

“Investing in energy for growth and prosperity in the Northern Dimension Area”

BY JANIS FOLKMANIS AND LIINA MENDEL, BASREC SECRETARIAT

TAKING PLACE DURING the Polish BASREC Presidency, the Baltic Sea Region Energy Cooperation (BASREC) energy conference on 30 November – 1 December in Tallinn, Estonia, will underline the possibilities and importance of investing in the energy sector in the long term, issues associated with the international and regional political processes and BASREC as a tool in Northern Dimension policies in the field of energy. National governments, regional banks, the energy

industry and the European Commission have been invited to speak.

The BASREC energy conference is held at a key time, when energy policy is experiencing new challenges at global, regional and national levels. Global energy needs grow, along with the economy, by approximately 2% per year. The European economy is to a large extent based on fossil fuels: coal, natural gas, oil and other products, and accounts for up to 4/5 of its total energy consumption, almost 2/3 of which is

imported. As concerns natural gas, imports from Russia alone represents 20% of European consumption. The EU's own energy supply covers barely half of its needs. By 2030 it is estimated that imports will have grown to some 70% of total needs. 90% of oil is likely to be imported. This highlights a clear need for investment in the energy sector. Security of energy supply remains a key objective for EU energy policy.

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“Let us focus our resources on moving from vision to action”

Baltinfo: Minister President Dr. Ringstorff, we believe you are aware of the ongoing discussions on the future role of CBSS now that four states from the BSR have acceded to the European Union. A straight question to start with: Do we still need the CBSS?

To give you a straight answer: Yes. I know there have been voices suggesting that CBSS has become more or less obsolete now that all core BSR states except Russia are members of the EU. These voices apparently believe that the issues at stake could or should now be better handled in Brussels. From my point of view neither is the case.

If you look at the founding documents of the CBSS and the general tasks and goals laid down there, the great majority of them have not lost their relevance today. It remains primarily the responsibility of the regional actors to continue working towards these goals. Our common efforts to this end will continue to need coordination and I believe this should be done in the region. The very diverse cooperation structures in the BSR will continue to need an encompassing chapeau to provide the overall political guidance. The BSR has very particular interests in a number of fields ranging from such issues as maritime safety, through the “Motorways of the Sea” to the Northern Dimension. It will continue to need a spokesman to identify and articulate these particular interests – also via Brussels and in relation to other regional groupings in Europe. Finally one should not underestimate the special role of CBSS as a transmission belt in integrating Russia into our regional cooperation on equal terms. With regard to encouraging cooperation with Russia, especially in its Baltic Sea regions on all levels and in all sectors, this aspect has not lost any of its significance with accession – quite the contrary. Therefore I think we would be very ill-advised to do away with

CBSS as the proven coordinator and facilitator of cooperation in our region.

Baltinfo: Minister President Dr. Ringstorff, which areas do you find particularly important?

As already mentioned, maritime safety is a field of paramount importance. It has been commendably addressed by the Baltic Sea Parliamentary Conference and it also owes much to the continuous work done by the Mecklenburg-Vorpommern Parliament regarding these questions. A number of conferences organized at the subnational level have dealt with these issues, not only in Kiel and Trelleborg but also in other European venues such as Poitiers in France. We are currently planning a conference in Brussels for March of next year. It will examine the measures taken by the various institutions such as IMO, EU and HELCOM since the Erika and Prestige incidents, and will also look at the question of the implementation and coordination of these measures as well as remaining tasks.

Under the German CBSS presidency, an initiative on Marine Environment Protection and Safety of Sea Transport had been developed. I believe that the issue should remain high on the political agenda of CBSS, particularly in regard to the implementation of IMO and EU measures in the BSR.

Another important field appears to be the strengthening of the common cultural aspects of tourism. The growing number of cruises in the BSR to the old Hanseatic Cities, among them Lübeck, Rostock, Riga and Tallinn, underlines the great interest taken in our common culture. Projects such as the “European Route of Brick Gothic around the Baltic Sea” (EuRoB) are valuable tools in developing the potential of our heritage and may well contribute to the formation of a new Baltic Sea identity.



Dr. Harald Ringstorff, Minister President of Mecklenburg-Vorpommern

Finally I think the building of civil society remains a task worthy of our collective efforts. In June 2003, I delivered the opening speech to a seminar organized by actors from Mecklenburg-Vorpommern and Estonia, with support of our MFA, under the auspices of the Working Group on Democratic Institutions (WGDI). It brought together local representatives from all over the BSR – including our partner region Leningrad Oblast – in the Estonian town of Toila to discuss citizen participation in local democracy. It showed an impressive multiplicity of different approaches in the BSR in this field – proof to me that, even after well over a decade of cooperation, we still have a lot to learn from each other.

