Leadership

Dr. Angela Merkel
German Federal Chancellor

Dr. Philipp Rösler
Vice Chancellor, Federal Minister of Economics and Technology (BASREC Chair)

Guido Westerwelle
Federal Minister of Foreign Affairs

Cornelia Pieper
Minister of State, Federal Ministry of Foreign Affairs

Gerhard Almer
Ambassador, Federal Foreign Office
Chairman of the Committee of Senior Officials

Jan Lundin
Director General - Council of the Baltic Sea States Secretariat
Dr. Angela Merkel
German Federal Chancellor

Dr. Philipp Rösler
Vice Chancellor, Federal Minister of Economics and Technology (BASREC Chair)

Guido Westerwelle
Federal Minister of Foreign Affairs

Cornelia Pieper
Minister of State, Federal Ministry of Foreign Affairs

Gerhard Almer
Ambassador, Federal Foreign Office
Chairman of the Committee of Senior Officials

Jan Lundin
Director General - Council of the Baltic Sea States Secretariat
THE COMMITTEE OF SENIOR OFFICIALS (CSO) German Presidency

Chair - Ambassador Gerhard Almer, Germany

Delegate – Mr Klaus Freiherr von Lepel, Germany

The Committee of Senior Officials (CSO) consists of officials appointed by each Ministry of Foreign Affairs of the Member States and representatives of the European Commission. Since structural changes of the European Union institutions took place the EU is represented at the CBSS meetings by the European External Action Service (EEAS) under the name of the European Union. The Director General of the CBSS and the Deputy Director General, Secretary to the Committee, are also both present at the meetings. Countries may appoint additional delegates as appropriate to attend specific meetings.

CBSS Secretariat Mr Jan Lundin, Director General CBSS Secretariat and Mr Eduardas Borisovas, Deputy Director General CBSS Secretariat.

During the German Presidency the CSO Members were the following -

Chair Mr Gerhard Almer, FFO Germany;

Estonia Ms Tiia Miller, MFA Estonia, and Mr Ahti Raidal, MFA Estonia – CSO members;

Denmark Mr Karsten Petersen, MFA Denmark – CSO member;

Finland Mr Kalle Kankaanpää, MFA Finland, Ms Anneli Puura-Märkälä, MFA Finland, and Ms Satu Mattila, MFA Finland – CSO members;

Germany Mr Klaus Freiherr von Lepel, FFO Germany – CSO member;

Iceland Ms Snjólaug G. Ólafsdóttir, MFA Iceland – CSO member;

Latvia Ms Vita Zivtiņa, MFA Latvia – CSO member;

Lithuania Ms Kornelija Jurgaitienė, MFA Lithuania – CSO member;

Norway Mr Dag Briseid, MFA Norway – CSO member;

Poland Mr Leszek Prokopowicz, MFA Poland – CSO member;

Russian Federation Mr Andrey Pritsepov, MFA Russia – CSO member;

Sweden Mr Sten Luthman, MFA Sweden, and Mr Per Wallén, MFA Sweden – CSO members;

European Union Mr Tuomo Talvela, EEAS, and Mr. Kalle Kankaanpää, EEAS – CSO members;
Other CBSS Member representatives attending the meetings during the year -

Mr. Mart Laanemäe, Ambassador of Estonia to Germany, Mr Raul Mälk, Ambassador at large for regional cooperation, MFA Estonia; Mr Marcus Hicken, FFO Germany, Mr Jan Friedrich, German Embassy in Oslo; Mr Gunnar Snorri Gunnarsson, Ambassador of Iceland to Germany, Ms Ólöf Hrefna Kristjánsdóttir, Embassy of Iceland in Berlin; Ms Ivita Burmistre, MFA Latvia; Mr Arvils Zeltins, MFA of Latvia; Ms Laura Šerėnienė, MFA Lithuania; Mr Marek Sorgowicki, Consulate General of Poland in Hamburg, Mr Jacek Śladewski, Head of Division, MFA Poland; Mr Nikolay Lakhonin, MFA Russia, Mr Vladimir Koptelov, MFA Russia, Mr Sergey Petrovich, MFA Russia; Mr Thierry Bechet, Europe and Central Asia Department, EEAS, Ms May Ann Ramsay, European Commission Representation in Sweden, Mr Richard Tibbels, EEAS Head of Division, Ms Zuzanna Bieniuk, EEAS;

The CSO convened for 7 meetings during the reported period. The meetings took place on the following dates: Berlin, 20-21 September 2011; Stockholm, 22-23 November 2011; Oslo, 18 January, 2012; Plön, 4-5 February 2012; Berlin, 19-20 March 2012; Berlin, 23-25 April 2012 and Berlin, 29-30 May 2012.
The German CBSS Presidency, celebrating 20 years of Baltic Sea Cooperation, set forth several initiatives on parallel tracks.

Energy Security

The leitmotif and orientation point of the German Presidency focused on the topic of energy. Energy Security was the chosen topic for the Extraordinary CBSS Ministerial Session in February 2012 representing a fresh new foreign policy angle for the Council. This was followed in May by the 6th Ministerial Session of the Baltic Sea Region Energy Cooperation (BASREC) which was convened by the Vice Chancellor. Later the same month in the presence of the Executive Director of the International Energy Agency, the 9th Baltic Sea States Summit hosted by the Chancellor had an exchange of views on Energy Infrastructure.

The topic of energy security was approached from five distinct focus points:

- Integrated energy markets
- Energy efficiency and sustainable development
- Nuclear safety
- Environmental protection
- Governance

The Council of the Baltic Sea States Declaration on Energy Security in the Baltic Sea Region was adopted by the Ministers of Foreign Affairs of Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, the Russian Federation and Sweden as well as a representative of the European Union, met in Extraordinary Session at Schloss Plön at the invitation of the Federal Minister of Foreign Affairs of Germany on 5 February 2012. The document can be seen as a breakthrough text for the Council in this area.

SEBA – Modernization Partnership for the South Eastern Baltic Area

This guiding motif was combined with a second overarching theme which focused on a broader development to overcome the lingering disparities between the North-Western area and the South-Eastern area of the Baltic Sea Region in terms of both economy and infrastructure. The subsequent launch of the SEBA Modernization Partnership became instructive in this regard, especially after several new financing tools were discussed and approved by the Member States.

