Annual Report from the Committee of Senior Officials
The 11th Year of the Council’s Activity 2002-2003

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Committee of Senior Officials (CSO), Annual Report 2002-2003

CSO Annual Report for 2002-03: The 11th Year of the Council’s Activity

During the period of the Finnish Presidency of the CBSS, from 18 June 2002 – 11 June 2003, the Committee of Senior Officials has conducted its work according to the Council’s directions as outlined in the Copenhagen Declaration, the Svetlogorsk Declaration, the Chairman’s Conclusions of the 4th Summit Meeting of the Baltic Sea States and other relevant documents.¹

The CSO held seven regular meetings and one meeting in special session in the following cities: Helsinki, Imatra, Mariehamn and Pori in Finland and in Brussels, Lillehammer and Stockholm. Ambassador-at-large Tauno PESOLA of the Finnish Foreign Ministry chaired the meetings.² The CSO Chairman has also officially represented the CBSS at a number of meetings and conferences of relevance to Baltic Sea regional co-operation.³

The CSO Troika (Russia, Finland and Estonia) held two meetings, one in Helsinki and one in Stockholm. In addition, the CSO Troika met in Brussels with the Troika of the Central European Initiative Committee of National Coordinators.

The following priority areas and issues were deliberated by the CSO during its Finnish Chairmanship:

1. The Northern Dimension of the European Union continued to be a major theme for the work of the CSO. The role of the CBSS in monitoring implementation of the Northern Dimension Action Plan (ND AP) for 2000-2003 and in coordinating regional input to the elaboration of a new ND AP was highlighted at all meetings of the CSO and at both meetings of the CSO Troika. A special session of the CSO was held on 6-7 March at the European Commission in Brussels where, following the guidelines for a new ND AP adopted by the EU 15+7 ministerial meeting on the Northern Dimension in Luxembourg on 21 October, five CSO rapporteurs presented CBSS input to the new ND AP. These presentations were followed by input from representatives of the other intergovernmental regional cooperation organisations from the Northern Dimension area, (Arctic Council, Barents Euro-Arctic Council, Nordic Council of Ministers), and by commentary from senior representatives and experts of the European Commission. The Secretariat produced, in close coordination with the Presidency, three special publications in preparation for the special session: 1. Progress Report on the Implementation of the ND AP 2000-2003: Compilation of written contributions from CBSS working bodies and partner organisations; 2. Contributions towards a ND AP 2004-2006: Compilation of written contributions from CBSS working bodies and partner organisations; 3. Contributions towards a ND AP 2004-2006: Compilation of written contributions from the

¹ According to the decision taken at the 3rd Baltic Sea States Summit meeting at Kolding in 2000, all intergovernmental cooperation among the group of CBSS member-states takes place under the “umbrella” of the CBSS. The total number of CBSS structures and working bodies is now over 20. The three working groups whose reports are annexed here represent only those which report directly to the CSO.
² A list of the meetings with summaries of the main topics addressed is attached below.
³ A list of these meetings and conferences is attached below.
Rapporteurs to the CSO Special Session in Brussels on 6-7 March 2003. During the past year, the role of the CBSS as a focal point for intergovernmental cooperation in the Baltic Sea region was reinforced vis-à-vis CBSS working bodies via the CSO’s central role in monitoring implementation of the current ND AP and for coordinating input to the new ND AP. This was further supplemented by the decision by heads of Baltic Sea regional cooperation organisations at their meeting in Lillehammer on 26 October 2003 to delegate the CBSS the role of focal point for coordinating inputs by CBSS special participants and other partner organisations from the region to the new ND AP. In response to a call by the EU 15+7 Ministerial Conference on the Northern Dimension in Luxembourg on 21 October for the CBSS to decide – together with the AC, BEAC and NCM – an appropriate division of labour and responsibility among and between the four organisations with regard to the Northern Dimension, the CSO Chairman called together his colleagues from the three other organisations to a 2nd Ad-hoc Meeting of Heads of Senior Officials Groups in Helsinki on 12 December.

2. Fostering economic co-operation within the region, as a priority of the Finnish Presidency, also remained high on the CSO’s agenda. The CSO met with the new Chairman of the Business Advisory Council (BAC) and the new President of the Baltic Sea Chambers of Commerce Association (BCCA) as well as a representative of the Baltic Development Forum (BDF). The CSO also discussed proposals to increase cooperation with the Baltic Sea Trade Union Network (BASTUN). The CSO also devoted considerable attention to monitoring sectoral cooperation on transport infrastructure (ad-hoc Working Group on Transport) and information and communication technologies (Senior Officials on Information Society and the Northern e-Dimension Action Plan).

3. The promotion of practical co-operation with other regional and subregional actors continued to be a priority goal for the CSO. As noted above, under point one, a 2nd ad-hoc meeting of heads of senior officials groups from all major intergovernmental co-operation bodies in Northern Europe was hosted by the CSO Chairman at Helsinki on 12 December. The CSO held its meeting in Lillehammer on 24 October in conjunction with the 10th annual conference of the Baltic Sea States Subregional Co-operation (BSSSC). This was followed by the 2nd Coordination meeting of the heads of Baltic Sea regional organizations, presided over by the CSO Chairman. At its meeting at Imatra on 7-8 April, the CSO focused on cross-border cooperation, highlighting the experience and best practices on the Finnish-Russian border and also discussing the prospects for intensified cross-border cooperation at the new and existing borders of the EU and EEA countries with the Russian Federation. The importance of increased cooperation among customs and border guard officials in the region was stressed, especially with regard to meeting

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4 All three reports are available at the CBSS website: www.cbss.st. The minutes from the special session are also published on the same website.

5 The Chairmen of the steering bodies of the Arctic Council, the Barents Euro-Arctic Council, the CBSS and the Nordic Council of Ministers all participated.

6 Organizations represented at the meeting: Baltic Development Forum, Baltic Sea Chambers of Commerce Association, Baltic Sea Parliamentary Conference, Baltic Sea Seven Islands Cooperation, Baltic Sea States Subregional Co-operation, Baltic Sea Youth Secretariat, Union of Baltic Cities and VASAB 2010.
the goal of reducing the time needed for border crossing of goods to a maximum of 2 hours.

4. Co-operation on **soft security** matters continued to be a major focus of attention for the CSO. At its 5-6 February meeting in Helsinki the CSO met representatives of the Task Force on Organised Crime and the Task Force on Communicable Disease Control who presented information regarding their present and planned activities. At the same meeting, the Chairmen of the Working Group on Nuclear and Radiation Safety (WGNRS) reported to the CSO on i.a. implementation of the Agreement on the Exchange of Radiation Monitoring Data. The Chairman of the Working Group on Cooperation on Children at Risk also gave a detailed report to the CSO. The CSO continued to monitor closely the work of the EUROBALTIC co-operation on civil protection. Poland continued to be lead-country for civil security co-operation and as such produced an annual report on its activities to the CSO.

5. Co-operation in the field of **higher education** was also highlighted by the CSO on several occasions. At its 24 October meeting in Lillehammer, the CSO met with the Director of the EuroFaculty who delivered a detailed report and presented his view on the future evolution of that institution, located at universities in Tartu, Riga and Vilnius. At the same meeting, the Chairman of the EuroFaculty Kaliningrad Expert Group presented the evaluation report on the first phase of the EuroFaculty Kaliningrad project and the CSO had its first discussion on the prospects for a prolongation of the project. Further discussions on the prolongation took place at the CSO meetings in Helsinki on 5-6 February and in Mariehamn on 26-27 May. At the latter meeting, the CSO decided in principle to approve a prolongation of the project, pending the resolution of certain outstanding issues i.a. regarding curricula reform.

6. **Civil society and democratic development** in the region was an important focus for the CSO, especially at its 24 October meeting in Lillehammer when it met the CBSS Commissioner on Democratic Development and was informed of the Commissioner’s activities and plans for future work. The mandate of the Commissioner was discussed at subsequent CSO meetings in Helsinki and Imatra. A Council decision was taken via silent procedure to extend the Commissioner’s current mandate to the end of 2003. The CSO closely monitored the work of its Working Group on Democratic Institutions. The CSO Chairman – together with several members of the CSO – participated in the 3rd Baltic Sea NGO Forum at Turku on 24-25 April. The CSO continued to monitor and support participation by CBSS working bodies in the follow-up to the Council of Europe’s Vilnius Declaration on Regional Cooperation and Consolidation of Democratic Stability in Greater Europe.

7. A meeting of **political directors** of CBSS member-states, the third of its kind, was convened by the Finnish CBSS Presidency in Helsinki on 5 February. A central focus of the meeting was the upcoming accession of four CBSS member states to

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7 The annual report of the WGNRS is attached below as [Annex no.3](#).
8 For detailed information on the Commissioner’s activities, please refer to her annual report, available at [www.cbss-commissioner.org](http://www.cbss-commissioner.org).
9 The annual report of the WGDI is attached below as [Annex no.2](#).
the European Union expected in May 2004 and the changing role of the CBSS as a focal point for intergovernmental cooperation in the region. The increased importance of cross-border cooperation and the specific situation of the Kaliningrad Oblast of the Russian Federation after enlargement was also raised.

8. The Finnish Presidency has followed-up the CSO decision from 5 March 2002 on cooperation with CBSS observer states and special participants by i.a. initiating annual meetings of the CSO with observer states. The first such meeting took place in Stockholm on 2 December and involved representatives of all seven official CBSS observer states: France, Italy, Netherlands, Slovakia, Ukraine, United Kingdom and United States of America. The CSO and relevant CBSS working groups has continued to develop cooperation with the four special participants: the Baltic Sea Parliamentary Co-operation (BSPC); the Baltic Sea States Subregional Co-operation (BSSSC); the Organization for Economic Co-operation and Development (OECD); the Union of the Baltic Cities (UBC). At its meeting in Mariehamn on the Finnish island of Åland on 26-27 May, the CSO formally granted the status of special participant to two additional organisations representing the local and regional levels of member-states’ governments: the Baltic Sea Seven Islands Cooperation and the Conference of Peripheral Maritime Regions Baltic Sea Commission.