Baltinfo: We have been seeing quite a number of action plans and other strategic approaches for the BSR over the past years. Are we lacking visions, or where do you see the priorities?

"It is our common responsibility as politicians and administrators to forcefully continue our work on the further political, economical and social advancement and integration of our region."

There is a quote attributed to former German Chancellor Helmut Schmidt, saying: "If you are having visions, see a doctor." However, had it not been for a common vision shared by former German Foreign Minister Genscher and his Danish counterpart Uffe Ellemann-Jensen, there would most probably not be a CBSS today. So I suppose we agree that there must be room for exceptions.

You must know where you want to go and how to get there. In this respect, we do still need a set of common visions in and for the BSR. And I believe we do have such visions. Much is laid down in the Northern Dimension Action Plans to which, by the way, the Three Northern German Länder have actively and continuously contributed. Much can also still be found in the Kalmar Action Programme, adopted by CBSS at its fifth session. Have a look at them again. Apart from our goals relating to accession, where we have succeeded, few if any visions, goals or priori-

ties have lost significance. In terms of economic development our concrete visions are laid down in the Bergen and Moscow Action Plans, and BCCA has introduced its vision to Triple Trade in Ten Years. On the other hand – and I imagine this is the background of the above quotation – visions are no substitute for the often challenging realities of implementation. My impression is that maybe lately, in the various forums, we have had a little too much activity on the visionary side and perhaps not quite enough activity on the implementation side. So my plea would be – let us focus our resources on moving from vision to action, let us bring about actual positive advancement in the region.

Mecklenburg-Vorpommern has a direct border with Poland. We know that there were fears voiced in your Bundesland regarding the expected effects of EU-enlargement. What has been your experience so far?

Looking at developments over the past six months, our experience has so far been good. Traffic jams at border crossing points are a thing of the past. Goods can be transported faster, time and money is being saved. The accession of Poland to the EU has not had negative effects on the labour markets. There is no noticeable change in crime rates, and German and Polish police are cooperating effectively. There is less worrying than before May 1. Today, more than before, the opportunities resulting from accession are recognised and emphasised – an attitude that I have favoured and promoted from the outset.

Minister President Dr. Ringstorff, do you have any concluding remarks regarding the state of the region?

We in the BSR today live in an area of peace and stability with excellent prospects for further prosperous development. Looking at our not so distant past, and looking at conditions in other parts of the world, this is a great gift. But this gift should not be taken for granted. It is our common responsibility as politicians and administrators to forcefully continue our work on the further political, economical and social advancement and integration of our region. Only in this way can we keep this gift intact.

"INVESTING IN ENERGY FOR GROWTH AND PROSPERITY"... CONTINUED FROM PAGE 1.

BASREC, being a unique regional forum for multilateral discussions between 11 regional governments, the energy industry and the European Commission, prepares and implements policies and projects of regional and broader significance in the energy sector. BASREC performs a bridging function between energy consumers and energy suppliers, in particular towards two of the largest energy producers on a global scale, Norway and Russia.

During the last five years BASREC has advanced significantly. BASREC has working groups on bioenergy, climate change and energy efficiency in addition to the development of electricity and gas

markets. The BASREC Climate Change Working Group, under the chairmanship of Sweden and the Russian Federation, prepared a draft agreement on a Testing Ground for flexible mechanisms under the Kyoto Protocol in the Baltic Sea Region. Now nine countries have signed the agreement. The Nordic countries founded a Testing Ground Facility with initial financing of 10 million euros to strengthen the implementation of the agreement. This agreement, together with the facility itself, also offers the Russian Federation, especially North-West Russia, a new financing possibility in energy efficiency investments, now that the Russian Federation has ratified the Kyoto Protocol.

The conference aims to present the status and draft results of the work of the BASREC Group of Senior Energy Officials and the Working Groups according to the Vilnius Communiqué 2002 and working plans, and to explore the possibilities for the continuation of BASREC from 2006. The framework for preparation of the next ministerial conference in Reykjavik in 2005 will be discussed. In this way, the conference will underline that investing in energy in a broad perspective ensures stable future development in the Northern Dimension Area and, on this basis, it will identify and investigate options for the way forward.

Northern e-dimension opens new horizons

EXCLUSIVE BALINFO INTERVIEW WITH THE OUTGOING AND INCOMING CHAIRPERSONS OF THE CBSS SENIOR OFFICIALS ON INFORMATION SOCIETY GROUP

Baltinfo: Just to recapitulate, the CBSS Information Society Ministers adopted the Northern e-Dimension Action Plan for 2002–04 (NeDAP) in 2001, which was aimed at strengthening the Baltic Sea region's position in the information society. The Action Plan, as a foundation stone of the Northern e-Dimension Initiative (NeD), was extended for two more years (2005–06) during the V Baltic Sea Summit in Laulasmaa in June 2004, establishing a new cooperation arrangement between the Council of the Baltic Sea States (CBSS), the European Commission and the Nordic Council of Ministers (NCM). In your view, what success has been achieved in the implementation of the NeDAP by the Senior Officials on Information Society (SOIS) and the respective Working Groups, over the two years 2002–04?