The SEBA programme also provided a common thread leading towards the Russian Presidency of the Council.

The SEBA area runs from the Northern shores on Mecklenburg Western Pomerania right around the coastline of the Baltic Sea into North West Russia as well as inland into the more peripheral regions. Kaliningrad Oblast of the Russian Federation has been chosen as the main focal point in the initial planning period without excluding potential projects in other regions or Member States. This broad stroke of the region holds a large potential for regional cooperation activities, especially in connection with some German Federal State (Länder) priorities. These could be viewed as predefined either in the context of the CBSS cooperation format such as youth and culture for Schleswig Holstein, hosting the Expert Group on Youth Affairs and ARS Baltica; or in the context of the EU Strategy for the Baltic Sea Region, the City State of the Free and Hanseatic City of Hamburg managing the Priority Area Coordination for Education and the Land of Mecklenburg Western Pomerania managing tourism. Alongside sustainable development and public private partnerships these represent the preliminary fields of interest for the SEBA participatory process.
Coherence

Alongside the German Presidency Priorities for the organisation itself, the Presidency set out to use it’s period at the helm of the CBSS to further work on creating a “coherent framework for cooperation” in the Baltic Sea Region. Thus linking various cooperation formats whilst promoting the emerging division of labour among the major actors. In essence Coherence acted as an overall methodology for the Presidency to track regional cohesion and steer through the sometimes seemingly conflicting and overlaying and multi-layer dialogues within the region.

To this end, the German Institute for International and Security Affairs (SWP) was tasked to organise a research seminar series on coherence, emanating in a paper with a number of suggestions on the subject. Several activities were undertaken. One of these was the first joint informal meeting of the Steering bodies of the CBSS, the Northern Dimension and the EU Strategy for the Baltic Sea Region. Alongside this as part of the Baltic Sea Days, in parallel and interlocking sessions, the German Federal Foreign Ministry hosted a series of meetings including the High Level Group for the EU Strategy for the Baltic Sea Region and the EU Strategy for the Danube Region, the Northern Dimension Steering Group and the Council of the Baltic Sea States Regional Directors Meeting, as well of course with the Committee of Senior Officials which steers and coordinates CBSS activities.

Important for the overall development and sense of coherence in the regional architecture are also the political signals from the Council of the European Union first in November 2011 and then reiterated and broadened in June 2012 stressing the Council of the Baltic Sea States as a cooperation platform and paving the way for effective cooperation on the project level.

Engagement and Participation

The engagement and participation of youth and by extension the general public into the halls of regional cooperation became a natural extension of the German Presidency during the Baltic Sea Days held in Berlin in April 2012. The Baltic Sea Days was a new type of gathering aimed at not only raising awareness among European and German policy makers of the spectrum of cooperation in the Baltic Sea region and the host of opportunities it offers but to also widen the audience of cooperation.

The NGO forum organized by the Baltic Sea NGO network took the subject Social Capital for a Sustainable Baltic Sea Region. The dialogue between civil society and decision makers from politics, business, administration and science who were in Berlin for the Baltic Sea Days proved a useful meeting point. Workshops focused on youth and environment policy, social affairs, human rights and civic participation. This was complemented by the members of the Baltic Sea Youth Session meeting with Parliamentarians at the German Bundestag.

Two highlights were the Baltic Sea Crime Fiction Festival with public readings and events bringing together authors from the region and the Baltic Sea Youth Session which brought together young people from all Member States to debate and discuss the future of the region through their eyes.
The Council of the Baltic Sea States (CBSS) as an organisation.

Always with the CBSS there are high level meetings bringing together the Heads of Government of the region, the President of the Commission and alternatively the Council itself of Foreign Ministers.

In addition, there are Line Ministry meetings and Ministerial Sessions, regional events, the Presidency priorities and the regular business of steering the Expert level actions and the affiliated projects.

This decentralized structure of cooperation within the Council makes for a seemingly complicated but dynamic collection of networks and inter-working groupings. The previous Presidency of Norway focused on two main priorities of Maritime Policy and Counter-Trafficking with a focus on labour exploitation. The German Presidency programme the work continued at a pace on the Expert and operative level. There were also quite a number of initiatives that materialized, which had been in the pipeline during the previous Presidency period but were crystallized by Germany taking the lead.

**New under Germany:**

**Subregional Focus**

The Modernization Partnership for the South Eastern Baltic Area (SEBA) has been launched. This partnership programme will act as a beacon and focal point for various actions in the area.

**Financing**

A Project Support Facility (PSF) for the organization as a new financial tool which will amount to €1 million over three years from 2013. The Pilot Financial Initiative (PFI) as a new financial tool launched on the initiative of the current Russian CBSS Presidency enabling credits for innovative SMEs and PPPs (See section on Financing)

**Partnerships**

One example is the agreement between the CBSS Secretariat and the NCM Information Office in Kaliningrad, Russian Federation. This represents a totally new set up for cooperation between the two organisations as well as managing cooperation in the region. It enables a Project Coordinator responsible for SEBA to be seated at NCM premises in Kaliningrad.

Another example is the strengthened partnership with the Swedish Institute, enabling a number of projects, e.g. CBSS participation in the Baltic Artek Youth Camp.
Economic Development

A CBSS Public Private Partnership Cooperation Network (P3CN) was established – which will concentrate on new financing and procurement models, encompassing design, building, financing and operating processes.

The Baltic Sea Labour Forum (BSLF), a tripartite Forum for Social Dialogue in the Baltic Sea Region and for cross border cooperation in labour market was established after the completion of the Flagship Project Baltic Sea Labour Network (BSLN).

Maritime Policy

Broad dialogue among Maritime Policy actors in the region

Clean shipping confirmed as the first cross-cutting priority area where all the stakeholders together can make a difference.