9. The new Director of the Secretariat, Ambassador Hannu HALINEN, assumed his duties as of 15 September and regularly participated at meetings of the CSO. The CSO approved the recruitment of a new senior adviser to the Secretariat as of 15 January and approved, at its meeting in Stockholm on 2-3 December, a new division of tasks for the members of the core Secretariat. The CSO discusses at its Mariehamn and Pori meetings a joint proposal by the Presidency and Estonia (as the incoming Presidency) for a draft terms of reference for the 5-year review of the Secretariat.
Attachment N° 1 to the Annual Report of the CSO

1. Participation by representatives of institutions forming part of the CBSS structure at CSO meetings held during the Finnish CBSS Presidency, 2002-2003:

- Baltic 21
- Baltic Sea Region Border Control Cooperation (BSRBCC)
- Baltic Sea Customs Cooperation (BSCC)
- Business Advisory Council (BAC)
- Commissioner on Democratic Development
- EuroFaculty Directorate
- Expert Group on EuroFaculty Kaliningrad
- Senior Officials group on Information Society (SOIS)
- Task Force on Communicable Disease Control (TF-CDC)
- Task Force on Organised Crime (TF-OC)
- Working Group on Child Co-operation (WGCC)
- Working Group on Democratic Institutions (WGDI)
- Working Group on Economic Co-operation (WGEC)
- Working Group on Nuclear and Radiation Safety (WGNRS)

2. Participation by Observers, Special Participants and Invited Guests at CSO meetings held during the Finnish CBSS Presidency, 2002-03

a. Observers:
- France
- Italy
- Netherlands
- Slovakia
- Ukraine
- United Kingdom
- United States of America

b. Special Participants:
- Baltic Sea States Sub-regional Co-operation (BSSSC)
- Union of the Baltic Cities (UBC)

c. Invited Guests:
- Arctic Council (AC)
- Baltic Development Forum (BDF)
- Baltic Sea Chambers of Commerce Association (BCCA)
- Baltic Sea Seven Islands Cooperation (B-7 Islands)
- Barents Euro-Arctic Council (BEAC)
- Conference of Peripheral Maritime Regions Baltic Sea Commission (CPMR-BSC)
- Helsinki Commission (HELCOM)
- Nordic Council of Ministers (NCM)
Attachment N° 2 to the Annual Report of the CSO

CSO meetings during the Finnish CBSS Presidency, 2002-2003

The CSO held a total of seven regular meetings and one meeting in special session during the Finnish presidency 2002-03 with the following main topics:

16-17 September 2002 in Helsinki: Role of the CBSS in the implementation and revision of the Northern Dimension Action Plan. Review and Follow-up to the 4th Baltic Sea States Summit meeting and presentation of the priorities of the Finnish presidency. Work program and calendar of meetings of the CSO. Activity plans of the Working Groups. CBSS Secretariat 2003 Budget.

24 October 2002 in Lillehammer: Role of the CBSS in the implementation and revision of the Northern Dimension Action Plan. Cooperation with special participants and other subregional partners. Reports by the CBSS Commissioner for Democratic Development and by the Director of the EuroFaculty. EuroFaculty-Kaliningrad project evaluation report. CBSS Secretariat 2003 Budget.


6-7 March 2003 at the European Commission in Brussels: Special Session, (with participation of invited guests representing the Arctic Council, the Barents Euro-Arctic Council and the Nordic Council of Ministers), on input to elaboration of a new Northern Dimension Action Plan for 2004-06.

7-8 April in Imatra: Cross-border cooperation (Presentations by: Finnish and Russian border-guard and customs officials; Baltic Sea Border Control Cooperation; Baltic Sea Customs Cooperation). Swedish proposal for a new CBSS initiative on Cross-border cooperation. Nordic Council of Ministers program for adjacent areas and cross-border cooperation. Cooperation with regional business organisations (Presentations/Reports by: CBSS Business Advisory Council; Baltic Sea Chambers of Commerce Association; Baltic Development Forum). Baltic Sea Trade Union
Network proposal for a new advisory council. Preparation of 12th Ministerial Session.
CBSS Commissioner mandate. Applications by Baltic 7 Islands and CPMR-BSC for CBSS special participant status. CBSS Secretariat 2002 Fiscal Audit report and proposal for 2004 Budget.10


10 On 7 April the CSO also visited the Finnish-Russian border crossing and crossed the border to Svetogorsk, where local officials from Imatra and Svetogorsk presented the CSO with information on cross-border cooperation from their perspective.
Participation by the CBSS-CSO Chairman in selected meetings and conferences related to Baltic Sea regional co-operation during the Finnish CBSS Presidency, 2002-2003

- OSCE meeting of Subregional Organisations on Preventing and Combating Terrorism, 6 September in Vienna
- Barents Euro-Arctic Council Ministers of Culture meeting, 9 September in Oulu, Finland
- CBSS Commissioner Seminar on Children Deprived of their Liberty, 11 September in Helsinki
- Meeting of CBSS Directors General for Civil Protection, 24-25 September in Tallinn, Estonia
- 11th Baltic Sea Parliamentary Conference (BSPC), 30 September – 1 October in St. Petersburg, Russia
- Conference of Baltic Metropoles, 12-13 October in Copenhagen
- 4th Annual Summit of the Baltic Development Forum, 13-15 October in Copenhagen
- Baltic Sea States Subregional Co-operation Seminar on the Northern Dimension, 24 October in Lillehammer, Norway
- 10th Annual Conference of the Baltic Sea States Subregional Co-operation, 25-26 October in Lillehammer, Norway
- 2nd Coordination Meeting of Chairpersons of Baltic Sea Organizations and Structures, 26 October in Lillehammer, Norway
- OSCE Ministerial Council meeting, 6-7 December in Porto
- 2nd Ad-hoc Meeting of Chairmen of the senior officials groups of the Arctic Council, the Barents Euro-Arctic Council, the CBSS and the Nordic Council of Ministers, 12 December in Helsinki
- 3rd meeting of CBSS Political Directors, 5 February in Helsinki
- Northern Dimension Forum on Labour Market, 11 February in Helsinki
- CBSS-CSO Troika meeting with Central European Initiative Committee of National Coordinators Troika, 6 March in Brussels
- 2nd Northern Dimension Forum of the European Economic and Social Committee, 19 March in Brussels
- Preparatory meeting for the 6th Conference of CBSS Ministers of Culture, 23-25 March in Espoo, Finland
- 18th Meeting of the Senior Officials Group of Baltic 21, 24-25 April in Turku, Finland
- 3rd Baltic Sea NGO Forum, 8-11 May in Turku, Finland
Summary: Promoting entrepreneurship by the pursuing the goals of the Moscow Action Plan was the common denominator during last year. The WGEC wants to contribute towards achieving a common level playing field in the Baltic Sea Region. It is willing to develop the overall frameworks of trade and investment and increase cross-border business co-operation also in the new EU Northern Dimension policy. Exchanging best practises between administrations dealing with trade and investment continues. Regional stocktaking of past experiences of WGEC cooperation and future challenges started.

Introduction

During the last year, the Working Group on Economic Cooperation (WGEC) continued to implement the goals of the Bergen Action Plan (adopted in 2000 by the Ministers in charge of Economy and Trade) and to carry out the tasks outlined in the Moscow Action Plan MAP (adopted in 2002 by the Ministers in charge of Economy and Trade) with special reference to the top priority assignments from the 2002 Summit (see items 1, 3 and 5, Section II). The endorsed Finnish chairmanship programme of the WGEC focused on the promotion of entrepreneurship. To facilitate the work, Finland has also drafted the agenda of the following WGEC meeting for distribution at the end of each current meeting, thus enabling advanced national coordination in capitals. After 10 years of existence WGEC has assessed its passed experiences and looked into future challenges such as the effects of the EU enlargement on economic cooperation of the Baltic Sea region.

The Working Group prepared its contribution to the implementation of the Northern Dimension Action Plan 2004-2006 (NDAP) according to the section 4.1.A of the Guidelines for the new NDAP “Trade, investment promotion and business co-operation” (see item 3, Section III). The input was introduced to the CBSS CSO at a Special Session meeting with the EU Commission in Brussels on 6-7 March 2003, and was compiled into the comprehensive CBSS contribution to the implementation of the new NDAP. WGEC has prepared a draft statement to the CSO on the status of discussions on a possibility of establishing a Business Support Group in Kaliningrad with concrete recommendations thereto (see Sections II and III).

The WGEC held five meetings (in Mariehamn on 11 September 2002; Malmö on 22 November 2002; Tampere on 23-24 January 2003; Brussels on 20 March 2003 and in Porvoo/Borgå on 12-13 May 2003). A WGEC/BEAC joint meeting was held in Helsinki on 10 September 2002. Three expert meetings were held, too. Details of the meetings are introduced in the section IV of the Report. WGEC has been assisted by the CBSS secretariat.
II. Issues of the Moscow Action Plan

1. Improving border crossing conditions for goods

At the joint CBSS WGEC/BEAC meeting in September 2002, it was proposed that best practices in improving border crossings between the two entities should be exchanged by establishing an *ad hoc* Customs Liaison Committee (the Report on Activities from the CLC in annexed). Especially, the possibilities of international agreements should be fully used in the whole region.

The Baltic Sea Customs Procedure Working Group introduced the results of the border crossing measurements by the “Laufzettel Group” to the WGEC in the fall of 2002. The public-private partnership programme “Telematics in Foreign Trade Logistics and Delivery Management” (TEDIM) has reported to the WGEC. In the next few years, TEDIM will focus on the use of IT in logistics to eliminate barriers to international trade and to promote better transport links in the BSR.

Although the border crossings have improved at many borders, WGEC has concluded that efforts are still needed to continue the work on reducing the clearance time used for the border crossings in the Baltic Sea Region to maximum 2 hours. A follow-up must focus on the border crossings where the average time exceeds 2 hours, especially on the border crossings between the present and enlarged EU and Russia. Moreover, further efforts are needed at national level also in reducing the number of authorities at the border. Harmonizing and implementing customs legislation in line with WTO and EU are foreseen. The WGEC shall continue to follow the overall developments, i.e. by monitoring the measurements of the “Laufzettel Group”, the *ad hoc* Customs Liaison Committee and TEDIM project, as well as the work by the national governments to reach the goal, and report to the next Conference of the Ministers in charge of Economy and Trade in 2004.

2. Facilitating a favourable business environment for SMEs by promotion of entrepreneurship

Information on business rules and regulations is important. The issue of the future of the CBSS website [www.balticmarket.org](http://www.balticmarket.org) – the portal on SMEs information from all the CBSS member states – was discussed at several meetings. The portal has been regarded as an efficient way of providing information to the business community, but an overall evaluation of the portal is still to be done. Pending such an assessment by BAC, the future of the portal and its funding is open.

