemination through publications, websites, information lists.
- **Cross-border Cooperation:** We conduct analysis of the changing socio-economic situation and policies in specific cultural contexts of border areas in Central and Eastern Europe and NIS. We work experience in development of cross-border interaction mechanisms and facilitation of cooperation between local authorities, SMEs, NGOs in the Estonian-Russian border area and with the other transboundary areas in Eastern Europe and elsewhere.

Peipsi CTC is a part of international networks such as International Water Assessment Center, Global Water Partnership, Living Lakes, Estonian Roundtable for Development Cooperation, Estonian NGO roundtable, Baltic Rivers Network; TRIALOG etc. More information on the website www.ctc.ee

on successful projects in our region. The CBSS does excellent work to promote NGO cooperation in the region. Our organisation has taken part in every Baltic Sea NGO Forum held to date – which this year will be in Pärnu, Estonia. The CBSS could do more to advocate the Baltic Sea region agenda in the EU and lobby for more financial support for concrete cross-border cooperation projects in the Baltic Sea basin – especial-

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ly for people-to people projects, (i.e. between schools, NGOs, environmental organisations). As the CBSS includes non-EU countries, (i.e. Norway, Iceland and Russia), the issue of cooperation at the EU external borders is one that will call for more focused efforts.

BALTINFO: *The work of the Peipsi CTC has been cited as a model for other analogous regions in Europe and the world to emulate. From your experi-*

ence, and according to your information, is the level of awareness of our region on the rise? Is there something we can learn from other regions?

Säre: Awareness of the Lake Peipsi region at the international level is rather good. Through international activities and networks Peipsi CTC put Lake Peipsi on the world map. Last year, I presented our case at the prestigious World Water Forum in Stockholm. The Peipsi CTC is a member of several interna-

tional networks: i.e. Living Lakes, Lakenet, International Water Assessment Center, TRIALOG. This activity helps us to find new partners and to exchange our experience with other similar regions.

BALTINFO: *How may our readers find out more about the Peipsi CTC?*

Säre: Peipsi CTC manages several web sites and e-mail lists, as follows:

Our own official website:

www.ctc.ee; Information on the environment and socio-economic situation of Lake Peipsi is at: www.peipsi.org; The EXLINEA project website provides information on six regional case studies in new EU external border areas: <http://www.exlinea.org/>. If you want to become a subscriber of our e-mail list: please write to: Margit@ctc.ee

INTERVIEW WITH SUSANNE SCHERRER. CONTINUED FROM PAGE 5.



Interreg III B and III C secretariat teams. Susanne Scherrer is number six from the left.

Still, in our view as programme managers, the Baltic institutions have not yet made full use of the potential offered by the “INTERREG Neighbourhood” programmes (as this is the new name). There are plenty of good ideas – but there is insufficient operational capacity to implement them under INTERREG. In addition, transnational cooperation under INTERREG has been labelled as

being overly complicated. Project benefits are not easy to grasp for practitioners or politicians. However, we would hope that in particular the CBSS could take the role as an “engine” of BSR-wide strategic projects. CBSS is in the position to take responsibility for coordinating relevant partnerships, to convince politicians and national administrations to develop concrete project plans and submit

applications for INTERREG III B Neighbourhood funds. In addition, more coordination for networking among the pan-Baltic institutions and organisations is needed to agree on large-scale projects of joint relevance. This could be the real challenge for the CBSS in the future.

The BSR Interreg III B Homepage:
<http://www.spatial.baltic.net>

New interns at the Secretariat

Maria Kekki from Finland is serving as an intern in the CBSS Secretariat from March through June 2004. Ms. Kekki is a graduate student in Political Science at Stockholm University and has a Master’s degree in Political Science and Environmental Studies from Umeå University. During her internship, Ms. Kekki is focusing on Baltic 21 and will support the work of the CBSS core Secretariat. She is also writing a paper on gender in CBSS organs and activities.

From 22 March and for two months, **Sarunas Prieskienis**, Chief Engineer of the Lithuanian Energy Agency, is serving in the BASREC Unit at the CBSS Secretariat. The internship is a part of an energy experts scholarship program (www.energy-experts.org), which is organised and financed by the Nordic Council of Ministers.

A Sea of Peace – A Sea of Opportunities

BY UFFE ELLEMANN-JENSEN, CHAIRMAN, BALTIC DEVELOPMENT FORUM,
MINISTER FOR FOREIGN AFFAIRS OF DENMARK 1982–1993

(FIRST PUBLISHED IN ESTONIAN IN *EESTI EKSPRESS*, A WEEKLY NEWS MAGAZINE ON 18 MARCH 2004.)