At the European Maritime Day (EMD) 2012 in Gothenburg, Sweden on the Stakeholder day, 22 May, as initially suggested by the German Chairmanship of the CBSS Expert Group on Maritime Policy (EGMP), the nine identified Baltic Sea organisations with maritime competence gathered for a joint event entitled Common vision, linking efforts, strengthening visibility. Better coherence on Maritime Policy in the Baltic Sea region. The nine organisations in question were the Baltic Sea Parliamentary Conference (BSPC), Council of Baltic Sea States (CBSS) Expert Group on Maritime Policy (EGMP), Baltic Sea States Subregional Cooperation (BSSSC), Helsinki Commission (HELCOM), Visions and Strategies around the Baltic (VASAB), Joint Baltic Sea Research and Development Programme (BONUS), Baltic Sea Forum, Conference of Peripheral Maritime Regions (CPMR) Baltic Sea Commission, Northern Dimension Partnership on Transport and Logistics (NDPTL), alongside representation from the Danish Maritime Authority in capacity as Priority Area Coordinator for the Priority Areas on Clean Shipping resp. Maritime Safety and Security of the EU Strategy for the Baltic Sea Region (EUSBSR).

The joint event can be viewed as a follow up of the BSPC/CBSS/BSSSC common presentation at the EMD 2011 in Gdansk, as the first milestone under the previous Norwegian Presidency in developing a network of maritime organisations in the BSR where the quantitatively broader participation opens for qualitatively better coherence.

The 9th Meeting of the Expert Group on Maritime Policy, the Dialogue of the Baltic Sea organisations with Maritime Policy Competence and the Workshop on Clean Shipping that all took place during the Baltic Sea Days in Berlin, steered by the Federal Ministry of Transport, Building and Urban development were crucial in this regard.

Climate Change

The CBSS Expert Group on Sustainable Development – Baltic 21, hosted by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, within the EUSBSR Flagship Project BALTADAPT organized the first Regional Policy Forum on Adapting to Climate Change in the Baltic Sea Region. The Parliamentary State Secretary at the Federal Ministry Katherina Reiche opened the Policy Forum.
Context

Germany presided over the CBSS during the 12 months of July 2011-June 2012.

The dominant discourse in all forums both in the region and globally continued to be the economic downturn and the crisis situation of euro currency stability.

The time period also saw the organization celebrate its 20th Anniversary and coincided with two of Germany’s neighbours and Member States of the CBSS take the helm for their six months stint chairing the rotating EU Presidency. Poland assumed the six month presidency in the latter period of 2011, succeeded by Denmark for the first six months of 2012. This was particularly pertinent and coincidental as Denmark was one of the founders of the CBSS cooperation back in March 1992. The Polish Presidency was equally historic as it marked the first time Poland assumed the Presidency since accession in 2004.

These timely and parallel presidencies in the region provided ample opportunity for synergy effects, not least active participation in two European Commission Annual Forums on the EU Strategy for the Baltic Sea Region (Gdansk and Copenhagen) as well as the Annual Conference on Russia-EU-Norway Cross Border Cooperation in Kaliningrad, Russian Federation.

Two EU-Russia Summits took place in Brussels and St. Petersburg where modernization, visa mobility and trade were high on the agenda. The topic of energy as a recurring theme could be clearly identified.

Complementarity and connection were in the forefront in early December when the Strategy on Social and Economic Development of the North-West Federal District until 2020 was adopted by the Government of the Russian Federation. Joined with the Baltic Sea States Summit Vilnius Declaration – A Vision for the Baltic Sea Region 2020 and the European Union Strategy for the Baltic Sea Region (EUSBSR), these three documents could provide common markers for the region in the years ahead.

Another development in the CBSS geographic area that will have resonance on Member State cooperation in the future was the decision in December 2011 of the World Trade Organization (WTO) Ministers to adopt Russia’s WTO terms of entry at their 8th Ministerial Conference in Geneva. This decision paved the way for the Russia Federation to become the 156th Member of the WTO on 22nd August 2012 post completion of the ratification process.
Political Highlights

Extraordinary Ministerial Session on Energy Security

The Council members upon invitation of the Chairman Dr. Guido Westerwelle convened an Extraordinary Ministerial Session in February which focused on Energy Security in the region. Minister President of the Länder of Schleswig Holstein Peter Harry Carstensen was present as well as the former Ministers of Foreign Affairs and founders of the CBSS in 1992 - Uffe Ellemann-Jensen (DK) and Hans-Dietrich Gensher (DE). The current Minister of Foreign Affairs Villy Søvndal of Denmark represented the Danish Presidency of the EU.

Baltic Sea Days

The Baltic Sea Days focused attention of the region to Berlin in April with a series of events over a week including a Presidential reception where Germany’s Federal President Joachim Gauck gave a keynote speech. Dr. Westerwelle also hosted the Baltic Sea Business Forum. At another event held by the Ministry of Science and Research in Hamburg in collaboration with Science link and DESY Dr. Georg Schütte, State Secretary at the Federal Ministry of Education and Research gave remarks.
Ministerial Session on Energy

To follow on from the CBSS Ministerial Session the Baltic Sea Region Energy Cooperation (BASREC) also convened a Ministerial Session in Berlin at the invitation of Vice-Chancellor Philipp Rösler, the eleven Energy Ministers of the CBSS Member States and Energy Commissioner Günther Oettinger discussed, among other things, greater incentives to encourage pension funds and insurance companies to invest in grid expansion.

Baltic Sea States Summit

In May the 9th Baltic Sea States Summit took place on the Northern German coast in the town of Stralsund where Dr. Angela Merkel hosted the Prime Ministers of the region alongside the President of the European Commission José Manuel Barroso. The Heads of Government continued the focus on Energy as well as discussing Demography during their two plenary sessions. The Heads of Government welcomed the participation of President of the Standing Committee of the Baltic Sea Parliamentary Conference (BSPC).

Other political gatherings of note


Germany took over the Presidency from Norway in a ceremony held in Berlin at the end of June where Minister of State Dr. Werner Hoyer introduced the German Presidency Priorities. This was followed in August as is tradition with a presentation by Dr. Hoyer to the 20th Baltic Sea Parliamentary Conference held last year in Helsinki.

Over the summer, also in the context of the German CBSS-Presidency 2011/2012 using the 3+1 format Dr. Westerwelle invited his peers from the three Baltic States of Estonia, Latvia and Lithuania to Binz on the island of Rügen. Afterwards they met for an informal round table debate under the name of Mare Balticum-Tourism Cooperation in the Baltic Sea Region: Experiences and Perspectives. They were welcomed by Wolfgang Seidel Vice-Prime-Minister of Mecklenburg-Vorpommern, Minister of Economics, Technology and Tourism.