In order to elaborate the favourable framework for the promotion of entrepreneurship in the region, two expert meetings were held. The expert meeting on Benchmarking of Entrepreneurship in the BSR was organized by Denmark in Copenhagen on 9 December 2002. It looked at quantitative indicators and appropriate targets for promoting entrepreneurship by exploring the possibilities for benchmarking as a tool for making better entrepreneurship policy in the BSR. The meeting has agreed on testing specific indicators for the benchmarking of entrepreneurship such as minimum and typical time used for the registration of a new enterprise. In order to forward this process and to reinforce the
dialogue about benchmarking and indicators feasible for the Baltic Sea region, a network between experts of the member states was established.

A meeting on Venture Capital and Private Equity in the Baltic Sea Region was organized by Finland in Helsinki on 1-2 April 2003. At this expert meeting, limited availability and high cost of starting capital for SMEs in some parts of the region were mentioned as obstacles. The experts compared experiences from venture capital and private equity financing and stressed the need to improve investment conditions for SMEs: a clear institutional and legal framework for entrepreneurship is needed in the entire region. There is a necessity of further developing venture capital and private equity to address financing gaps and to promote balanced finance markets in the region. The meeting noted that the process of establishing the Baltic Sea Investment Area would benefit from the existence of specialized agencies in Russia to develop the instruments needed for co-financed investments and other international cooperation projects. The new EU Northern Dimension Action Plan 2004-2006 could also promote small cross-border projects by developing decentralized co-financing.

The EU Commission has actively participated in the discussions on entrepreneurship by sharing experience of the EU policy in the field of SMEs and entrepreneurship. The experts from the Commission, DG Enterprise, addressed the WGEC on the subject of promoting SMEs in the context of NDAP at its meeting in Brussels on 20 March 2003.

3. Conformity Assessment, Standards and Certification
The Task Force on Standards and Conformity Assessment held two meetings under its Russian chairmanship: in Tampere on 23 January 2003 and in Moscow on 29 April 2003. Issues of decreasing technical barriers to trade and certification, reforming the Russian certification and standardization system while preparing for accession to WTO, as well as in the light of the accession to the EU of Poland, Latvia and Lithuania, were discussed. It would be useful if especially the accession countries to the EU could take an active part in the exchange of experiences and discussions on improving the legislation relating to technical regulations and standardization. The Task Force was requested by the Group to come up with a program of work for the upcoming year. The WGEC will continue to monitor the situation and to solve practical problems.

4. Joint Investment Area
The issue of “Joint Investment Area” has been discussed from several angles, especially in Porvoo in May 2003. The delegations have exchanged views on the main elements that could form a basis for possible recommendations on creating such an Area within the BSR. The BAC proposed conducting of a small study of the main barriers to investment in the region. The discussion will continue during the Estonian chairmanship.

5. Fight against Corruption
The discussion on the need to fight corruption that is hindering trade and investment has continued at all WGEC meetings during the accounting year. The OECD has introduced a proposal on the Baltic Sea Region Anti Corruption Initiative (BACII) to the WGEC meeting in Malmö on 22 November 2002 aimed at launching a process of capacity and institution building for fighting corruption and bribery. A Seminar on Transparency and Accountability
in Public Procurement Systems in the Baltic Sea States was held in Vilnius on 19-20 May. Sweden, Lithuania and the OECD had arranged it. Other seminars on the topic at national level were suggested. Also other means of institution building were discussed.

During the accounting period, Poland, chairing the “Clearing House on Corruption” within the CBSS Task Force on Organized Crime, has briefed the WGEC about updated reports thereto.

At the CBSS Commissioner Conference on fighting corruption that was arranged in Vilnius on 8 April 2003, the WGEC Chairperson presented the work of the Group in this respect.

To make the discussions more substantial taking account of national and international aspects, a questionnaire for exploring the national ways and means of fighting corruption has been approved (legal background and practices). This survey could be finalized during the Estonian Chairmanship.

6. Economic Impact of Infrastructural Projects in the CBSS

The Lithuanian and Polish sides have regularly briefed the WGEC about the updates of cooperation within the Ad Hoc Working Group on Transport (WGT) and its new Action Plan. The importance of the sustainable transport links will increase in the region also by the EU enlargement. WGEC noted that in the beginning of 2003 an EU high-level Group was set up to identify priority projects for the Trans-European networks.

7. Tourism

Cooperation in tourism was discussed at the WGEC meetings in Mariehamn on 11 September 2002 and Malmö on 22 November 2002. The Baltic Tourism Commission has presented its work plans. Finland organized an expert meeting on Sustainable Tourism Projects in Helsinki in October 2002 aimed at contributing to the establishment and the growth of networks between sustainable tourism projects, especially within the Nordic Council of Ministers, the Arctic Council and the Baltic Sea States.

III. Other initiatives

1. Assessment of the present stage of the work of the WGEC

By introducing a questionnaire before the WGEC meeting in Helsinki on 11 September 2002, experiences and views on the future work were collected from the delegations. Based on a discussion paper by Germany the debates continued at the meeting in Tampere on 23-24 January 2003. WGEC has assessed the progress and given special consideration to future challenges and possibilities, especially in relation to the EU Northern Dimension Action Plan and the EU enlargement in 2004. WGEC found that useful work had been done. Certain improvements, both procedural and substantive, regarding the functioning of the WGEC should be sought in the near future. WGEC considered that its work should be more focused on a narrower range of topics to enable in-depth expert consideration. At the same time, WGEC should preserve its multifunctional nature and keep track of the economic trends of interest to the Ministers in charge of Trade and Economy in the region. It was decided to take up this issue regularly, introducing the necessary revisions into practice.
2. Business development in the Kaliningrad Region

As a follow-up to the request by the CBSS CSO in late Spring 2002, WGEC has been considering the issue at its consecutive meetings in Tampere on 23-24 January, in Brussels on 20 March 2003 and in Porvoo on 12-13 May 2003, and contemplated on a statement to the CSO on a possibility of setting a Business Support Group in Kaliningrad Oblast (see Introduction).

A representative for the authorities of Kaliningrad has addressed the WGEC at its last meeting in May, introducing challenges for this Russian exclave in developing cooperation with neighbouring countries, as well as in shaping the future of the Oblast. Independent experts from Germany and Sweden were also invited to give their views on the Kaliningrad issue at the WGEC meeting in Brussels on 20 March 2003. The WGEC members confirmed their interest in pursuing the issue in order to suggest an action for improving the conditions for economic growth, foreign investment and business promotion. However, in order to succeed, a more active involvement in the work of the Group from the authorities in Kaliningrad is indispensable. Russian plans on economic development are sought in order to focus on possible fields of regional cooperation, including the experiences of economic reform in other Russian Baltic Sea regions.

3. Input into the implementation of the new NDAP for 2004-2006

The WGEC/CBSS input into the implementation of the new NDAP 2004-2006 according to the section 4.1.A of the Guidelines for the new NDAP “Trade, investment promotion and business co-operation” (see Introduction) was discussed at the meeting in Tampere on 23-24 January 2003. The main priorities of the MAP were reflected in a consolidated paper: economic cooperation would remain the key element in the New Action Plan. Establishing of stable structures for investments and business would constitute primary tasks for the NDAP time span. This would involve both the necessary infrastructure and promotion of cross-border cooperation for SMEs at the borders between the present EU and the accession states and Russia. The WGEC confirmed its willingness to develop the strategic partnerships in the areas of cooperation with all interested actors and partners in order to pursue common goals.

4. Economic aspects of the Baltic Sea Environment

The impact of environmental issues on the economic development of the BSR has been discussed at the WGEC meetings in Mariehamn on 11 September 2002, in Malmö on 22 November 2002 and in Tampere on 23-24 January 2003. The issue was brought up mainly in connection with accidents at sea of oil tankers, and the discussions underlined the absolute priority of the maritime safety for the overwhelming majority of the delegations. The representatives of the HELCOM, Danish Environmental Agency and Russian International Center for Environment Protection of the Baltic Sea Region in St.Petersburg have addressed the WGEC. The Group fully endorsed the initiative by HELCOM to put forward a proposal to the IMO to declare the Baltic Sea a Special Sensitive Area. Representing a challenge for the sustainable cooperation in the Region, the issue could be taken up during the Estonian presidency in view to report to the Ministers of Economy and Trade in 2004.
IV. Annotated list of meetings

- **Helsinki, 11 September 2002**
  Main issues discussed: Conclusions from the joint meeting with the BEAC; The programme for the Finnish presidency; Results of the Questionnaire on the future work of the Group; Cooperation with the OECD; The future of the website www.baltmarket.org; Promotion of Entrepreneurship; Economic impact of Infrastructural Projects in the CBSS; Tourism.

- **Malmö, 22 November 2002**
  Main issues discussed: Border-crossing – briefing on the activities of “Laufzettel Group” by the BSCPWG, Anti-corruption – the OECD initiative, Economic impact of Infrastructural Projects in the CBSS, Promotion of Entrepreneurship; Economic aspects of the “Baltic Sea environment”; Tourism.

- **Tampere, 23-24 January 2003**
  Main issues discussed: Assessment of the present stage of the work; Input into the new NDAP 2004-2006; Business development in Kaliningrad; Report from the expert meeting on Benchmarking of Entrepreneurship; Report from the meeting of the Task-Force on Standardization and Conformity Assessment; Anti-corruption – the OECD BSRACI initiative; Future of the website www.baltmarket.org; Joint Investment Area; Environmental impact of the oil transport in the BSR.

- **Brussels, 20 March 2003**
  Main issues discussed: The CBSS/WGEC input into the NDAP – promotion of SMEs in the context of the NDAP; Presentation by TEDIM; Business development in Kaliningrad – presentations by the Russian side and independent experts from Sweden and Germany; Anti-corruption – Seminar on Transparency and Accountability in Public Procurement Systems in the Baltic Sea States (Vilnius, 19-20 May).

- **Porvoo/Borgå, 12-13 May 2003**
  Main issues discussed: Overview of the issues of the MAP; the WGEC draft annual report to the Ministers, including the draft Statement to CSO on Business Support Group in Kaliningrad; Plans of the new Estonian Chairmanship; Report from the expert meeting on Venture Capital and Private Equity (Helsinki, 1-2 April 2003); Economic cooperation with NGOs; Updates on the Seminar on Transparency and Accountability in Public Procurement Systems in the Baltic Sea States (Vilnius, 19-20 May); 5th Baltic Development Forum Summit (Riga, 5-6 October 2003); Exchange of views on future challenges for the WGEC.

V. Cooperation with other CBSS Working Bodies and Structures, as well as International Organizations

**The CBSS Business Advisory Council (BAC)** - The BAC has presented its views on issues of common interest at the WGEC meetings and informed about its activities. These contributions have been highly valued, particularly when analysing issues regarding the role of WGEC in the implementation of the EU Northern Dimension, the concept of “Joint
Investment Area”, as well as giving in-depth outlook to the problem of business development in the Kaliningrad Region.