Mr. Jaak Tepandi¹: The evaluation of the NeDAP 2002–04 conducted by the CBSS Senior Officials on Information Society Group (SOIS) in 2004 highlighted the fact that the work within NeD has contributed to the creation of synergies, awareness raising – including at the political level, facilitation of cross-border cooperation, as well as knowledge-sharing and establishment of networks. NeDAP has attracted attention from policy makers and business representatives in the participating member states.

A decision was made to finance three projects (e-Skills, e-Karelia and e-Indicators) by the EU Tacis Programme in 2002, along with two projects in 2003: High-Speed Research Networks and Interconnection and e-Skills phase 2. A number of studies and short-term projects have been carried out (among others a feasibility



study on High Speed Research Networks, Internet-Related Technologies and e-Skills in The Baltic Countries and Northwest Russia, as well as the Finnish Survey of e-Skills Development Projects). In total, for the purposes of the NeDAP 2002–04, the sums earmarked were €12 million from Tacis and €2 million from INTERREG III.

After the abovementioned extension of the NeDAP in June 2004, and its subsequent adoption by NCM in August 2004, NCM became a fully-fledged partner in the NeD initiative.

Baltinfo: As you see it, as a new SOIS Chairperson for 2005, what are the main

challenges to be faced in the implementation of the NeDAP 2005–06?

Mrs Sidse Ægidius²: As the new SOIS chairman for 2005, I welcome the progress of the NeDAP and support its prolongation to 2006. I think that the Action Plan plays an important role in strengthening our information societies and in further developing the regional economic prospects.

I also welcome the increased cooperation between the CBSS, the Nordic Council of Ministers and the European Commission. I think that NeDAP will continue to play an important role in all the countries involved, and I will do my best to make the work of SOIS a success.

Baltinfo: Looking back at your rich experience in the IT field, as well as in the capacity of a member of the SOIS Group, what would you suggest undertaking in order to improve the overall process of running the NeDAP?

Tepandi: It is important to ensure a commitment (at both political and working levels) from all stakeholders: EU Commission, CBSS, NCM, as well as from the NeD countries, especially with regard to participation in the activities of the Action Lines. EU policy and programmes, as well as national and regional ICT initiatives, should be taken into account when considering future priority areas. Appropriate funding would make it possible to im-

"I welcome the increased cooperation between the CBSS, the Nordic Council of Ministers and the European Commission"

¹ The outgoing SOIS Chairman, Department of State Information Systems Ministry of Economic Affairs and Communications (Tallinn, Estonia).

² The incoming SOIS Chairperson, Head of International ICT Policy, Department of Telecommunications and International ICT Policy, Ministry of Science, Technology and Innovation (Copenhagen, Denmark).



Outgoing SOIS chairperson Jaak Tepandi is steering the process.

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prove activities in all areas, to define more concrete and measurable objectives for the various action lines, and to focus on specific cross-border projects and services.

Baltinfo: What changes/improvements do you envisage bringing about in the work of SOIS and its respective Action Lines from the start, in order to cope with the existing problems and to make the overall implementation of NeDAP successful?

Ægidius: As a Chairman, I will do my best to ensure that there is coordination between the projects suggested by SOIS, the European Neighbourhood Policy and the IST Programme and e-Europe 2005. I would also wish to ensure that there is a solid link and good coordination between SOIS and the national governments.

It is my hope that the NeDAP Programme will be developed each year, based on input from all the Working Groups in cooperation with relevant actors in the region. The work Programme will be adopt-

ed by the SOIS group before it enters into force. That means that the SOIS members will be able to take the full national coordination responsibility for the overall implementation of the NeDAP.

Baltinfo: As one is well aware, Russia is becoming an increasingly important partner to the European countries in the Baltic Sea region in light of the EU enlargement last May. How would you assess the role of Russia in the NeD endeavour so far, and Russia's possible contribution to strengthening the position of the Baltic Sea region in the information society in the future?

Tepandi: Russia has contributed to a number of activities, including development of the TACIS projects mentioned above. Cooperation has been in some cases hindered by obstacles such as visa or communication problems. Further work is needed to deal with these problems and improving cooperation.

Ægidius: I agree that Russia is a very important partner. I want to underline that regional policy initiatives in the EU states will contribute to the EU-Russia strategic partnership through intensified cross-border cooperation at regional and subregional levels, encompassing civil society at large.