In Kiel in September one of the CBSS cultural arm’s ARS BALTICA celebrated its own 20th Anniversary in the presence of Minister of State Cornelia Pieper.

In October the 13th Baltic Development Forum Summit was held in Gdansk jointly with the 2nd Annual Forum of the EU Strategy for the Baltic Sea Region. The event took place under the Polish Presidency of the EU. Dr. Hoyer gave an opening speech.

November saw Hamburg host the Final Conference of the Flagship Project Baltic Sea Labour Network (BSLN) where again Dr. Hoyer gave the welcoming address alongside Detlef Scheele, Senator of the Ministry of Labour, Social and Family Affairs and Integration of the Free and Hanseatic City of Hamburg.

In January at the invitation of Norwegian State Secretary Erik Lahnstein for the 2nd Meeting of the Deputy ministers of foreign Affairs of the Regional Councils in the capacity as Chair of the Nordic Council of Ministers and of the Barents-Euro Arctic Council - The German Presidency was represented by Federal Foreign Ministry State Secretary Emily Haber.

In March the Council celebrated 20 years with a special commemorative publication tracking the numerous developments in the region which provided a compendium of thoughts and ideas from some of those involved in the process.

Rostock-Warnemünde hosted the event Building a Baltic Sea Tourism Region as a joint initiative of the German Presidency and the Land of Mecklenburg Vorpommern, Minister of State Cornelia Pieper and Erwin Sellering, Minister President of the Land opened the session and welcomed the participants. This followed the event held at the Nordic Embassies which concentrated on Tourism and Health at the Baltic Sea Days where State Secretary and Commissioner of Land Meckleburg-Western Pomerania to the Federation gave greetings and welcome.
In June Minister of State Cornelia Pieper attended the European Commission’s 3rd Annual Forum on the EU Strategy for the Baltic Sea Region jointly with the 14th Baltic Development Forum Summit as one of the culminating events of the Danish EU Presidency which coincided with the completion of the German CBSS Presidency. The Minister of Justice, Culture and Europe for the German Land Schleswig Holstein Ms Anke Spoorendonk also attended. Minister Pieper took the opportunity to have a bilateral with her Polish counterpart Secretary of State, Ministry of Foreign Affairs Poland Piotr Serafin. The Prime Minister of Denmark Helle Thorning-Schmidt and the Prime Minister of Estonia Andrus Ansip gave welcoming addresses. Commissioner Johannes Hahn for Regional Policy and Siim Kallas, Vice President and the Commissioner for Transport from the European Commission also gave speeches.

The Council Conclusions on the completion of the review of the European Union for the Baltic Sea Region adopted at the 3180th General Affairs Council Meeting in Luxembourg welcomed all the efforts made so far in cooperation with third countries in the region to attain the objectives of the EUSBSR as well as the progress in cooperation with Russia and through the CBSS as well as noting the 9th Baltic Sea States Summit Presidential Communiqué.

The German Presidency handed over the baton to the Russian Presidency.
Key actions taken by the Committee of Senior Officials during the German Presidency after due consideration and discussion

Adopted modalities for the establishment of the CBSS Project Support Fund (PSF) of €1million over a three year period.

Adopted the Budget for Financial Year 2012 and 2013

Adopted the CBSS Project Support Facility Line as part of the budget

Adopted the Revised Amended Proposal on New Remuneration System for the CBSS Secretariat

Adopted the Rights and Obligations of CBSS Observers

Agreed upon the Modernization Partnership for the South Eastern Baltic Sea Area (SEBA) paving the way forward

Agreed that a Memorandum of Understanding, for a Pilot Financial Initiative (PFI) between the banks of Kreditanstalt für Wiederaufbau (KfW) of Germany and Vneshekonombank (VEB) of the Russian Federation alongside the CBSS Secretariat be signed – with the view to broaden the participation to include other Member States and IFIs.

Agreed upon the Extension of the Contract between the Donors and the Contractor of the CBSS EuroFaculty Pskov Project for the launch of Phase II

Agreed upon the continuation of the Baltic Sea Labour Network Project in the new enlarged form of Baltic Sea Labour Forum (BSLF)

Accepted Proposals for cooperation between the 4 regional councils in the North contained in a Secretariat Prepared PM on the matter.

Attended the Deputy Foreign Ministers’ Meeting of the 4 Regional Councils in the North

Considered the future implementation of the Vilnius Declaration

Drafted the Presidential Communiqué the agreed to be presented at the 9th Baltic Sea States Summit in Stralsund, chaired by Dr. Angela Merkel

Established a CBSS Public Private Partnership Cooperation Network (P3CN)

Extended of the term length the NDPHS Secretariat can be co-located with the CBSS Secretariat as a project in lieu of the NDPHS lack of formal Host Country Agreement and own legal entity.

Extended the time limited mandate of the CBSS Expert Group on Maritime Policy (EGMP)

Granted the International Organization for Migration (IOM) as a Strategic Partner

Held Annual Consultations with the CBSS Observer States

Liaised with HELCOM

Monitored the various Expert Groups, Task Forces and inter-governmental bodies who reported to the Committee over the course of the year

Noted the Secretariat Audit Report for the FY 2011

Negotiated the CBSS Ministerial Session Declaration on Energy Security adopted at the Extraordinary Ministerial Session.
Noted the Declaration from the 6th Ministerial Session of the Baltic Sea Region Energy Cooperation (BASREC)

Participated in the CBSS Regional Directors Meeting

Participated in the Baltic Sea Days

Participated in the first Joint Informal Meeting of the CBSS CSO with the High Level Group of the EU Strategy for the Baltic Sea Region and the Northern Dimension Steering Group

Participated in the 9th Baltic Sea States Summit

Participated in the 17th Ministerial Session

Planned for the 17th CBSS Ministerial Session

Steered the developments towards a more integrated approach of Maritime Policy among actors in the region through support to the initiative of the Expert Group on Maritime Policy
Sub-regional Cooperation (BSSSC) were also present. This was a more regional focused gathering than the previous and rather larger gathering of Regional Organisations hosted by the CBSS in the presence of both Norwegian Chair and the incoming German Chair back in June 2011 at the CBSS Secretariat. That particular coordination meeting in addition to the 4 regional councils included the participation of the Black Sea Economic Cooperation (BSEC), the Central European Initiative (CEI), the Regional Cooperation Council (RCC) and the Union for the Mediterranean (UfM).