**The CBSS Baltic Chambers of Commerce Association (BCCA)** - The BCCA participated in the regular meetings of the Group, suggesting possible solutions and a follow-up to different issues. The BCCA suggestions as to the role of the WGEC in drafting its contribution to the implementation of the new NDAP, especially its border crossings proposals were very useful.

**The CBSS Baltic Sea Customs Conference (BSCC)**, particularly its Procedural Working Group has been most helpful in implementing the objective of the Bergen and Moscow Action Plans in order to reduce the average time needed for border crossing of goods to less than two hours.

**The Barents Euro-Arctic Council (BEAC)** - A joint WGEC/BEAC meeting was held in Helsinki on 10 September 2002, in view to establish regular exchange of information on the points of importance between the two Groups. Border-crossing issues were considered especially interesting. The chairmen of the BEAC and WGEC continued to exchange information.

**Organisation on Economic Cooperation and Development (OECD)** - The cooperation with the OECD continued. The WGEC has exchanged views with the OECD on cooperation especially in the field of combating corruption.

**Cooperation with NGOs**
Discussions were held at the WGEC meeting in Porvoo on 12-13 May 2003, dealing with the outcome of the 3rd Baltic Sea NGO Forum (Turku, 8-11 May), and the Secretariat of the Baltic Development Forum has addressed the Group. The WGEC has confirmed its support to developing cooperation with NGOs and possibly inviting their representatives more often to the meetings and consulting them on matters of common interest.

**Annex:** Report of Activities from the BEAC/CBSS Working Group on Economic Cooperation Customs Liaison Committee.
General
The overall objectivities of customs cooperation are to promote the trade facilitation and smooth border crossing combined with an efficient cooperation in combating customs and economic fraud.
The reach to objectives above it is necessary to further improve the cooperative between the law enforcement authorities across the borders, to harmonize the Russian customs legislation and practices as well as to agree on efficient modes of cooperation to combat customs crime and to improve the infrastructure at the border crossing points. Regional customs cooperation in the framework of the Barents Euro-Arctic Region, the Council of the Baltic Sea States and the Baltic Sea Customs Conference supports the objectives above.

1. Trade Facilitation

1.1. Harmonization of Russian Customs legislation

An overall objective is to bring the Russian Customs Code to correspond to EU WTO and international standards. This work is under way: the Russian Duma has adopted a new Customs Code in April 2003. The EU experts group is now studying the application regulations.

2. Simplification of customs procedure

2.1. Bilateral customs cooperation between BEAC/CBSS-countries.
2.2. Green Corridor-project.
2.3. EuroRussia development program, connected to the investments.
2.4. BEAC/CBSS/BSCC/cooperation, including Task Force II, Customs Liaison Committee, Procedure Working Group, using national funds, Tacis funds, Interreges fund, when possible.
2.5. ATA-carnet procedure known and functioning in Russia and cooperation with Chambers of Commerce and SME’s.
2.6. Twinning programme in order to make cooperation between customs authorities more efficient.
2.7. Logistical Chains, to present how logistical chains were constructed in order to remove unnecessary customs work.
3. Rationalization of the work of border authorities

An overall objective of long term nature the activities of several authorities at the Russian border should be harmonized and rationalized. Instead of 9 authorities 2 authorities at the imminent border would be enough. The biggest part of the activities could be carried out elsewhere and be transferred to the destination customs office.

4. Infrastructure

The modern and well-equipped border crossing parts are important elements in facilitating border crossings. A lot has been done in this respect since early 1990's financed partly by the Tacis program. As far as the Finnish-Russian border is concerned the situation today is quite satisfactory. It seems that there is still a need for one more international border crossing point for international traffic (Kuusamo Syvääoro). Six million euros has been granted by the Commission Tacis programme for the construction of a new border Station on the Russian side. The construction work is expected to start in a few years.

5. Combating economic Crime

To fight economic crime it is reasonable to use the existing cooperation mechanisms. Common strategy of the EU and Russia is drawn up in the EU-Russia Action Plan on Organized Crime and the implementation thereof has been monitored regularly between the EU and Russia.
ANNEX II: Working Group on Assistance to Democratic Institutions (WGDI)

DEVELOPMENT OF DEMOCRATIC INSTITUTIONS AND HUMAN RIGHTS IN THE BALTIC SEA REGION

Report of the WGDI for the activity period 2002-2003

I. Introduction

A well-functioning democracy depends to a high degree on the continuous promotion of democratic values and principles, as well as on the development and strengthening of democratic institutions. The Member States of the CBSS recognise the importance of democracy and human rights. Indeed, one of the main objectives of the organisation has since the very beginning been to provide a meaningful framework in which common efforts to promote democratic development of the Baltic Sea region can be co-ordinated. The Working Group on Assistance to Democratic Institutions (WGDI) was therefore created and maintained in order to advance the CBSS work in this field.

The WGDI, working in close co-ordination with the CBSS Committee of Senior Officials (CSO), ensures the continuous political and organisational support in the preparation of relevant conferences, workshops and seminars in the field of democracy and human rights.

The WGDI co-operates closely with the CBSS Commissioner’s office, and the Commissioner’s surveys and recommendations serve as important points of reference for the Working Group.

In order to ensure harmonisation and synergy of activities, and avoid duplication of efforts, the WGDI also co-operates with the relevant working structures in other organisations at the international, national and sub-national levels in the Baltic Sea region. Expert activities, such as conferences, workshops and seminars, constitute an important complement to the work of the WGDI. On the basis of expert advice and conclusions, the WGDI drafts policy recommendations to the CSO.

II. WGDI agenda and activities during the German Chairmanship, 2002-2003

The CSO has decided that the Chairmanship of the WGDI shall rotate on an annual basis. In 2002-2003 the WGDI was chaired by Germany. During this activity period, the WGDI held two meetings (22 November 2002 in Berlin and 5 March 2003 in Brussels) and arranged two seminars (on Consumer Protection in Berlin, Germany on 21 November 2002, and on Local Democracy in Toila, Estonia on 2-3 June 2003). During the German chairmanship the WGDI has focused its attention on a number of issues of importance for the Baltic Sea region, including:

- Consumer protection,
- Local democracy,
• Civic society, NGO participation and people-to-people co-operation.

**Consumer Protection:**
The German chairmanship together with the Federal Ministry of Consumer Protection, Food and Agriculture (BMVEL) organised a *WGDI-CBSS Seminar on Consumer Protection in the Baltic Sea Region* in Berlin on 21 November 2002. It took up an initiative by the CBSS Commissioner, owing to her ground-breaking work on Ombudsman-institutions. The purpose of the seminar was to exchange experiences and best practices among different organisations and bodies, including Ombudsmen, working with consumer protection. Special emphasis was given to the aim of establishing a meaningful networking process between the participants. The thematic discussion focused on the issues of independence, mandates, competencies and powers at the disposal of the Ombuds-institutions, as well as on how to improve the networking of consumer protection institutions in the region. Participants in the seminar recognised consumer protection as an important democratic standard, which is crucial to democracy and economic development and which constitutes an important example of non-governmental and governmental co-operation in the field of sustainable development of our societies. The structural response to this challenge, i.a. by setting up independent institutions for counselling consumers or by guaranteeing check-and-balances relative to legislative measures envisaged by governments, covers a large variety of different organisations entrusted with the protection of consumers across the Baltic Sea Region.

**Local Democracy:**
The second major event in the WGDI’s calendar of activities in 2003 was the *Seminar on Local Democracy in the Baltic Sea states*, held in Toila, Estonia on 2-3 June. The seminar was organised jointly by the local government of the County of Ida-Virumaa/Estonia and the Federal Land of Mecklenburg-Vorpommern/Germany with considerable financial support by the German Federal Office. A prominent delegation from the Russian Leningrad Oblast, which is a partner county to both Ida-Virumaa and Mecklenburg-Vorpommern, successfully marked the regional and sub-regional cross-border co-operation. More than 60 participants actively discussed their experience with and challenges to local democracy, in four thematic blocks. The first focused on self-perception and common identities vis-à-vis the citizens and the states. Discussions in the second block centred on different forms of local government and the exchange of experiences whilst the third was titled “Partnership and Networks as Perspective and Tool for Strengthening Local Democracy”. The last block focused on comparing best practices. Key-note addresses and contributions were presented by Governors, mayors, representatives of NGOs and foundations as well as members of the WGDI.

**Civic Society, NGO participation and People-to-people co-operation:**
The Chairman of WGDI as well as several members of the working group participated in the III NGO Forum at Turku, 8-11 of May 2003. The event gathered 400 participants from all CBSS states and Belarus. It was a follow-up to the II NGO Forum at St. Petersburg on 18-21 April 2002. The event was very well organised by the preparatory and national committees, and offered the NGO representatives and government officials the opportunity for wide ranging discussions. Four thematic sessions focused on a) social exclusion and participation, b) sustainable lifestyles, c) transparency in the co-operation between NGOs and government authorities, and d) gender equality and human rights in changing societies. Networking opportunities were provided via a dozen small workshops on specific
topics. The WGDI follows and encourages the process of networking among NGOs in the region with great interest and supports the strengthening of such manifestations of civil society.

**Rights of the child, and children at risk:**
During the activity period there was a follow-up on the *Round-Table on Children at Prison*, held in Helsinki on 11 September 2002, and organised by the CBSS Commissioner. The WGDI members expressed the wish to co-operate closely with the Working Group for Co-operation on Children at Risk (WGCC) on issues within the human rights perspective of the WGDI's work. Further mutual assistance between the WGCC and WGDI was envisaged by way of co-ordination via the chairmanships in the autumn of 2003, an item that will be taken up by the incoming Lithuanian chair of the Working Group. The Working Group shall consult further on the implementation of the CBSS Commissioner's recommendations in this field.

**Combating contemporary forms of racism and xenophobia:**
Following the recommendations by its previous chair, the Working Group - in close co-ordination with the CBSS Commissioner - dwelt upon the possibilities of following up on the Seminar on contemporary manifestations of racism and xenophobia held in Bergen on 7 February 2002. Norway informed the Working Group on the follow-up meeting scheduled for mid 2003, which would be convened as a separate event from WGDI activities and with participation of the CBSS Commissioner. The WGDI and its Members will assist in the preparations of the Seminar.

**Co-operation with the Council of Europe:**
In view of the important contribution by the Council of Europe (CoE) in the field of democracy issues the WGDI and the CBSS Secretariat have furthered the co-operation with the Council. The Secretariat reported to the WGDI, at its 22 November meeting in Berlin, on the modalities and outcome of the *CoE meeting with Regional Organisations* held in the light of the CoE Vilnius Declaration in Strasbourg in March 2002. It was agreed among WGDI members that a practice of regular exchanges between the respective Secretariats of CBSS and the CoE shall be established to inform the latter regularly about the activities of the WGDI.