ON 30 APRIL 2004, on the stroke of midnight, Europe will at last be united. This means that eight of the Baltic Sea countries will from then on be EU members. For the first time in more than 300 years, the Baltic Sea will be a true Sea of Peace.

The European Union was founded on values such as freedom, democracy, the rule of law and respect for human rights. At midnight on 30 April, all of Europe will be united in the effort to promote these common values. The Baltic Sea region will, together with the rest of Europe, offer an area of freedom, security and justice without internal frontiers but with a Single Market promoting free and undistorted competition.

History has shown that a Sea of Peace is also a Sea of Opportunities. We must seek these opportunities and dream new dreams as well as set new goals. If we fail to do so, we will lose momentum and an historic opportunity will be lost.

My overall vision for the Baltic Sea area after the enlargement of the EU is that we, at some point, will succeed in creating a huge free-trading zone between the EU and Russia. Our goal must be to create a Baltic Sea Single Market equivalent to the Single Market of the EU, which until the forthcoming enlargement represented the biggest success of our European Union.



Uffe Ellemann-Jensen together with old friends: Former German Foreign Minister Hans-Dietrich Genscher and former Estonian President Lennart Meri.

Photo: Hasse Ferrold

Just think what an encouraging and constructive achievement it would be for Europe to create one market among the Baltic Sea countries including Russia! However, this vision demands action and political leadership. And the sooner someone takes action, the better.

To fully grasp the significance of the European Union's achievement in building the Single Market one must remember the history of European integration. We must never forget why it all began and why it almost ended.

Europe had been at war for centuries and, after World War II, six European countries;

Belgium, France, West Germany, Italy, Luxembourg and the Netherlands signed a treaty to tie their coal and steel industries so closely together that they could never again go to war against each other.

The idea of tying the European economies together so that they could never again go to war against each other was based on Winston Churchill's speech in Zurich in 1946 in which he first called for "a kind of United States of Europe". This crucial political idea is still the basis for all decisions within the EU and has been since 1951 when the Coal and Steel Union was formed.

In 1957, the six European countries decided to widen the scope of this "economic integration" between them, as a further guarantee of future peace and prosperity, when they signed the Treaty of Rome, creating the European Economic Community (later to become the European Union) with its "common market". Great progress towards a common market was seen throughout the 1960s and early 1970s but by the early 1980s, progress had been virtually halted. Europe's increasingly uncompetitive na-

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tional economies were too rigid and fragmented, and the European leaders could not reach the unanimous agreements necessary to change the situation.

Europe was suffering from the so-called “euro-sclerosis”.

However, the European Commission’s new President, Jacques Delors, seized the initiative in 1985 with a White Paper for welding together the fragmented national markets to create a genuinely free single market by the end of 1992. We all agreed on this goal and the EU – which by now included my own country, Denmark, as well as Greece, Ireland and the United Kingdom – again had a strategy with clear goals and deadlines for integrating the European economies even further in order to secure peace and unity among its members in the face of the threats existing at that time.

Europe changed a great deal over those years. The greatest change came in 1989 when the Berlin Wall came down and skilful European leaders in the West and in the East used momentum to dream new dreams and set new goals.

By 1991, the EU had reached another vital decision, namely to establish a common European currency, the Euro. This decision was based upon the realisation that a much bigger and stronger Germany might disturb the balance of power within the EU. Visionary German politicians of the “Kohl–Genscher generation” realized that the German economy would dominate the European economies to an extent where the European countries would be left with little other choice than to fol-

low the economic decisions taken in Germany. This could result in a split in European unity, which Chancellor Helmut Kohl and Foreign Minister Hans-Dietrich Genscher were not willing to risk.

Germany therefore followed the line often voiced by Genscher – that if you want to avoid a German Europe, you should create a European Germany. Thus I regard the creation of the Euro as first of all a political endeavour and I would not hesitate to call it a gift from the Germans to the rest of Europe.

Between 1986 and 1992, 12 sets of national regulations – now there were 12 members – were replaced by one common set of European rules. This great achievement reduced the complications and costs for any business trying to market a product throughout the Union. The accomplishments of the late 1980s and early 1990s simply turned the EU into a global economic and commercial power strong enough to open its doors for ten new member states and to help break the destructive pattern of great power rivalry which had divided the world for so many years.

Today, the Baltic Sea countries are at a crossroads. We must choose how to use the momentum that has been created by the great achievements of the last 20 years.

We can either embark on a road towards “regional-sclerosis” or we can lead the way for the rest of Europe by using the enlargement of the EU to turn the Baltic Sea region into a leading European region that embraces Russia and encourages the Russian leaders to make the right choices in or-

der to become a true European partner.