The CBSS was also invited as a member of the ND to the third meeting of the Senior Officials of the renewed Northern Dimension which took place in Reykjavik on the 8th of November 2011. The meeting was hosted by Iceland. The four Northern Dimension Partners; Iceland, Norway, the Russian Federation and the European Union participated in the meeting at the level of Deputy Foreign Minister or equivalent. The representatives of the Regional Councils in the North, the International Financial Institutions (IFI) and the institutions and bodies of the Northern Dimension participated in the meeting. The Representatives of the United States and Canada took part in the meeting as observers.

In the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the European Union Strategy for the Baltic Sea Region (COM(2012) 128 final, Brussels, 23.3.2012) under the section on Neighbours, regional and international organisations states that cooperation should be intensified, in particular with the Russian Federation, noting the CBSS as one of the existing platforms to use.

The CBSS was also specifically mentioned in the Council Conclusions on the review of the European Union Strategy for the Baltic Sea Region adopted at the 3125th General Affairs Council meeting in Brussels on 15 November 2011. The mentions concentrated naturally on cooperation with third countries but also to look for synergy effects between the EUSBSR and multilateral cooperation structures and networks within the Baltic Sea Region such as the CBSS.

Exhibition 20 Years of the CBSS - Cooperation Pioneer and Symbol of Baltic Sea Identity. The atrium at the front entrance of the German Federal Foreign Office
ACTIONS ON COHERENCE
Finances

In the next year the financing of the operations of the Council will continue to diversify further.

Alongside the regular Member State contributions to the operations budget of the Secretariat and the housed units, there were several new financial tools adopted for FY2013.

The German Presidency kicked off its tenure with a presidency extra contribution which prioritized establishing the new modernization partnership for the South Eastern Baltic Area (SEBA) 2011-2013 – a joint initiative of the German and the subsequent Russian CBSS Presidency 2012/13.

Germany also gave an extra contribution to boost capacity of Media and Communications at the Secretariat.

The Secretariat also received a generous host country extra contribution from Sweden and extra contributions from other Member States depending on the project of reference.

It was decided to create an off budget Project Support Facility (PSF) which starting from January 2013 will accumulate to €1 Million over a three year period. The Project Support Facility will be used to support regional cooperation projects with an initial focus on projects emanating from the SEBA Conference in Kaliningrad in 2013.

The Secretariat also became even more project oriented in line with the intention of the 2008 Riga Reform Declaration, especially in the field of Civil Security, as it took the role of Main Beneficiary and Lead Partner in activities focused on Emergency Preparedness and everyday accidents. Smaller projects on climate change adaption, labour market dialogue, maritime surveillance and trafficking for labour exploitation, to name a few themes, where other parties hold the Lead Function but where the CBSS Expert Groups and Units play an integral part complemented the general trend.

In addition to this the new Pilot Financial Initiative (PFI) was launched which constitutes a credit line to enable private sector investment, offering a financing possibility for small and medium sized enterprises as well as public private partnerships. The partners at present are the CBSS Secretariat and the Russian as well as German public banks: Vnesheconombank (VEB) and KfW. The initial numbers involved are between €75 and €100 Million. The fields of cooperation will be SME financing in innovation, modernization and energy efficiency and PPP projects focusing on sustainable development in the fields of municipal and regional infrastructure, energy efficiency, ecology and climate protection. It is considered that this Initiative, which initially focuses on North West Russia, will be widened to become a regional initiative.

Project Financing came from different sources depending on the project and / or priority area.

The Pilot Financial Initiative (PFI) MoU was signed by Jan Lundin, Director General of the CBSS, Michael Kopeikin, Bank for Development and Foreign Economic Affairs and Stephan Opitz, KfW, in the presence of Igor Shuvalov, Deputy Prime Minister of the Russian Federation.
Expert Groups, Task Forces & Projects

Sustainable Development

The main high level initiative of the German chair of the CBSS Expert Group on Sustainable Development - Baltic 21 was to organise with input from BASREC a side event on the 20th June 2012 at the RIO+20 United Nations Conference on Sustainable Development. The focus was Green Economy.

The Side Event started with a high-level panel on the importance of regional cooperation as an effective way of delivering sustainable development and bridging between national action and global commitments. Speakers in the high-level panel included Mr. Rinat Rinatowitsch Gisatulin, Vice-Minister of Natural Resources and Environment of the Russian Federation, and Ms. Lena Ek, Swedish Minister of the Environment.

Climate Change Adaptation

The Policy Forum on Climate Change Adaptation in the Baltic Sea Region is a working platform to develop a region-wide climate change adaptation strategy. Three Policy Fora are planned which will spark an exchanging of knowledge and enable open and constructive dialogue on the future strategy document. The 1st Policy Forum took place on 24 April 2012 in Berlin, Germany and kicked off the working process on the strategy document. This will be followed up by a 2nd Policy Forum in late autumn 2012 and then a 3rd Forum in 2013. The Forum was built upon existing political network structures working with climate change adaptation in the region. The Forum involves high level policy makers from across the Baltic Sea Region, representatives of the European Commission, international and regional organizations alongside research institutions, sub-regional and city networks.

The Baltadapt Project - Positive and valuable instances of adaptation in the Baltic Sea Region have been acknowledged but they are often fragmented and do not identify the Baltic Sea as a specific eco-region. The EU Strategy for the Baltic Sea Region highlights this problem and calls for a Baltic Sea Region-wide climate change adaptation strategy, which will provide a framework to strengthen cooperation and collaboration within the region helping to create a coherent set of adaptation policies and actions, from the transnational to the local level. This truly transnational strategy focuses on the sea itself and its coastline.

Baltadapt is a flagship project under the EU Strategy for the Baltic Sea Region. It is funded by the Baltic Sea Region Programme 2007–2013 and runs from October 2010 to December 2013. It has been awarded the Lighthouse Project quality label by the Council of the Baltic Sea States Expert Group on Sustainable Development - Baltic 21.
EuroFaculty Pskov Project

The German Presidency of the CBSS from July 2011-June 2012 coincided with the last year of the first phase of the EuroFaculty Pskov Project. At the same time the second phase of the project (2012-2015) was thoroughly prepared.