**Co-operation with the CBSS Commissioner on Democratic Development:**
There have been extensive contacts with the CBSS Commissioner on Democratic Development, Ms Helle Degn, during the activity period 2002-2003. The Commissioner addressed the *Seminar on Consumer Protection* (Berlin, 21 November 2002) where she gave an overview of her work in this field.

The Commissioner also reported to the WGDI on the *Seminar on Good Governance* held in the European Parliament (14-15 November 2002 in Brussels). The Chairman of the Working Group participated in the *Good Governance Seminar* in Copenhagen in March 2003, organised by the CBSS Commissioner and the Danish Parliament. Three specific subjects related to participation and parliamentarians (Media's role and obligations in democracies, Parliamentarians reporting procedures to colleagues - involvement of NGO's and Citizens' role.

At its meeting in March 2003 the Working Group discussed how the WGDI could follow up on the topics currently covered by the CBSS Commissioner’s office in the future, if her mandate was not to be extended beyond 31 December 2003. The work of the WGDI will in
this regard be influenced by the recommendations made by the Commissioner and by her Final Report.
The office of the Commissioner was also actively involved in the second seminar under the German chair, the Seminar on Local Democracy in Toila/Estonia.

**Input to the Northern Dimension Action Plan for 2004-2006**
The WGDI contributed to the CBSS’ submission of documents to the European Commission’s second Action Plan on the Northern Dimension for 2004-2006. The Working Group adopted and submitted its contribution via the CBSS presidency. In response to the guidelines for a new three-year Action Plan with external and cross-border policies of the European Union, it includes a list of general objectives that ought to guide the work of all actors involved in the Northern Dimension. WGDI recommended that the second Action Plan should include provisions for promoting good governance in every sector of society as a guiding principle in project planning; that civil society organisations should be involved in the pre-assessment of relevant projects; and that measures to promote legal harmonisation, state-of-the-art legislative and governance practices and training under the sector of Justice and Home Affairs should be included.

**Study visits and liaison:**
In line with the established practice within the WGDI of arranging study visits for the members in conjunction with meetings, there was a visit to the German Federal Parliament, the Bundestag, during the Berlin-meeting on November 22, 2002. In conjunction with its meeting in Brussels in March 2003, WGDI held a working dinner together with delegates of regional organisations represented in Brussels which gave the floor to an extensive exchange of information on the regional offices’ role in issues of civil societies which are negotiated between respective capitals and the EU-Commission in Brussels.

### III. Outlook for the future

The WGDI will continue to work for the promotion of democracy, the rule of law as well as fundamental and human rights, since these issues invariably constitute an absolute priority of the Council of the Baltic Sea states. In accordance with its Terms of Reference, the WGDI will maintain and develop further the existing co-operation with other international and regional organisations in order to achieve its goals. At the same time it will adapt its working methods to avoid duplicating the efforts made by major regional actors in this field.

**Scope of future activities:**
The WGDI will, according to its Terms of Reference, concentrate its future work on:

- Organising and assessing seminars and workshops with the purpose of discussing and exchanging experience on key issues related to the rule of law, civil society and NGO co-operation, people-to-people contacts, transparency and efficiency of administrative practices, access to information, local democracy and citizens’ participation.
- Providing support to the organisation of events by member states aimed at strengthening democratic institutions, good governance practices, local self-government, good law-making, consumer protection and combating racism.
Some activities, especially relating to good governance and state administration, are important in improving the transparency of legislation and promoting the awareness of human rights issues. The WGDI will continue its work in this field, in particular at the levels of parliamentarians and executives at national and sub-national levels, by giving training in human rights and state-of-the-art legislative and governance practices. In addition, the WGDI will follow up on the activities of the CBSS Commissioner’s office and develop its work in line with its recommendations.

The WGDI discussed the preliminary work programme of the next WGDI Chairmanship (Lithuania) and endorsed the common priorities and proposals for the next activity period.

**Structure and working methods:**
The work plan of the WGDI is discussed between the CSO Chair and the WGDI Chair at the beginning of each new Presidency. It is then authorised at the first CSO meeting of the new Presidency. In the work plan, the expected outcome of the WGDI’s actions is envisaged. The Secretariat supports the WGDI by following up on its decisions and informing the Group on progress thereon. Experts, through their participation in conferences, workshops and seminars, often assist in the work of the WGDI. Experts shall report to the WGDI on their conclusions and recommendations.

Over the coming activity period, the WGDI will continue its dialogue on the Group’s future role, functions and working practices especially in view of the approaching closing date of the Office of the Commissioner of Democratic Development of CBSS by the end of 2003.
ANNEX III: Working Group on Nuclear Radiation Safety (WGNRS)

Annual Report

of the Working Group on Nuclear and Radiation Safety (WGNRS)

2002-2003

During the working period the Group continued to initiate some remaining practical steps in the implementation of the Agreement on Exchange of Monitoring Data, an agreement signed by all CBSS countries. A communication exercise/test that was carried out in November 2002 showed that the reporting system, with some minor exceptions, works as expected. Based on this Agreement, the exchange of monitoring data within the Baltic Sea Region can now, both formally and practically, take place on a daily basis. Discussions in the Working Group have addressed some different potential terrorist events involving radioactive material (dirty bombs), illicit trafficking of radioactive material and the threat from orphan radioactive sources. The WG is aware that many other groups are working with these issues. Therefore the WG restricts itself to the exchange of information and to monitor the situation in the Baltic Sea Region only, through contacts with the International Atomic Energy Agency (IAEA) and other organisations with activities in this field.

This Working Group is also a relevant forum of experts for initiating co-operation activities related to radiological emergency planning. The WG aims to strengthen the preparedness for international co-ordinated and integrated actions in the Baltic Sea Region in the event of a nuclear accident.

I. Meetings

During the period one Working Group meeting was held in Riga, on 6 – 7 February 2003. It was hosted by the Radiation Safety Centre (RDC) in Latvia, and a visit of the premises and orientations about RDC’s activities were offered. The EU Commission and each member state, except Russia, presented progress reports on nuclear and radiation safety activities and achievements since the last meeting of the WG in May 2002. Members commented on and discussed issues in the reports that were of common concern.

The topics discussed covered a broad area and in some detail included radon in dwellings and their implications for public health and regulating authorities; radium in underground drinking water; the ongoing international project to secure the uranium mining and milling tailings pond at Sillamäe in Estonia to avoid the contamination of the Baltic Sea; issues related to the decommissioning of the research reactor station in Latvia; border control of radioactive materials; radioactive batteries in light houses in the Baltic Sea, the need for enhanced international co-operation on emergency response; updating of national radiation safety regulations; natural radiation in production water that is discharged from oil platforms, and transport of radioactive materials.
II Activities in the Working Group

Agreement on the Exchange of Radiation Monitoring Data

1 Communication exercise
At the May 2002 meeting, the WG decided to initiate a communication exercise/test within the framework of the Agreement on the Exchange of Radiation Monitoring Data. The Swedish Radiation Protection Authority, (SSI), was appointed as the organiser, and the date of the exercise was set to 21 November 2003. Participation in activities and exercises is voluntary. The authorities in some of the member States have expressed great interest in common exercises, and it was encouraging that all CBSS countries and the EU Commission signed up for the exercise. This activity can be seen as a first test to find out if there is an interest, as well as a practical possibility, to continue the development of common exercises within the Region. Common exercises are useful both for data providing and data receiving countries.

The evaluation report of the exercise was discussed during the meeting in Riga on 6-7 February 2003. In general, the exercise went well and served to show that the Agreement is functioning. Since the Nordic countries carry out similar exercises four times annually, the WG has the possibility to initiate that at least one of these exercises per year be extended to be open for all CBSS countries.

2. Follow-up of the Agreement
The implementation of the Agreement demonstrates that there is a political will to share information with other countries. In case of a nuclear accident the system will not only be of value for the exchange of monitoring data. The system also includes a network of experts which can be expected to facilitate the communication of other information and data in the case of an accident. Such an added value contributes significantly to the preparedness for an international co-operation in the region.

According to the Agreement, the parties shall appoint competent authorities, which are required to be available on a 24-hour basis. Repository for the Agreement is the Norwegian Ministry of Foreign Affairs. Competent authorities have been appointed in all countries. All countries are operational but there are some differences regarding the way to report data. For example Germany has a delay of one to two days in sending data, but actual data will be available when needed in the event of an accident. Estonia and Lithuania are operational through the Danish communication system for collecting data. Latvia and Lithuania were not fully operational during the exercise but the situation is discussed in the frame of the bilateral co-operation between Sweden and Latvia.

It has also been recognised that for some periods of time data has not been available from some countries. It is foreseen that fetching the data can be an automatic process but this would need further technical development. A technical group of experts has been appointed, by WGNRS initiative, with the task to introduce improvements in the system but also to be a practical resource to handle technical disturbances in the communication system. Information on the CBSS Agreement has been published by the OECD Nuclear Branch.
To achieve and maintain a reasonably high standard, the practical implementation of the Agreement needs to be followed up. So far Norway has carried out such important controls of the system with regular intervals. The WG considers this first phase of the exchange of monitoring data to be an achievement which has a potential to be developed further, extending the practical and technical arrangements of the agreement to include also other measurement data. Discussions will continue whether there is an interest and possibility to extend the Agreement. Follow-up of the implementation of the Agreement will also continue to be an issue of high priority for the WG.

**Regional agreements on assistance in case of a nuclear accident**

The WG members have discussed the prevailing situation regarding the preparedness in the region for assistance actions in case of a severe radiological emergency situation. In this context, assistance actions entail experts working as advisers, specialist teams for measurements of radioactive substances in air and on ground etc., and support with mobile laboratories. Such resources are necessary to make a judgement of the impact on the public and society in the event of a radioactive fall-out situation in connection with a nuclear accident.

This kind of assistance actions needs to be planned in advance, both practically and formally, to solve liability questions, customs questions, harmonisation of methods and procedures connected to measurements etc. The work the WG discussed to initiate can be considered as a complement to the activities carried out by IAEA. The aim with such an action is to take into account the various specific characteristics in the countries of the Baltic Sea region.

**Potential terrorist events involving radioactive material / illicit trafficking**

The WG is aware of other groups’ efforts regarding these issues. Therefore the WG has decided to monitor the situation in the region only, through contacts with IAEA and other organisations with activities in this field. The WG is concerned with these matters because a national emergency organisation dealing with radiological emergency issues ought to have knowledge and be prepared to carry out forecasts about the radiological impact in real situations caused by terrorist threats or acts.