I trust that the NeDAP will use this advantage to intensify cooperation to achieve cohesion in all the involved countries. I believe that NeD provides a valuable additional framework for constructive interaction between the EU and Russia. It should continue and develop this role.

Baltinfo: What are your plans for the future, after you hand over the Chairmanship to the Danish side? Would you still stay physically and mentally with NeD, or would you switch yourself over to other activities?

Tepandi: I will continue my day-to-day activities as a certified information systems auditor (CISA) and professor in the Tallinn University of Technology, while staying in contact with the NeD and its Action Lines, especially with the e-Security AL, for which Estonia is the lead country.

Baltinfo: It is noted that, as of 2005, Denmark is taking over the Chairmanship in the Nordic Council of Ministers. Is it just a coincidence that the Danish side also takes the “steering wheel” in SOIS for 2005, or were there particular intentions behind such an approach?

Ægidius: Because of the close co-operation between the SOIS and the Nordic Council of Ministers, I hope that it is possible to create a synergy by being a Chairman of both the Nordic Officials Committee for IT Policy (EK-IT) and SOIS. I am looking forward to the chairmanship of both groups and hope for good cooperation between the two groups.

Ready to tackle health issues in

BY LARS BLAD, HEAD OF SECRETARIAT, NORTHERN DIMENSION PARTNERSHIP IN PUBLIC HEALTH AND SOCIAL WELL-BEING.

THIS AUTUMN, a new Secretariat has come to Strömsborg; namely the Secretariat for the Northern Dimension Partnership in Public Health and Social Well-being. Dr. Jurate Sabaliene, Lithuania, has been employed since September as Senior Advisor, and on 1 November 2004 Dr Lars Blad, Sweden, took up his post as Head of Secretariat.

Background

Health and social well-being suffers from uneven coverage in the Baltic Sea Region (BSR) and in the Northern Dimension (ND) area. Among the measures adopted to counteract this unbalance has been the Council of the Baltic Sea States' (CBSS) Task Force on Communicable Disease Control, established by the CBSS Heads of Governments in the year 2000. Much has been accomplished over the period of its mandate. During this time, the political map has also changed – Estonia, Latvia, Lithuania and Poland now being EU members. Russia remains outside of EU, but also remains in the CBSS area and the Northern Dimension area.

Following the expiry of the mandate of the CBSS Task Force on Communicable Disease Control in 2004, a new structure has arisen with partly overlapping goals. Whereas the Task Force had a very specialised mandate, the new Northern Dimension Partnership for Public Health and Social Well-being (NDPHS) has a broader mandate, and is thus able to address a range of health and social issues. Its formal birth date was 27 October 2003, when a Declaration was agreed upon at a Meeting of Ministers of Health and Social Affairs and other High Representatives of the founding partners; Canada, Denmark, Estonia, Finland, France, Germany, Iceland, Latvia, Lithuania, the Netherlands,

Norway, Poland, the Russian Federation, Spain, Sweden, the European Commission, the World Health Organization, the Barents Euro Arctic Council, the Council of the Baltic Sea States, the International Labour Organization, the International Organization for Migration, the Nordic Council of Ministers and the Joint United Nations Programme against HIV/AIDS.

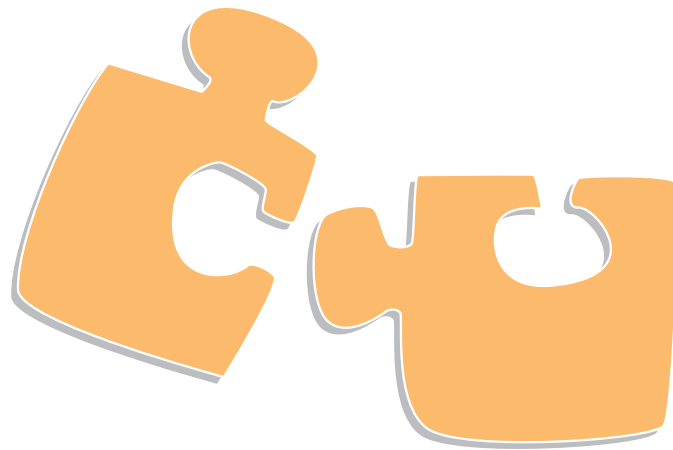
The full Declaration, with a more detailed account of the aims and organization of the Partnership, can be found at www.baltichealth.org/cparticle104024-17252a.html

The Partnership is chaired by Sweden for its two first years, with Minister for

Public Health and Social Services Morgan Johansson being the Chair at Ministerial level, and Carl Älfvåg from the Swedish Ministry of Health and Social Affairs chairing the Committee of Senior Representatives (CSR).