- The number of BA students benefitting from the project is significant. The first students of the new BA programme will graduate in spring of 2014 when altogether 40 students will graduate after either a four years full-time study or five years part-time study. In spring 2012 there were 163 students (full- and part-time) enrolled in the new BA programme and another 120 (full-time) and 60 (part-time) are expected to enrol this autumn. Hence there will be altogether 343 students studying in the new BA programme in the autumn of 2012.

- The second phase begins on 1 September 2012 and lasts until 31 August 2015. Financial pledges from the CBSS Member States together with the expected surplus from the first phase form a total sum of 750 000€ for the second phase (equal to cash contributions for the first phase). In addition and as before Russia and Germany are contributing in-kind to the project.

- For the second phase a set of revised project objectives has been agreed:
  - The Bachelor level work will continue during the second phase in order to consolidate the three agreed profiles.
  - An International Master Programme (MA) will be one of the big endeavours of the second phase.
  - A Management Development Programme (MDP) will be a one-year international programme for representatives of the business community, universities and administration.

- New consortium members that will be included during the second phase are the University of Latvia, University of Tartu and Saint Petersburg State University of Economics and Finance (FINEC).

- At the end of the German presidency Ambassador Kerstin Asp-Johnson (Sweden) retired as Lead Country representative and Chair of the International Expert Group and was succeeded by Ambassador Catherine von Heidenstam (also Sweden).

Cultural Cooperation

On the cultural side and in the spirit of coherence the Joint Meeting of the Council of the Baltic Sea States Senior Officials Group for Culture and the Nordic dimension Partnership on Culture in Greifswald that took place on 4 May 2012 provided an opportunity for the cultural bodies, such as the Monitoring Group on Cultural Heritage and ARS BALTICA to report on their work to the Senior Officials Group and for the NDPC to introduce its plans. The cultural bodies central areas, whether heritage, identity or creative industries were welcomed and the proposal of a joint meeting in St Petersburg in February 2013 will be reviewed by the Russian Presidency.

Civil Security and the Human Dimension -

The Task Force against Trafficking in Human Beings

The Task Force against Trafficking in Human Beings (TF-THB) continued its focus on trafficking for labour exploitation.

The TF-THB developed a new strategic plan for work of the Task Force during 2012-2014. One of the main objectives of the strategic plan is to consolidate TF-THB common projects at the national level in CBSS Member States.

The primary project that the TF-THB will focus on during the next two Presidencies will focus on labour exploitation. In cooperation with HEUNI in Finland, the Ministry of Interior in Lithuania and the University of Tartu in Estonia the Task Force received 500.000 Euros funding from the European Commission under the Programme
Prevention of and Fight against Crime, the Swedish Institute Baltic Sea Unit and the Danish Action Plan to implement ADSTRINGO over a two year project on trafficking for labour exploitation in all CBSS Member States. The main objective of ADSTRINGO is prevent trafficking for labour exploitation through enhanced national and regional partnerships of stakeholders that are in a position to address situations of trafficking and labour exploitation and through improved understanding of the mechanisms that facilitate such exploitation. ADSTRINGO was nominated as a Flagship project under the European Union Strategy for the Baltic Sea Region Priority Area 15.5 to prevent trafficking.

As a follow up to the DEFLECT conference held during the Norwegian Presidency and preparation for the implementation of ADSTRINGO the TF-THB conducted a study on the cooperation between stakeholders to address trafficking for labour exploitation at the national level in all CBSS Member States. The DEFLECT study reports will be utilized in the ADSTRINGO workshops that will bring together all stakeholders to enhance cooperation for addressing trafficking for labour exploitation.

The Handbook for Diplomatic and Consular Personnel on How to Assist and Protect Victims of Human Trafficking is now available in Russian.

The first common meeting between the TF-THB and CBSS Observer States was held in Berlin on June 12, 2012. It was attended by representatives from Belarus, Romania, Spain, The United Kingdom and the United States of America.

The Task Force developed several project ideas and proposals during the year that are in the first stages of implementation or pending funding. Those are firstly the State of the Region Trafficking Report that will be published biennially. It will both provide substantial updated information about trafficking in human beings in the region and individual Member States of the CBSS and information about the work of the TF-THB. Secondly, NEXUS a research project which aims to prevent trafficking for labour exploitation and migration into precarious labour situations in CBSS Member States. Thirdly, to develop a computer based training programme based on the Handbook for Diplomatic and Consular Personnel to increase the longevity and meet the demand for the distribution of this training tool that has been extremely well received by consulates, embassies, regional and international organisations as well as NGOs in CBSS Member States and beyond.

The Task Force against Trafficking in Human Beings (TF-THB) and the EGCC had their first joint meeting, where Norway gave a presentation on experiences and data on trafficking for forced begging, particularly taking the EU Directive in consideration.

Expert Group for Cooperation on Children at Risk (EGCC)

The main new direction for the EGCC has been the focus on Early Intervention, particularly intervention methods targeting families with infant children considered to be at risk.

A conference organised by the German Kinderschutz-Zentren, the German Federal Ministry of Families, Senior Citizens Women and Youth and the EGCC was held in Berlin in September 2011. Josef Hecken, Permanent Secretary to the Federal Ministry of Family Affairs, Senior Citizenship, Women and Youth opened the Conference. The EGCC plans to follow this up with further exchange of evidence based methods in the member states during the coming year.

The renewed EGCC priority paper for 2011-2013 was adopted setting out 4 priorities:

- a. The protection of children from all forms of sexual exploitation and sexual abuse
- b. Ensuring the rights to protection of children in migration and the protection of children that are trafficked
- c. Early intervention and prevention as a means to ensuring children’s right to protection from all forms of abuse, violence and neglect.
- d. The rights of children in residential care and in other forms of out of home care

The EGCC is currently completing two projects that have been coordinated by the group: ROBERT Project (Risktaking Online Behaviour – Empowerment through Research and Training) and the AudTrain project focused on systematic
auditing of residential care for children. A third project that recently started: Children exploited in begging and in criminality is a pilot to identify how law enforcement and child protection can be better coordinated. The project looks at how four countries - Lithuania, Norway, Poland and Sweden deal with this form of exploitation.