From this point of view the WG can be an important forum for the exchange of information and experience on actions taken as well as the strategies used in the member states.

**National progress reports**

Members of the WG report on major national issues of interest and planned or ongoing activities in the field of nuclear and radiation safety. This procedure helps to disseminate information in an effective way, even outside the WG.

**Working procedures**

Members of the WG decided at the meeting in Riga in February 2003 to establish a group of three countries (on rotation) to prepare the agenda of each meeting and send it out well in advance. This would give the members a possibility to obtain a mandate from their respective countries and would thus enhance the decision-making process. The first such planning group will consist of Germany, Sweden and Norway. Germany has agreed to chair the WGNRS from the planned 23-24 October meeting in Tallinn. The Working Plan for the Group during the Estonian CBSS Presidency is attached.
Attachment N°I to the Annual Report of the WGNRS:

Working Plan of the WGNRS
Revised on 30 May 2003

The Working Group on Nuclear and Radiation Safety (WGNRS) within the CBSS is a forum for exchange of information and coordination of efforts to enhance nuclear and radiation safety in the region. The working group also is identifying actions to be initiated with the aim to strengthen co-operation in these fields. The national nominated participants in the WGNRS mainly have their expertise knowledge in the field of radiation protection and radiological emergency planning.

Action to be taken

1 Exchange of monitoring data and information
   - Follow up the experience of the operation of the system for the exchange of monitoring data.
   - Participate in the implementation of the intergovernmental agreement on monitoring data and information.
   - Investigating the interest and the possibility for extending the practical and technical arrangements of the agreement to include other measurement data.
   - Inform about the possibility for other countries to join the current agreement.

2 Regional agreement on assistance
   - Consider supplementing of the IAEA ‘Convention on assistance in the case of radiological accident’ what concerns cooperation in the Baltic Sea region in the event of a nuclear accident. A background report is under preparation by Norway and Lithuania to analyse the prevailing situation in the region. Suitable actions to be initiated will be discussed at coming WGNRS meetings.

3 Potential terrorist events involving radioactive material / Illicit trafficking
   - Monitor the situation in the region by contacts with IAEA and other organisations, which are active in this area.

4 Emergency exercises and training
   - Exchange of experience on exercises of common interest for the region.
   - Conduct the condition of an extension of the regularly communication tests between the Nordic authorities (involving official national point of contact and the competent authorities) to include all countries in the Baltic Sea region.
   - Consider the need for common actions to strengthen the emergency preparedness co-operation in case of radiological and nuclear accidents.

5 National Reports
   - Exchange information on national activities during the meetings of WGNRS, documented in reports and task groups.
o Act as a chain for exchange of general information between the CBSS members in the field of nuclear and radiation safety on nuclear power plants in operation, units to be decommissioned and new units planned.
o Follow and evaluate the overall situation regarding the pollution of radioactive substances in the Baltic Sea Region.

Information Channels
o The Group intends to initiate information channels in each member state between the civil and military authorities dealing with nuclear activities relevant to the scope of the Working Group.

7 Working procedures
o Members of the WG decided at the meeting in Riga in February 2003 to establish a group of three countries (on rotation) to prepare the agenda of each meeting and send it out well in advance. This would give the members a possibility to obtain a mandate from their respective countries and would thus enhance the decision-making process. The first such planning group will consist of Germany, Sweden, Norway and a representative of the CBSS Secretariat.
Baltic Sea States Communication Exercise
2002-11-21

Evaluation Report

Background
As a result of discussions and a decision taken by the Working Group on Nuclear and Radiation Safety (WGNRS) of the Council of the Baltic Sea States (CBSS), the Swedish Radiation Protection Authority (SSI) has planned and arranged an emergency response communication exercise for countries in the Baltic Sea Region. The exercise was carried out on 21 November 2002.

Objective
The objective of the exercise was to test prepared communication channels for establishing contacts between the national emergency response organisations, should a radiological or nuclear accident occur.

Invitation to participate
An invitation to participate in the exercise was sent to all countries in the Baltic Sea Region on 27 June 2002. Even the European Commission was invited to participate. SSI should be informed about interest to participate before 30 August 2002. This information should include the name of a contact person for the exercise as well as the communication channels (fax number and e-mail address) to the appointed emergency notification organisation, normally the National Warning Point (NWP) according to IAEA ENATOM.

Participating Countries
All the invited countries accepted to participate in this first communication exercise. The participating countries were Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland and Russian Federation. Also the European Commission participated.

Exercise Guidelines
The exercise was planned according to the following guidelines:
- the day and time of the exercise will not be announced in advance, only the month of the test will be known,
- the exercise will be carried out during office hours,
- the exercise language will be English,
- test messages will be marked "Baltic Sea States Communication Exercise", 
also response messages must be marked "Baltic Sea States Communication Exercise",
an initial test message will be sent by fax to the participating countries,
response to the fax message, including time of receiving the message and time of
sending the answering message, shall be sent by fax to the number given in the
message,
a test message will be sent by e-mail to the participating countries,
response to the e-mail message, including time of receiving the message, shall also
be sent by e-mail to the address given in the message,
response is required from the appointed emergency response organisation in the
participating countries, normally the National Competent Authority for emergencies
abroad [NCA(A)] according to IAEA ENATOM,
response should be given as soon as possible after a test message has been
received
the results of the exercise (time of sending a message, time of receiving a message,
time of responding to a message for each participating country) will be compiled and
distributed to all participating countries.

Test messages

In total three different fax messages were sent from SSI to all participating countries during
the exercise. Each fax message was followed by an identically worded e-mail message. The fax messages are shown in Attachment 1.

The first fax was sent to the different countries at different times (07:38 – 09:00 UTC)
depending on different time zones. The first e-mail was sent after the first fax had been
sent to all countries (09:01 – 09:12 UTC).

After approximately 2 hours (11:00 – 11:03 UTC) the second fax was sent. One and a half
hour later (12:26 – 12:37 UTC) the second e-mail message was sent.

The exercise ended with a third fax in the afternoon (13:26 – 13:29 UTC), followed by the
third e-mail message (14:13 – 14:29 UTC).

In total SSI received 23 fax messages and 23 e-mail messages from the participating
countries during the exercise.

Exercise Results

Data about when the first fax and e-mail messages were sent and received and times
required for a message to reach the receiver has been compiled in the tables Fax nr 1 and
E-mail nr 1 in Attachment 2. The UTC times given by the participating countries have in
some cases been changed when they obviously were wrong.

Data about the second fax and e-mail messages has been compiled in the tables Fax nr 2
and E-mail nr 2 in Attachment 3.

A summery of the most important data is given below.

First fax

It took between 1 and 10 minutes (from the time when the fax was put into the fax
machine) to get a receipt that the fax had been sent. For Russia no receipt was received,
but apparently the fax went through. The first fax did not reach Lithuania depending on a
wrong fax number.
Within 3 to 19 minutes (from the time when the fax was put into the fax machine) the message had reached the respective country.

After the answering message was sent it took between 0 and 25 minutes before this message reached SSI (excl. Germany, Lithuania and Poland).

The total time from when the fax was put into the fax machine at SSI to when the answering message reached SSI was between 14 minutes and 1 hour 2 minutes for different countries (excl. Lithuania).

**First e-mail**

It took between 0 and 41 minutes for the first e-mail to reach the receiving countries.

After the answering message was sent it took between 0 and 12 minutes before this message reached SSI (excl. Latvia).

The total time from when the e-mail was sent from SSI to when the answering message reached SSI was between 7 minutes and 1 hour 33 minutes for different countries (excl. Latvia).

**Comments**

The used fax number was right for all countries except for Lithuania. Their fax number had been changed depending on general changes in telephone numbering system.

The used e-mail address was right for all countries except for Germany and the European Commission.

SSI has earlier used another e-mail address for urgent mail. The new address has not been distributed to other countries until in connection with the first e-mail message in this exercise.

The first fax message sent to Russia caused their fax machine to print out a great number of copies. SSI has no explanation to this problem but deeply apologize for the trouble caused.

**Data from measuring stations**

Before the exercise started SSI checked the data available in the database for the measuring stations in each participating country. Available information for the latest seven days for some stations in each country was presented on the SSI website **SWEREM**. Address, ID and password to the website was given in fax number 2 and e-mail number 2.

Many countries made use of the opportunity to visit the website. The time for the first visit for respective country is given in the table Fax nr 2 in Attachment 3.

For most of the countries data were available for almost every day of the latest week. For Estonia data were available only for three days and for Russia/St. Petersburg only for two days.

For Latvia no data were available for the latest week. For the latest month data were available only for one day.

For Iceland no data were available due to problems with ID and password.

**Mauritz Wallin**

Exercise Leader
ANNEX IV: Secretariat of the Council of the Baltic Sea States


A. Overall activities of the Secretariat

During the period 2002-2003 the work of the Secretariat has continued under the guidance of the CSO and other governing bodies. The focus has been in maintaining and improving the level of services, while giving increased attention to cost-efficiency and budgetary discipline. Preparing, servicing and following up a continuously growing number of meetings is an integrated process, where the institutional memory and professionalism of the Secretariat are essential.

During the period, the first major planned rotation of staff since the establishment of the Secretariat was completed. In spite of additional work-load the overall number of personnel has not been changed. The re-division of tasks and responsibilities in the core Secretariat was taken note of by the CSO at its 2-3 December meeting. The consolidation of the work of the core Secretariat and the specialized units has continued, the latest addition being the Children’s Unit which was officially integrated into the Secretariat during the second quarter of 2002.

B. CBSS Structures and Working Bodies Serviced by the Secretariat

B.I CBSS Working Bodies regularly serviced by the Secretariat

Committee of Senior Officials (CSO)

The Secretariat has continued to provide technical and administrative support the CSO Chairman and the CSO Troika in the performance of their duties. Seven regular meetings of the CSO were serviced by the Secretariat as was the special session of the CSO in Brussels and two meetings of the CSO Troika. The Secretariat also provided support for the CSO Chairman in the preparation and execution of several other meetings, including the 3rd Coordination meeting of heads of Baltic Sea regional organisations and the 2nd ad-hoc meeting of chairmen of senior officials groups of the Arctic Council, Barents Euro-Arctic Council, The Nordic Council of Ministers and the CBSS. The Secretariat continued to perform a liaison function for the CBSS Presidency in contacts with a wide range of actors, including CBSS member-states and the European Commission. In line with the agreement establishing the Secretariat and in accord with the Kolding declaration and other relevant documents, the Secretariat also served as a focal point for the full range of CBSS structures and working bodies, CBSS partner organisations and special participants as well as with the CBSS observer states and relevant international organisations such as the OSCE and the Council of Europe. In concordance with the Presidency, the Secretariat has continued to develop and improve the implementation of the CBSS Information
Strategy, primarily via the CBSS website, the CBSS official newsletter *Baltinfo* and via participation in various seminars and conferences as well as via contacts with relevant media and academic communities.