Present work

The Secretariat is now, thanks to generous support from Finland for 2004, fully engaged in the preparations for the Partnership Annual Conference in Tallinn on December 14, and the preceding CSR Meeting with a number of Side Events on December 13. In parallel, the development of a proposal for a Coordinating



Partnership in Public Health and Social Well-being

“Health and social well-being suffers from uneven coverage in the Baltic Sea Region and in the Northern Dimension area”

the Region

and Financing Mechanism for the Partnership is presently occupying the Head of Secretariat. This question is closely connected with the development of a Partnership Database and Website, important tools for the future actions of the Secretariat and of the Partnership, as well as with the future functioning of the Expert Groups.

Future visions

The Nordic Council of Ministers has kindly promised to second one person at the NCM office in St Petersburg to be part of the Secretariat work force; this opens up some hope for a Secretariat with a broad geographical base (Sweden, Lithuania and Russia) – provided also that efforts to keep the present Senior Advisor in place for at least another year are successful – and covering a broad spectrum of competence. This is a top priority. As previous experience has shown, the wide range of activities foreseen under the Partnership, and its wide geographical area, call for a broad cultural and professional competence, not least within the Secretariat, plus as broad a geographic anchorage as possible.

The tasks ahead are many and various: they include helping to coordinate the continuing work of present and previous networks of the TF on Communicable Disease Control as well as the collection and analysis of data on past and ongoing projects and programmes by this and other major actors in the area. This data should then be used to direct resources to areas (with respect to both branch and geography) hitherto neglected or underfunded, and to identify the successful patterns. In a continuing constructive dialogue with the respective Regional and Federal Governments, these patterns could then either be



Ready to tackle regional health issues: Dr. Jurate Sabaliene and Dr. Lars Blad of the Secretariat for the Northern Dimension Partnership in Public Health and Social Well-being.

“upscaled” or multiplied, or even better, be reflected in the outcomes of ever-ongoing Health Sector Reform.

At the same time, ways to engage in the wider sphere of “Social Well-being” will be a challenge for the Partnership and thus for the Secretariat. Demographic data for various parts of the region might

also be something for the Secretariat to gather in an easily accessible form for visual comparison.

If a relatively broadly based Secretariat, as outlined above, can be realised, there appears to be a good chance that it will become both productive and inventive – and that it will actually make a difference.

Objectives of the Partnership

THE OVERALL OBJECTIVE OF THE PARTNERSHIP is to promote sustainable development in the Northern Dimension area through improving human health and social wellbeing. The Partnership aims at contributing to intensified co-operation in social and health development and assist Partners and Participants in improving their capacity to set priorities in health and social wellbeing, as well as to enhance co-ordination of international activities within the Northern Dimension area. The activities by Partners and Participants in a Partnership should contribute to greater political and administrative coherence in the area, narrowing of social and economic differences, and to a general improvement of the quality of life and of the demographic situation.

North Germany shows strong ties towards Baltic Sea Region

BY HANNA GROSS, INTERN AT THE CBSS SECRETARIAT



Guest speaker
German
Ambassador Busso
von Alvensleben and
CBSS Secretariat
Director Hannu
Halinen.

THE CELEBRATIONS OF 9 November, a highly symbolic day in German history as it marked the fall of the Berlin Wall in 1989, had just finished when, two days later, a forum of about 30 guests convened at Strömsborg in order to discuss the role of Germany in the Baltic Sea Region (BSR). One might ask why the CBSS Secretariat should favour a seminar with special attention focused on Germany, a country which held the Council Presidency just three years ago. The occasion is to be found at the sub-regional level of the Federal Republic and for this reason, the seminar focused on the recently published Baltic Sea Report 2004 of the federal state Schleswig-Holstein, represented by Stefan Musiolik and Thomas Pfannkuch of the State Chancellery in Kiel.

The seminar was opened by the German Ambassador in Stockholm, Busso von Alvensleben, who emphasized the

‘explicit importance this region [the BSR] has for Germany, and in particular for the North German federal states.’ (Please see the Ambassador’s speech in p. 10 in this issue of Baltinfo).

Regional matters were indeed highlighted when Schleswig-Holstein’s representative Mr Musiolik drew the attention of the audience to the federal states’ many ambitious regional activities, both current and in the past. Calling for the start of a ‘second phase of Baltic Sea cooperation’ with effective and result-oriented structures and a joint strategy, he presented eight major goals of Baltic Sea Report 2004. One highlight is Schleswig-Holstein’s commitment to a ‘European maritime model region’, and its initiative for a coordinated Maritime Policy of the European Union. The appointment of a new EU Commissioner for Maritime Affairs and the forthcoming Green Paper on maritime policy are important steps. It is

“A second phase of Baltic Sea cooperation is called for”

time now, according to Mr. Musiolik, to contribute to this policy outlines by joint efforts from the BSR. In view of a conference on maritime safety issues in Brussels in early spring 2005, prepared by neighbour federal state Mecklenburg-Vorpommern, Mr. Musiolik called for enhanced cooperation between actors at different levels. He also praised the awareness of the Polish presidency of maritime safety issues.