ROBERT, funded by the EU’s Safer Internet Programme, held its concluding conference in Berlin with the participation of 120 Experts. The conclusions and recommendations will be collated in September 2012.

AudTrain Project is funded by the EU Lifelong Learning Programme. The AudTrain project has held three pilot trainings on children’s residential institutions during the Presidency period.

The EGCC will mark ten years of cooperation in the autumn with a series of events.

Civil Security and Protection

The CBSS began to operate on behalf of the EUSBSR Priority Area Coordinator (the Danish Defence Command) for Priority Area 14 on Major Emergencies and Preparedness. The CBSS Secretariat is responsible for the Technical Assistance (TA) money and reports to the Commission.

The CBSS Secretariat took the responsibility of Main Beneficiary and Lead Partner for the EUSBSR Flagship Project 14.3 on Macro-Regional Risk. The project started in January 2012 and has 12 partners. It is partly supported by the EU Civil Protection Financial Instrument with participation by the Russian Federation through EMERCOM supported by the Swedish Institute.

Its main objective is to develop scenarios and identify gaps for all main hazards in the Baltic Sea Region, including winter storms and floods.

The strength of the project 14.3 is that it undertakes to employ a framework of cooperation using the potential of the CBSS Civil Protection Network at the level of practical implementation, whilst engaging competent civil protection authorities from 10 CBSS Member States in common work.

In concrete terms it aims to develop scenarios and identify gaps for all main hazards in the Baltic Sea Region, in order to anticipate potential disasters (with particular focus on forest fires, floods, nuclear and radiation hazards, extreme weather, diseases (pandemic flu) and accidents at sea) as well as to establish a methodological framework common for all the countries in the region, its major novelty is precisely project’s macro-regional approach.

The project 14.3 was built to fill a specific gap, for while the maritime safety and security issues have been rather well covered in previous and ongoing macro-regional projects, there were no Baltic Sea Region (BSR) wide projects dealing also with land-based natural, man-made and technological disasters and risks.

The expected result of the 14.3 is a macro-regional risk/hazard/scenario assessment, facilitating the development of disaster prevention strategies for the Baltic Sea Region. It will also become a basis for a macro-regional mechanism in collaboration among competent civil protection authorities and beyond.

The CBSS Secretariat was awarded the Sea Surveillance Cooperation Baltic Sea (SUCBAS) Recognition Award 2012 for its communication of the Baltic Sea Maritime Functionalities (BSMF) project, a Flagship Project under PA 13 of the EUSBSR. In his motivation, Captain Peter Görg, Deputy Chairman of SUCBAS, (Germany), paid attention to the fact that the CBSS is a strong and neutral actor working in cross-sectoral spirit to the benefit of the whole region. Moreover it was appreciated that the CBSS has been active in maritime cooperation, especially in the context of the Baltic Sea Maritime Functionalities (BSMF) project, where also SUCBAS was a partner, along with Baltic Sea Region Border Control Cooperation (BSRBC), and Estonian, Finnish, Polish, Russian as well as Swedish authorities. The CBSS was selected out from about thirty organisations, projects or people that had been proposed to the SUCBAS Board. SUCBAS is a cornerstone for sea surveillance information exchange and co-operation within the Baltic Sea area and its approaches. The aim of the co-operation is to enhance Maritime Situational Awareness benefiting maritime safety, security, environmental and law enforcement activities in the region by sharing relevant maritime data, information and knowledge between the participants.
SEBA will achieve this objective through a number of actions, such as a high-level Conference in connection with the CBSS Ministerial in Summer 2013 and a number of projects in areas of strength of the CBSS, preliminary tourism (e.g. development of the lake Vistytyis crossborder tourism cluster), creative industries, sustainable development including environment, youth exchange, higher education, public-private partnerships, promoting innovative SMEs and cultural heritage.

A framework project funded by Germany was launched in October 2011, enabling the establishment as of January 2012 of a Russian Project Coordinator in Kaliningrad, situated for 18 months at the Office of the Nordic Council of Ministers thanks to an Agreement between the CBSS Secretariat and the NCM Office.

SEBA was first launched during the 13th Baltic Development Forum Summit, 2nd Annual Forum of the EU Strategy for the Baltic Sea Region in Gdansk on the 26th October 2011. A follow up workshop was held in Copenhagen on the 18th June 2012 where Jan Lundin, Director General of the CBSS, Arne Grove, Director, Information Office of the Nordic Council of Ministers in Kaliningrad, Russia, Alla Ivanova, Minister - Head of Agency for International relations, Kaliningrad, Russia, together with Anna Karpenko, SEBA coordinator, were discussing SEBA’s vision for modernisation through regional cooperation in the fields of tourism, natural and cultural heritage, sustainable development, PPP, higher education and youth exchange.

One early outcome of the CBSS focus on SEBA was the participation, partly funded by the Swedish Institute, early August 2012 by the CBSS Secretariat and the CBSS Expert Group on Youth Affairs in the Baltic Artek Youth Camp on the coast of Kaliningrad. Another is the intention of the EU to support SEBA as part of a “horizontal action” in the updated Action Plan of the EU Baltic Sea Strategy currently being prepared. A third is the SME financing conference planned in Kaliningrad for November within the framework of the Pilot Financial Initiative (see section on Finances).
Looking Forward

During the Russian Presidency of the Council of the Baltic Sea States the themes of modernization and innovation will be high on the agenda. Cooperation on Public Private Partnerships and the South Eastern Baltic Area begun under the German Presidency will continue, supported by the Pilot Financial Initiative (PFI) signed at the Stralsund Summit. Attention will be given to the expansion of CBSS-cooperation also with other parts of North-West Russia, one example being the launch in October of the second phase of the Eurofaculty project in Pskov.

Freedom of movement, youth policy alongside the Baltic Artek project and a discussion – also involving the NGO Forum in March in St. Petersburg - on ways to counter the spread of radicalisation and extremism comprise some of the other topics to be emphasized during the Russian Presidency.

In summer 2012 Baltic Artek Youth Forum in the Kaliningrad region was organized for the third time. This year was special, since one of the sessions from 1-5 August was truly international with English as working language. The International Baltic Artek brought together 205 young people: 125 from the Russian Federation and 80 participants from abroad, including such countries as Israel and Iraq.