**Group of Senior Energy Officials (BASREC-GSEO)**

The BASREC 2002 project, consisting of 15 individual tasks in the topical areas of security of energy supply and implementation of the Kyoto Protocol in the Baltic Sea Region, was completed by end of year 2002. The implementation of the BASREC 2002 project included several joint events between the member countries and with the main interest groups in the activity areas. The output of the work includes handbooks and reports for decision-makers and other actors in the energy field, as well as a draft for a Testing Ground Agreement for regional implementation of the Kyoto Protocol. The project was funded by the Synergy Programme of the EU, the Nordic Council of Ministers, and individual BASREC-countries, and with contributions from BALTREL, Baltic Gas, the IEA, and the Energy Charter Secretariat.

The first 3-year term of BASREC came to an end at the end of the year 2002. The energy ministers and the European Commission made a decision on the second term, 2003-05, in their Vilnius meeting on November 20, 2002. The guidelines for the new work programme of BASREC were given in the communiqué of the meeting. The topical areas remain the same as they were during the first term. Special emphasis was put on starting the implementation of Joint Implementation projects under the Testing Ground Agreement. The BASREC work is steered by the Group of Senior Energy Officials, GSEO, and the secretariat continues as the Energy Unit of the CBSS Secretariat.

**Baltic 21 Senior Officials Group (SOG-BALTIC 21)**

Following the provisions for reporting to the Political level in the Agenda 21 for the Baltic Sea region adopted by the council in 1998 the Baltic 21 Unit has developed and disseminated in the region a report assessing the progress towards sustainable development of the Baltic Sea Region, entitled: “Baltic 21 2000-2002 report; Towards sustainable development in the Baltic Sea Region.” The Baltic 21 Unit has organized and/or participated in many meetings and developed ca. 50 documents for them as well as for other meetings, including high level political conferences. The Baltic 21 Unit was also in working contacts with a number of international organizations and agencies both those being Baltic 21 members as well as external parties such as UN, EEA, UN ECE, and OECD.

The unit has implemented two Baltic 21 priority projects, which have been started in 2002 thanks to contributions from Sweden and Germany. One consultant is assisting the sectors in project design and fundraising. The other consultant is primarily occupied with the production of the Baltic 21 Newsletters of which two were issued during 2002 and one during the first half of 2003. Another task is to develop a Baltic 21 Information strategy. The Baltic 21 unit has contributed, with suggestions from the Baltic 21 network, to the CBSS submission of suggested items for inclusion in the new Northern Dimension Action Plan. The Baltic 21 unit participated in the Baltic Sea NGO forum and gave a presentation.
The Unit Participated at the World Summit for Sustainable Development in Johannesburg where the Unit arranged an exhibition and a Baltic 21 seminar. The Unit Participated at Fifth Pan European Ministerial Conference, Environment for Europe, in Kiev where the Unit arranged an exhibition and a Baltic 21 seminar. The Baltic 21 Unit has been engaged in an exchange of experiences with the Mediterranean Region and participated in two conferences with officials from Mediterranean region.

**Working Group on Assistance to Democratic Institutions (WGDI)**

The Working Group met twice, in Berlin in November 2002 (Secretary: Senior Adviser Mr. Philipp Saprykin) and in Brussels in March 2003 (Secretary: Senior Adviser Ms. Gry Tina Tinde). In conjunction with the Berlin meeting, the Working Group organised a seminar for consumer ombudsman institutions. In June 2003, the Working Group held a seminar on local democracy in Toila, Estonia, in co-operation with the Tallinn Information Office of Mecklenburg-Vorpommern (Senior Adviser Ms. Gry Tina Tinde participated).

**Working Group on Economic Co-operation (WGEC)**

The Secretariat has been providing technical assistance to five meetings of the WGEC (Secretary to the two meetings in 2002 - Senior Adviser Dr. Axel Krohn, to the three meetings in 2003 - Senior Adviser Mr. Philipp Saprykin) (Helsinki, 11 September 2002, Malmö, 22 November 2002, Tampere, 23-24 January 2003, Brussels, 20 March 2003, Porvoo/Borgå, 12-13 May 2003), preparing draft agendas and producing minutes.

Upon request of the WGEC Chair, the Secretariat has prepared the following draft documents for the Working Group:

- Questionnaire on the future work of the Group;
- CBSS (WGEC) input to the new Northern Dimension Action Plan 2004-2004;
- Statement to the CSO on possibility of establishing a Business Support Group in/for Kaliningrad;
- Questionnaire on Administrative Regulations in the CBSS Member-States on Corruption related to Trade and Investment;
- WGEC Annual report.

The Secretariat continued its support to the maintenance of the portal on SME’s information from the entire CBSS member states [www.balticmarket.org](http://www.balticmarket.org).

The Secretariat continued to liaise with the Baltic Sea Customs Conference, Procedural Working Group, especially in connection with the information on the Laufzettel Project on border-crossing measurements.

The Secretariat held several planning meetings with the WGEC Chair discussing preparations of the future meetings of the Group.

**Task Force on Standards and Conformity Assessment:** The Secretariat was assisting the Russian Chairmanship in organizing and convening two meetings of the TFSC, which were held in Tampere, 23 January 2003, and Moscow, 29 April 2003.
At the instance of some of the members of the Group, the Secretariat was assisting in distributing relevant documentation, pertaining to the Expert meeting on Venture Capital and Private Equity in the Baltic Sea Region, organized by Finland in Helsinki on 1-2 April 2003, as well as to the Seminar on Transparency and Accountability in Public Procurement Systems in the Baltic Sea States, arranged by Sweden, Lithuania and the OECD and held in Vilnius on 19-20 May.

**Working Group on Nuclear Radiation Safety (WGNRS)**

The Working Group met once, in February 2003 in Riga (Secretary: Senior Adviser Ms. Gry Tina Tinde). In November 2002 the Working Group organised an exercise to evaluate the practical aspects of the newly signed CBSS Agreement for the Exchange of Radiation Monitoring Data. The exercise showed that the Agreement and its practical sides function well.

**Working Group for Co-operation on Children at Risk (WGCC)**

(See the WGCC annual report, submitted to the 12th Ministerial Session as a separate document).

**B.II CBSS Working Bodies served on an ad-hoc basis by the Secretariat**

**Senior Officials on Information Society**

The CBSS Secretariat provided support for two SOIS meetings in 2002-2003 (Pori, November 2002; Riga, April 2003), preparing the minutes from the meetings and drafting a supplement to the SOIS Annual Report for 2002-03 (Secretary: Senior Adviser Mr. Philipp Saprykin). At present, at the request of the SOIS Chair, the Secretariat is compiling a comprehensive version of the SOIS report, which includes input from all seven Action Lines.

**Ad-Hoc Working Group on Transport**

The Secretariat attended the 2nd meeting of the Ad-Hoc Working Group on Transport in Warsaw, 13-14 February 2003, producing a report (Senior Adviser Mr. Philipp Saprykin), which was distributed to CSO Chairman, interested CSO members and others concerned. The Secretariat has offered WGT Chairmanship its good services to assist in preparations and servicing of the 3rd meeting of the WGT in Vilnius in June 2003, as well as in preparations of the next conference of the CBSS Ministers of Transport.
C. Other organisations, conferences and meetings to which the Secretariat has made substantive contributions

The Council of Europe
The Secretariat participated in two CoE Meetings organized in the framework of the Vilnius Declaration on Regional co-operation and Consolidation of Democratic Stability in Greater Europe, 24-25 October in Strasbourg (Senior Adviser Mr. Philipp Saprykin) and 10-11 June in Vilnius (Senior Adviser Ms. Gry Tina Tinde). The Secretariat has prepared written and verbal inputs to the meetings. The Reports from the meetings were distributed to the CSO.

CPMR- Baltic Sea Commission
The Secretariat attended the 8th General Assembly of the Baltic Sea Commission on 27 May 2003 in Umeå (Sweden), addressing the meeting and preparing a report (Senior Adviser Mr. Philipp Saprykin).

Conference of Judicial and Administrative Assistance in the Baltic Sea Area
The Secretariat took part in a Conference organized by Kiel University 22-26 October in Kiel, introducing the activities of the CBSS and arranging with the organizers for continued cooperation. The report from the meeting was submitted to the CSO (Senior Adviser Mr. Philipp Saprykin).

Baltic Sea NGO Forum
Although it does not have a formalised role in the CBSS structure, the NGO co-operation in the Baltic Sea region is seen by member-states as an important manifestation of civil society. The annual NGO Forums enjoy support from member states and in particular by the incumbent Presidency, which has to date assisted the national NGO Preparatory Committee in hosting the Forum. Since the NGOs in the region cover areas that are at the centre of CBSS priorities and projects, the Secretariat and the specialised units have been involved in the NGO Forum preparations in various ways. These include participation in the Preparatory Committee, liaising with NGOs in member states, working directly with NGOs on subject matters, and giving presentations at the Forum. Co-operation among NGOs in the region has been further strengthened following the II Baltic Sea NGO Forum in St. Petersburg in April 2002. In preparing for the III NGO Forum in Turku in May 2003, NGOs from all member states joined the Preparatory Committee. The Committee met in October 2002 in Turku (Senior Adviser Ms. Rasa Kairiene participated) and in February 2003 in Helsinki (Senior Adviser Ms. Gry Tina Tinde participated). The meetings were organised by the Finnish National Preparatory Committee, in co-operation with the Finnish Ministry of Foreign Affairs and the City of Turku. The theme of the 8 – 11 May III Baltic Sea NGO Forum in Turku was: “Northern Dimension – Human Dimension? Strengthening Civil Society in the Baltic Sea Region”. Recommendations by the Forum participants were issued in a final document to be presented to the 12th Ministerial Session of the CBSS.