The recently established ‘Baltic Sea Virtual Campus’, a joint project by thirteen universities in the region, serves as a good example for a ‘Knowledge-based Baltic Sea Region’, yet another major pol-



The federal state of Schleswig-Holstein was represented by Stefan Musiolik and Thomas Pfannkuch of the State Chancellery.

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icy goal. The improvement of civil security, transport and healthcare industry and services are further aims of Schleswig-Holstein’s strategy. Having previously

shown strong support for the Ars Baltica initiative, the federal state intends to continue promoting cultural and youth interaction in the future.

Interaction in the Baltic Sea Area was the subject of the presentation of Dr. Jan-Henrik Nilsson from University of Lund. In his dissertation that has gained attention in the Swedish media earlier this year, this geographic study focuses on passenger flows in and out of the BSR and shows some controversial results, especially when it comes to the role of Berlin. According to the author’s findings, the integration of the East German areas around the capital into the BSR is questionable. In his contribution, Mr Nilsson stressed the internationalisation of the BSR, in particular in the Baltic States.

The short but lively discussion that followed showed that the tradition of Strömsborg seminars should live on.

Schleswig-Holstein’s Baltic Sea Report 2004 can be found at <http://landesregierung.schleswig-holstein.de/>

Dr. Jan-Henrik Nilsson’s study can be found at <http://theses.lub.lu.se/postgrad/>



Season’s greetings from the CBSS Secretariat

“Germany and the Baltic Sea Region after EU enlargement”



H.E. Busso von Alvensleben,
Ambassador of Germany.

I SHOULD LIKE TO THANK the Secretariat of the Council of the Baltic Sea States for its initiative in holding this seminar. I welcome this opportunity to discuss the German role in the Baltic Sea Region, not simply in my capacity as German Ambassador to Sweden but with respect to the explicit importance this region has for Germany, and in particular for the North German federal states.

Let me start out by reiterating the historical dimension of EU enlargement with regard to the Baltic Sea Region. All of us, of course, are aware of the enormous progress in promoting stability and peace in the region having been made in the last fifteen years culminating in the latest round of EU enlargement of May 2004. Now, for the first time in hundreds of years, with Poland and the Baltic states being EU member states, most of the Baltic Sea coast is part of a single political and economic union.

Everybody knows that the EU is something quite unique without historical precedent. One of its many characteristics is that it is an eminently peaceful organization. At times much of the Baltic Sea coast was under the rule of one big or regional power or organization, but even the

“The Baltic Sea is no doubt one of the most interesting economic regions in the world. As a major trading partner of all the states in the region Germany is one of the key players in this field”

great historic trade organization of Hansan relied in part on military power. The merchants of Lübeck were no pacifists, ancient fortifications and ruins still demonstrate this. And of course, as Swedes and Danes know very well, Sweden and Denmark fought for centuries over domination of the Baltic Sea. Even after so many years, the memory of these wars and the ensuing change of hands of territories is still alive.

In contrast, no shot was ever fired in building the European Union. None of the new or old members of the European Union was forced to join. There are still conflicts of interest between EU member states, but probably the most basic principle of the complicated rules that govern the EU is peaceful resolution of conflicts. A military confrontation between EU member states is something quite unthinkable. This is so basic that we often take it for granted. But a secure peace in its part of Europe certainly is the EU's greatest achievement.

When highlighting the present state of affairs we should not forget to gratefully recall that it was NATO and in this context first and foremost the United States of America who safeguarded peace and security in this region during Cold War times and after. And, talking about the US, it is interesting to note that it was a group of bright and open-minded young Americans who soon after World War II assisted Jean Monnet in developing his ideas on a united Europe.

The German states bordering the Baltic

Sea have always shared the fate of the region. Their history with their Baltic Sea neighbours abounds in trade relations, settlements, foreign rule and mutual cultural influences. On the whole, German public memory has very positive connotations with its Northern neighbours. All the more are we deeply satisfied to see the division of the region overcome and most of its states united under the EU roof. Germany has worked with devotion towards this end..

FORTUNATELY IT IS nowadays predominantly the economic aspects we can focus on. The Baltic Sea region is no doubt one of the most interesting economic regions in the world. As a major trading partner of all the states in the region Germany is one of the key players in this field.