I recommend the latter path.

Baltic Development Forum, the leading networking organisation in the Baltic Sea region, has recommended that the region acquire a more realistic sense of the level of integration and the over-all regional competitiveness before our leaders can define and deliver better framework conditions for investments. We need to develop optimal framework conditions for regional and international investments and business. This is a key challenge for our region and one that was endorsed by Baltic Development Forum’s members and partners at the Riga summit in 2003. I believe the solution is to create a Baltic Sea Single Market between the EU and Russia to meet this challenge.

Creating a Baltic Sea Single Market is an ambitious goal but sometimes one needs to aim high to get anywhere. Men make history, not the other way around, as President Truman once said.

The first step towards a Baltic Sea Single Market is WTO membership for Russia. WTO membership is, of course, no cure for all of Russia’s ills. But it does seem well suited to address many of them. At this point in time, WTO membership doesn’t seem just around the corner. However, the progress that Russia has made since 1991 is nothing less than revolutionary and I stand firm in my belief that Russian leaders will have the wisdom to take the right decisions and soon acquire WTO membership.

The second step could very

well be establishing a Joint Investment Area as proposed by the Council of the Baltic Sea States. The creation of a Joint Investment Area would require a clear strategy on how to forcefully tackle the remaining technical barriers between the Baltic Sea countries and how to enhance the regional investment climate in general.

Barriers to investments correlate with barriers to trade and establishing a Joint Investment Area must accordingly lead to a strategy for a free trading area. This strategy should use the methodology of the White Paper on the Single Market from 1985 with deadlines for implementation of rules and regulation and with clear indications for performance. The White Paper gave us exactly that – so why not just copy that methodology?

In time, a Baltic Sea Single Market might become a reality.

When the Prime Ministers of the Baltic Sea region meet in Tallinn in June 2004, eight of its eleven member countries will be members of the European Union. The mutual integration of the Nordic countries, the Baltic Sea region and Europe has turned the Baltic Sea region into a sea of peace and opportunities.

I urge the Prime Ministers of the Baltic Sea region to seek these opportunities today rather than tomorrow.

Now is the time for leadership. Now is the time to set new goals. Now is the time to turn the region into a global frontrunner by taking the first steps towards the creation of a Baltic Sea Single Market that promotes free and undistorted competition.



From left to right: Seminar moderator Dr. Olav Knudsen, Research Director, Swedish Institute of International Affairs; Keynote speaker Ms. Alyson Bailes, Director of the Stockholm International Peace Research Institute (SIPRI); Expert study author Major-General Karlis Neretnieks, Swedish Ministry of Defence.

Civil Security Challenges in the Baltic Sea Region

CBSS SECRETARIAT SEMINAR HELD IN STOCKHOLM ON 1 MARCH 2004

GOVERNMENTS should take the initiative to tackle civil security challenges from a more regional perspective, Alyson J.K. Bailes, Director of the Stockholm International Peace Research Institute (SIPRI) argues. The Baltic Sea region does not need to rely on the security arrangements prevailing in the rest of Europe in all modern dimensions of civil security.

The CBSS is a framework that was not only established to deal with, *inter alia*, soft security issues in the region. It has additionally proven its co-

ordinating role in the constructive cooperation among multinational and multilateral actors in the region. Accordingly, Karlis Neretnieks and Harald Törner, both from the Swedish Ministry of Defence, proposed in an independent study that information on civil security activities and problems in the region ought to be pooled at the CBSS Secretariat.

They advocated the idea of a Baltic Academy for civil security issues. It could be involved in teaching and research, and thus foster com-

mon ways of thinking about civil security challenges in the region. The EU is also due to enlarge its mandate on civil protection, Christer Pursiainen, Senior Research Fellow at NORDREGIO, pointed out. It has already expressed its intention to consider the establishment of a European civil protection college. To prevent duplication, a Baltic Academy could act as an embryonic basis for a Europe-wide college at a later stage

Further recommendations voiced at the seminar were

- the establishment of a cen-

tre for researching and teaching about corruption and transnational crime;

- to aim education measures on civil security specifically at middle management; and
- the establishment of a regional centre for sea surveillance and sea control to address oil spills from tankers in the Baltic Sea by exchanging practices and procedures.

The discussion was chaired by Olav Fagelund Knudsen from the Swedish Institute of International Affairs

On the Eve of EU Enlargement

CBSS MINISTERS OF TRADE AND ECONOMY TO MEET IN TALLINN ON 19-20 APRIL 2004

THE 5TH CBSS MEETING of Ministers of Trade and Economy will take place on 19–20 April 2004 in Tallinn with the theme “EU enlargement and CBSS – new economic opportunities”. The ministers will discuss and adopt two main documents, which are currently under preparation in the CBSS Working Group on Economic Co-operation.