CBSS Commissioner on Democratic Development
As a follow-up to the successful seminars on good lawmaking, the Commissioner has organised a seminar series on good governance, mainly for newly elected members of
parliament. A first seminar on “transparency” was held in Brussels in co-operation with the European Parliament in November 2002. A second seminar, on “accountability” was held in Stockholm in co-operation with the Swedish Riksdag in February 2003 (Senior Adviser Ms. Gry Tina Tinde participated). A third seminar, focusing on “participation”, was held in Copenhagen in March 2003, in co-operation with Folketinget. The Commissioner on Democratic Development has also held seminars on other issues including anti-corruption, pre-trial detention and children in prison. The last of these featured participation by the Children’s Unit of the Secretariat. In addressing a number of international conferences over the past year, the Commissioner has focused on human rights, trafficking in human beings, organised crime, local democracy, terrorism and EU enlargement. The Commissioner was interviewed in the March issue of Baltinfo.

The EUROBALTIC Programme
As CBSS lead country on civil security Poland has concentrated its activities on the EUROBALTIC Programme for Civil Protection. The Programme has received Interreg-funding from the EU for 2003-2005. The project will lead to improved abilities in protecting human life and the environment as well as cultural heritage, and promote sustainable development of safe communities in the Baltic Sea region. Five work packages include the role of non-governmental actors, transnational, cross-sectoral and multi-level co-operation; IT technologies, and training systems. Activities will consist of inter alia research, surveys, pilot projects, workshops/seminars, training and exercises, and action plans and handbooks. Seven concrete EUROBALTIC projects in 2002 included efforts to implement a single emergency call number 112, on-site exercises regarding natural disasters and major accidents, and meetings to build up a regional professional emergency response network. Senior Adviser Dr. Axel Krohn and Senior Adviser Ms. Gry Tina Tinde have participated in meetings of the EUROBALTIC Core Group. In May 2003, a kick-off meeting for partner was held in Revinge, Sweden.

EuroFaculty-Kaliningrad
The Secretariat has continued its participation in the work of the CBSS Expert group for EF-Kaliningrad, which monitors the implementation of the project, providing assistance in the drafting the reports, official correspondence, maintaining contacts with parties involved in or related to the project. The Secretariat contributed to the evaluation of the EF-Kaliningrad project which provided the basis for Expert Group proposal to the CSO concerning the extension of the EF-Kaliningrad project for the next three year period.

Baltic Sea Secretariat for Youth Affairs
The Secretariat has continued its contacts with the Baltic Sea Secretariat for Youth Affairs and has monitored developments of the co-operation among the youth organisations in the Baltic Sea region. The Secretariat attended the Baltic Sea Youth Forum meeting in Stockholm on 20-23 March 2003 where it made a presentation about relevant CBSS activities. The report from the meeting was published in the May issue of Baltinfo.

Other Business
The Secretariat developed close ties with the Council of Europe Congress of Local and Region Authorities of Europe.
The Secretariat continued to liaise with business groups – Business Advisory Council, Baltic Sea Chambers Commerce Association, Baltic Development Forum and Organization of Economic Co-operation and Development, mediating information to relevant partners within the CBSS network.

The Secretariat developed cooperation with Baltic Sea Monitoring Group on Heritage Co-operation and Ars Baltica Organisation committee. The Secretariat participated in the Ars Baltica conference on “Conditions for the cultural co-operation in the Baltic Sea region” in Visby on 25-27 October 2002. The Secretariat has been collecting and networking information about the co-operation in the field of culture in other regions around the Baltic Sea.

The Secretariat is continuing its liaison with Task Force on Communicable Disease Control and Working Group of the ND Partnership in Public Health and Social Well-being, collecting and facilitating the exchange of information in this field.

D. Information Strategy, Baltinfo and Internet Home page

The Secretariat produced 8 issues (including June 2002 and June 2003) of the monthly CBSS Newsletter BALTINFO, of an average size of 10 pages and circulated them to approximately 1,300 subscribers with another 500-1000 issues distributed each month at various conferences, seminars and other events. The Newsletter was also published in electronic form on the Website of the CBSS maintained by the Secretariat.

Since January 2003, a thorough review and update of the CBSS website was initiated, resulting in a 38-page report. The calendar of events of the Website, updated daily, has become increasingly comprehensive and nuanced, reinforcing the Secretariat’s role as a focal point for Baltic Sea regional cooperation and providing a useful tool for professionals working in the field. As requests for publishing events or documents on the CBSS website have increased, the Secretariat organised a training session in Stockholm on the 20-21st of February 2003. The training was subdivided in two main parts: a basic training, attended by 5 members of the core secretariat as well as two interns, which main purpose was to allow the staff members to successively take over the website’s content management. The more advanced training allowed the participants to make structural changes to the website.

From the 1st of May until the 31st of December, Mr. Didrik de Schaetzen was employed as Information Strategy Officer on a project assignment for a period of 8 months. His task is to review and suggest improvements in the implementation by the Secretariat of the CBSS Information Strategy. This includes assisting in the writing/compiling/editing of relevant reports but also updating, maintaining and improving the CBSS website. Mr. de Schaetzen will also assist the Deputy Director and other Senior Advisors in implementing and coordinating the launch of the CBSS extranet as well as developing the Baltic Sea Internet Portal Project.

The Secretariat continued to provide factual information about the CBSS and its activities upon request from European, American and international yearbooks and encyclopaedias. In the framework of implementation of the Information Strategy in accordance with the
mandate, Secretariat staff members delivered lectures at a number of meetings and conferences.

During the past year, the Secretariat hosted various meetings, conferences and seminars for foreign visitors and organisations. The highlight of the season was the Secretariat seminar featuring Mr. Erkki Tuomioja, Foreign Minister of Finland and CBSS Chairman, who gave a major policy speech on "The Future of the Baltic Sea Region after EU Enlargement" at the premises of the Embassy of Finland in Stockholm on 14 November 2002.

E. Administrative Issues

Staff

The following 12 staff members are employed at the CBSS Secretariat (in chronological employment order):

- Secretary: Claire Nyström (from 1 September 1998)
- Deputy Director: Alar Olljum (from 1 September 2001)
- Senior Advisor: Rasa Kairiene (from 15 September 2001)
- Director of the Secretariat: Hannu Halinen (from 15 September 2002)
- Senior Advisor: Philipp Saprykin (from 16 September 2002)
- Senior Advisor: Gry Tina Tinde (from 15 January 2003)
- Senior Advisor of the Baltic 21 Unit: Lars Westermark (from 12 November 2001)
- Head of the Baltic 21 Unit: Marek Maciejowski (from 1 July 2002)
- Senior Advisor/Head of the Children’s Unit: Lars Lööf (from 12 June 2002)
- Senior Advisor of the Children’s Unit: Eva Ekmehag (on a 2-year secondment from the Swedish Foreign Ministry from 22 April 2003)
- Head of Energy Unit: Janis Folkmanis (from 22 April 2003)

The following persons were hired locally on a temporary basis at the Secretariat during the past year:

- Secretary/receptionist: Ligia Broström (from 7 January 2003 to 30 June 2003)
- Assistant seconded to the Children’s Unit: Ms. Ursula Grundell (from 1 September 2002 to 31 December 2002)
- Assistant seconded to the Children’s Unit: Ms. Josefine Berger (from 7 January 2003 until 2 February 2003)
- Information Strategy Officer Didrik de Schaetzen (from 1 May 2003 until 31 December 2003)
Accounting And Budget
The CSO approved the budget for the Secretariat for the year 2003 on 24 October 2002, with a total spending of €850,000. The financial accounts for the year 2002 were finalised in February 2003 and audited by the Swedish National Audit Office in March 2003. The Audit Report was submitted to the Secretariat on 18 March 2003. The CSO took note of the report at its meeting at Imatra on 7-8 April 2003.

The budget for the energy unit as the secretariat of BASREC was approved by the GSEO on 29 January 2001 for the year 2001, and 21 September 2001 for the year 2002. The latter was revised 24 January 2002 as the funding conditions were changed.

The budget for the Baltic 21 Unit for the year 2002 was approved by the SOG at its meeting on 14 April 2001 with a total spending of €364,168. In addition, Sweden agreed to provide a host country contribution.

The Budget for the Children’s Unit for the year 2003 was approved at the WGCC meeting in Helsinki, Finland on 12-13 September 2002. The scale for contributions has been calculated following a general principal among all CBSS countries.

Financial Contributions
At the time of closing the financial accounts for the year 2002, all CBSS member states had paid their contributions to the CBSS Secretariat in full.

In 2002, funding for BASREC activities, including the energy unit of the Secretariat, was provided by the Nordic Council of Ministers and by Estonia, Finland, Latvia, Lithuania, Norway, Sweden, and the Synergy Programme of the EU.

As regards the Baltic 21 unit, all countries except Russia had paid their contributions to the Baltic 21 budget of 2002. Additionally, Sweden made a host country contribution, SEK 715,000 and the European Commission contributed with a grant of Euro 100,000 for May 2002-December 2003. An instalment from the Nordic Council of Ministers for 2002, to be used for travel support to CIT countries was received. Voluntary contributions supporting the implementation of two Baltic 21 priority projects were received from Sweden and Germany. Sweden contributed SEK 800,000 supporting the project “Public awareness and monitoring of the Baltic 21 process” for the period 2002 – 2003. Germany contributed Euro 40,000 for the project “Project development and fund-raising” for 2002-2003.

In 2002 CBSS members provided financing for the Children’s Unit on the basis of the procedure agreed to at the CSO meeting in Stockholm on 21-22 February 2002.
Internships
During the past year, the CBSS Secretariat hosted six interns:

Ms. Arune Luksaite worked from 5 September till 5 November 2002. During this time, she prepared a background paper for the Secretariat "A case for International Socialisation: The Baltic States in the Baltic Sea Region".

Ms. Sofia Händel worked from 5 November 2002 until 9 January 2003. During this time, she assisted the Baltic 21 Unit with data collection and compilation of data for the Baltic 21 Triennial Report.

Ms. Anke Schmidt-Felzmann worked from 20 January until 28 May 2003. During her stay at the secretariat she designed a survey of the secretariat function at CBSS Structures and working bodies. She also reviewed the content management of the CBSS website, resulting in a report with detailed recommendations.

Mr. Didrik de Schaetzen worked from 13 January until 4 April 2003. During this time, he assisted the Deputy Director in compiling and editing the CBSS “Progress Report on the Implementation of the NDAP 2000-2003", the “Contributions towards a NDAP 2004-2006" as well as the “Compilation of written Contributions from the Rapporteurs to the CSO Special Session at Brussels on 6th and 7th of March".

Ms. Helena Linden worked from 7 April until 30 June 2003. She designed a survey of CBSS structures and working bodies on preparations for the post-enlargement era in Baltic Sea regional cooperation.

Ms. Sandra Weidemann, worked from 2-30 June 2003 with the aim of strengthening the networking capacity of the CBSS Youth Secretariat in Kiel.