In 2002, the Baltic Sea Region was the second biggest market for German exports (10 %) and the biggest source for German imports (12 %). Our next-door neighbours, Poland and Denmark, play a major role, but the Russian Federation, Sweden, Norway and Finland are also of fundamental importance to the German economy. In Germany, it is obviously the coastal federal states of Schleswig-Holstein and Mecklenburg-Vorpommern which benefit most from this trade. I will just mention two numbers: Cargo handled in Mecklenburg-Vorpommern increased from 17,6 million tons in 1991 to 24,4 million tons in 2003. In Schleswig-Holstein, nearly 30 % of imports originate in the Baltic Sea

“We feel that both the Northern Dimension and the CBSS should complement the strategic partnership with the Russian Federation and the European Neighborhood Policy”

Region, while 16 % of the state's exports go to the region.

We actively participate in the region's promising development. German investment in the region is at a notable level, as well as investments from there in Germany. Investors appreciate being sur place in the strongest market of the EU, centrally placed, offering by far more opportunities one would think of a national economy currently so critically looked upon. Investors observe the ongoing reform process and see the light at the end of the tunnel. And they do not forget that Germany, still being in the tunnel, remains at the top of the ranks of exporting countries.

With the integration of the former GDR territories Germany shares experiences which incoming EU member states have to cope with as well. This transformation process has proved much more time-, moral strength-, and money-consuming than originally expected. This is a challenge for our whole nation and we shall meet it. But it has clearly influenced our overall economic performance and thus our ability to further engage elsewhere.

The German state and private German investment have nonetheless engaged substantially in the new EU member states bordering the Baltic Sea. It is our intention to help to enable them as soon as possible to live up to their own expectations and to our hopes. And we are happy to see that a lot of the seeds have borne fruit.

The federal structure of Germany offers opportunities in sharing tasks. Thus, both the Federal government and state governments are active in developing economic cooperation and trade in the Baltic Sea Region. You will hear more about the activities of Schleswig-Holstein later on.

GROWING EXPLOITATION of natural resources and increased traffic flows in the Baltic Sea also bear risks. The Baltic Sea is a narrow and often shallow sea that holds natural dangers for sea traffic. With

growing trade, the risk of accidents with severe effects on the environment increases. Because of limited exchange of water with the Atlantic Ocean, the consequences of pollution are more severe than in other seas. The prevention of accidents and the fight against pollution is a high priority for Germany.

The safety of ships containing oil or other environmentally harmful substances must be improved. A Tanker Transit Route has to be introduced. The adoption of a standardized route for ships with a major draught or hazardous material on board in the middle of the Baltic Sea should be considered. We are waiting for proposals which the expert group of the Helsinki Commission is expected to present to the International Maritime Organization in 2005.

Germany supports the introduction of obligatory pilotage for certain ships in difficult waters and high risk areas. So far, there have been no regulations for obligatory piloting since the deep water routes are mostly in international waters. The International Maritime Organization already recommends the use of pilots for larger dangerous ships, such as tankers, for certain areas of the Baltic Sea, namely the Öresund and the “Kadettinne”, an infamous passage between the islands of Falster (Denmark) and Darss (Germany) which has already seen far too many collisions and shipwrecks.

IT IS IMPORTANT TO NOTE the progress which has already been achieved in the protection of the environment in the Baltic Sea Region. In 1998, the regional Agenda 21 was established, with the aim of achieving sustainable development. This was the first big region worldwide to establish such programme. After ratification by the Russian Duma, all Baltic Sea states have now agreed to put into practice the mechanisms of the Kyoto Protocol.

The EU enlargement will lead to a further upgrading of the protection of the en-

vironment. The accession regulations obliged the new member states to adopt the *acquis communautaire* including the environment policies, as declared at the summits of Lisbon (2000) and Gothenburg (2001).

TODAY, WE HAVE the chance of ever closer cooperating in our region without any hindrance. There is a potential of enormous benefits for our peoples. The Council of the Baltic Sea States plays an important role in the context of coordinating various efforts. Germany encourages the CBSS to use all its comparative advantages to take new initiatives as well as to support the implementation of EU regional policies. We feel that both the Northern Dimension and the CBSS should complement the strategic partnership of the EU with the Russian Federation and the European Neighbourhood Policy. In future as in the past, the CBSS will have to prove its added value by flexibly responding to needs at the regional and sub-regional level. Cross-border projects with Northwest Russia as well as the Kaliningrad Oblast seem to us particularly promising. As CBSS is so close to the market it should be perfectly placed to help avoid duplication of programs set up by the EU, UN or other institutions. Besides, keeping its structure as slim as possible will no doubt further enhance CBSS' reputation.