A general declaration will

underline the commitment of the member states to continue pursuing goals of economic integration and development of the region. The other document is aimed at identifying ways of responding to the new challenges after the EU enlargement, especially in regard to a continued implementation of the Moscow Action Plan, adopted at the previous ministerial meeting in March 2002.

The ministers will address the role of CBSS in promoting regional and economic cooperation, including trade and investment, competitiveness of the Baltic Sea Region, as well as the potential of EU instruments in fostering economic cooperation within the CBSS.

As requested by the prime ministers, the ministers of trade and economy will report on achievements regard-

ing the following cross-sectoral issues: reaching the objective of a maximum of two hours for border crossing of goods; combating corruption; the Baltic Sea region as an investment area appealing to investors. These reports will be given at the 5th Baltic Sea Summit which will take place on 21 June 2004 in Laulasmaa, Estonia.

STRÖMSBORG DIRECT

Partnership

“Think globally, act locally” goes the well-known saying. I would add to that: “...and use the existing instruments and mechanisms to gain full benefit from this approach”. It is here that the CBSS comes into focus, with its regional, national and sub-regional structures.

CBSS at its inception was a good idea. As growing responsibilities and increased expectations demonstrate, it still is a good idea. But as is more and more evident today, it cannot succeed in its work by acting alone. We are a part of a fast widening and deepening network in the Baltic Sea Region – and a major part, at that.

Partnership is a key concept in human relations. This manifestation of the feeling of togetherness is not limited to people – although that aspect is fundamental – but can be ascribed to local and regional authorities, countries and governments as well. Partnership usually entails friendship. But it can also bring content, and added value, to our endeavours.

To recognize the significance of networking, and to commit oneself as an active stakeholder, builds the platform for partnerships.

Partnerships are a way to give substance to the concept of a Northern Dimension. EU Northern Dimension Environment Partnership NDEP has already shown its viability and is, in general, considered a success. Northern eDimension Action Plan NeDAP, undoubtedly, is another viable and major contribution in building up the information society. Further sustained efforts by all partners are required so that it, too, could be recognised an overall success. The most recent ND partnership relates to Public Health and Social Well-being. The setting up of this Finnish-Norwegian initiative is now in the able hands of a multinational group of senior officials headed by Sweden. We are looking forward to this highly important project, which will be built partly upon the achievements of the Baltic Sea States Task Force on Communicable Disease Control, becoming operational at an early date.

New partnerships can be envisaged in the future. Sectors such as transport and energy have been mentioned in this context. In the field of infrastructure one may anticipate intensified talks between Russia and other partners.



Hannu Halinen

CBSS can be a catalyst, and a facilitator, in contemplating and constructing partnerships in our region. We coordinated comprehensive inputs from the Baltic Sea regional organisations to the 2nd Northern Dimension Action Plan now in force. The launching of the Baltic Sea Portal in Pärnu in April 2004 will mark a significant enhancement in communication among the main Baltic Sea organisations and in the dissemination of information to the public at large. May the Portal become a true symbol of partnership in action.

Baltic Sea Calendar

APRIL 2004

- 1–2 Vilnius, Lithuania
Baltic 21 Senior Official Group (SOG 20) meeting
- 14–15 Pärnu, Estonia
Committee of Senior Officials (CSO) meeting
- 14–15 Helsinki, Finland
The Nordic Council Theme Meeting 2004
- 16–17 Pärnu, Estonia
IV Baltic Sea NGO Forum
- 16 Riga, Latvia
Task Force on Communicable Disease Control, meeting
- 16 Pärnu, Estonia
Official launch of the Baltic Sea Region Portal www.balticsea.net
- 19–20 Tallinn, Estonia
5th CBSS Ministerial Conference on Trade and Economy
- 21–24 Riga, Latvia
Forum eBaltics – IT & Telecommunications in the Baltic Sea Region
- 23 Riga, Latvia
Senior Officials on Information Society (SOIS) meeting
- 25–27 Salzgitter, Germany
Ars Baltica Organising Committee’s spring meeting
- 26 Oslo, Norway
Baltic Sea Parliamentary Conference (BSPC) Standing Committee meeting
- 26–28 Rostock-Warnemünde, Germany
Conference BaltCoast 2004 – Managing the Baltic Sea, a part of the Interreg III Project BaltCoast
- 26–27 Vilnius, Lithuania
Working Group for Cooperation on Children at Risk (WGCC) meeting
- 27–28 Tallinn, Estonia
Baltic Sea Monitoring Group on Heritage Cooperation, meeting



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