AS WE ALL KNOW, the European Union is still very much a work in progress. The decision-making process among 25 member states will require ever better preparation. This inevitably means earlier and closer coordination between member states, especially those who share views on certain subjects. This is a field which should prove particularly fruitful in the Northern context. My government will pursue its efforts in “early-warning contacts”.

THIS HAS BEEN a very rough touching upon aspects of German interests in the Baltic Sea Region. Let me sum up with again underlining our commitment to the Region: We are part of it, we believe in its great potential, we want to participate as much as possible in its future development, we want to enhance economic and political interaction.

Adding value

Today, in the post-enlargement phase of the EU, existing institutions and organisations around the Baltic Sea are keenly involved in analysing what the new situation means for them. Both external role and relations as well as internal structures of those institutions are under scrutiny.

A clear-cut profile for an organisation would be desirable in order to distinguish it from others, and to help in establishing the division of labour, repeatedly requested by heads and members of many governments in our region. This request is undeniable to avoid overlapping and duplication of work. But for an organisation like the CBSS, with an overall coordinating task encompassing the activities of eleven governments and the EU Commission in the Baltic Sea region, it is indeed easier said than done. CBSS is not confined to only one or two tasks in which it could manifest its excellence. When you are dealing with practically all governmental sectors, it is a constant challenge to show your comparative advantage vis-à-vis other organisations.

At the same time, being a demand-driven organisation subject to continuously increasing demands, there has to be an applicable mechanism to review and respond to those demands. Furthermore – which is far more difficult in multilateral diplomacy – there has to be readiness to discontinue activities which either no longer merit priority or are better followed up elsewhere. Here, too, CBSS has a proven track record.

Consideration of the role of the organisation is linked inextricably with the roles of others; only through close cooperation can this role be sustainably determined. CBSS is currently engaged in growing cooperation at the regional and subregional levels. Regionally, there is now systematic cooperation with the Nordic Council of Ministers, the Arctic Council and the Barents Euro-Arctic Council. The recent coordination meeting in Malmö between



Hannu Halinen, Director of the CBSS Secretariat

the heads of organisations of the Baltic Sea region was a good example of deepening, consolidated cooperation at regional and subregional levels.

CBSS is constantly seeking areas in which it could provide an added value. In this context, regions (within the Baltic Sea Region) have often been referred to. BEAC has a specific Barents Regional Council encompassing the northern regions of Norway, Sweden, Finland and Russia. Corresponding regions within CBSS are Northwest Russia and Kaliningrad, Northern Polish voivodships and Northern German Bundesländer. Additionally, CBSS has Ukraine and Belarus as neighbours. How to take these regions more effectively into account in our work? One attempt to respond to this challenge is the consideration of a joint project with the NCM, under the BSR Interreg III B programme, which aims to increase the role of Euroregions as active local partners in the process of regional development in the Baltic Sea region, to strengthen cross-border cooperation and to promote the institution of Euroregions through increasing the administrative capacity of local and regional authorities. The ultimate goal is the development of a strong net-

Baltic Sea Calendar

DECEMBER 2004

6 – 7 Aarhus, Denmark
Task Force on Organised Crime (TF-OC)
Operative Committee meeting.

6 Kiel, Germany
The further development of the parliamentary dimension of Baltic Sea cooperation, workshop.

7 – 8 Rügen, Germany
Baltic Sea Seven Islands Co-operation Network (B7), Annual Conference.

8 Lübeck, Germany
VASAB 2010/BSR Interreg III B Workshop on Transport and ICT issues.

8 – 9 Helsinki, Finland
Working Group for Cooperation on Children at Risk (WGCC) Expert meeting.

9 – 10 Warsaw, Poland
CBSS Committee of Senior Officials (CSO), meeting.

13 Tallinn, Estonia
Northern Dimension Partnership in Public Health and Social Well-being, Committee of Senior Representatives (CSR) meeting.

14 Tallinn, Estonia
Northern Dimension Partnership in Public Health and Social Well-being, Partnership Annual Conference (PAC).

JANUARY 2005

24 venue to be confirmed
Baltic Sea Parliamentary Conference (BSPC)
Standing Committee meeting.

FEBRUARY 2005

3 – 4 Brussels, Belgium
CBSS Committee of Senior Officials (CSO)
meeting.

work of Euroregions in the BSR, “the Baltic Euroregional Network”.

Changes in the internal structure of the CBSS Secretariat have already taken place as a result of recommendations of the secretariat review conducted earlier this year, as well as through the adoption of terms of reference for the Secretariat in Laulasmaa in June 2004. The work of looking at other structures and working bodies of the CBSS has also begun in anticipation of the CBSS Foreign Ministers adopting new terms of reference, and thus a new mission for the CBSS at the Summit in Szczecin, Poland, in June 2005.



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