CBSS-Baltic 21 contributed to the internationalization efforts of Baltic Artek by facilitating the participation of 14 young people from the BSR and adding four workshops to the overall programme. Seven experts from Sweden and one from Russia were invited to hold interdisciplinary workshops on sustainable city development, cultural heritage in the BSR and regional identity, eco-design and sustainable consumption.

The International Baltic Artek 2012 showed that there is a great potential in widening the Baltic Artek concept and adding the international dimension to the Youth Forum. In the following years Baltic Artek has a potential to develop into a unique international meeting spot for Youth from across the Baltic Sea Region and beyond. It can contribute to strengthening the ties and people-to-people contacts between the youth in Russia and other countries of the BSR.
The Staff of the CBSS Secretariat

International Secretariat Employment rotation overview

Jan Lundin Director General (Sweden)

Eduardas Borisovas Deputy Director General (Lithuania)

Nanna Magnadóttir Senior Adviser (Iceland)

Ilya Ermakov Senior Adviser (Russian Federation)

Anna Karpenko Project Coordinator for South Eastern Baltic Sea Area (SEBA) (Russian Federation) seated at NCM Information Office, Kaliningrad, Russian Federation

Jekaterina Popova UNDP placement from Lithuania (3 months since October 2012)

Christer Pursiainen Senior Adviser dealing with Civil Security (Finland) completed his contract in April 2012.

There were two trainee assistants for the Core Secretariat during the preceding period

Katarzyna Karchut from Poland (3 months completed in November 2011)

Evgeniya Khegay from the Russian Federation (4 months completed in August 2012)

Expert Group on Sustainable Development (EGSD-Baltic 21)

Krista Kampus Senior Adviser and Head of Unit for the Expert Group on Sustainable Development (Internationally recruited from Estonia and employed since September 2012)

Maxi Nachtigall Adviser for the Expert Group on Sustainable Development – Baltic 21 (Germany)

Mia Crawford Senior Adviser and Head of Unit for the Expert Group on Sustainable Development and

Anna Berlina Project Assistant for the Expert Group on Sustainable Development – Baltic 21 both completed their contracts during the summer of 2012.

Task Force against Trafficking in Human Beings (TF-THB)

Anna Ekstedt Senior Adviser and Head of Unit for the TF-THB (Sweden)

Vineta Polatside Project Officer for the Task Force against Trafficking in Human Beings (Internationally recruited from Latvia and employed since May 2012)

Bjarney Friðriksdóttir Senior Adviser employed on parental leave cover for 13 months and Ciaran Morrisey employed as a temporary Project Officer for the Task Force against Trafficking in Human Beings both completed their contracts at the Secretariat.

Expert Group on Cooperation for Children at Risk (EGCC)

Lars Lööf Head of Unit for Children at Risk

Alexandra Ronkina Project Officer (50%) for Expert Group on Cooperation for Children at Risk (EGCC)

Media and Communications

The necessity for the organization to focus on internal and external communications has grown incrementally since the Riga Reform Declaration as the organization and the various parts of the organization have broadened and deepened the project portfolio. Media and Communications set-up has changed accordingly.

Anthony Jay Olsson Head of Media and Communication

Marina Belyaeva Media and Communications Coordinator for the Russian Presidency 2012-2013

(Internationally recruited from the Russian Federation and
employed since since September 2012)

**Jacek Smolicki** Media and Communications Officer

**Egle Obcarskaite** Media and Communications and Project Assistant

(Internationally recruited from Lithuania and employed since March 2012, previously held trainee Assistant position)

**Gregory Daniel** Media and Communications Website Assistant

(temporary local recruitment primarily on German Presidency financing since May 2012)

**Szymon Knitter** Media and Communications Trainee Assistant on the CBSS Internship and Scholarship Programme from Poland (April – August 5 months)

**Edmunds Jansons** Media and Communications ERASMUS Placement from Latvia (April – August 4 months)

**Mirjam Kűlm** Media and Communications Trainee Assistant on the CBSS Internship and Scholarship Programme from Estonia (from September 2012)

**Shawnna Robert** Media and Communications Trainee Assistant on Swedish work placement (from October 2012)

**Margareta Nordfeldt** Office Administrator – Employment Agency Staff

**Ewa Makiewicz** Office Administrator - Unpaid Swedish Work Placement

Recruitment for a locally recruited Front Office/Administrative Assistant was posted on October 15 2012.

**Co-located entity Northern Dimension Partnership in Public Health and Social Well-being (NDPHS)**

**Marek Maciejowski** Head of NDPHS Secretariat (Poland)

**Silvija Juscnenko** Senior Adviser for the NDPHS (Latvia)

During the period the NDPHS has been assisted by two trainees on the Internship and Scholarship Programme in the autumn period.

**Jakob Samuelsson** from Sweden (from September 2011 for 3 months)

**Triin Pärm** from Estonia (from September 2012 for 3 months)

The Permanent International Secretariat located in Stockholm currently employs 19 staff members. Additionally there are two Swedish work placements in Administration and Media and Communication, two CBSS internship trainees, one UNDP trainee placement, one agency staff and two staff members on employment contracts working remotely – one in Kaliningrad full time and half-time on projects from distance until December. A total of 27 individuals.

The Internationally recruited staff members come from the following Member State in alphabetical order – Estonia, Germany, Iceland, Latvia, Lithuania, Poland, Russia and Sweden.

There are currently no Danish, Finnish or Norwegian nationals.

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**Administration**

The Administrative arm of the Secretariat has also continued to evolve as the project orientation of the CBSS as an organization develops necessitating more administrative and financial strategy and support.

**Gertrude Opira** Head of Administration

**Susann Burström** Project Accountant

**Ligia Broström** Administrative Officer

**Sandra Ewert** Office Administrator completed her employment contract at the Secretariat in May 2012.

While the role has been redefined to suit the current organization the Front Office has been managed by temporary placement cover.
Chair - Ambassador Gerhard Almer, Germany

Delegate – Mr Klaus Freiherr von Lepel, Germany

The Committee of Senior Officials (CSO) consists of officials appointed by each Ministry of Foreign Affairs of the Member States and representatives of the European Commission. Since structural changes of the European Union institutions took place the EU is represented at the CBSS meetings by the European External Action Service (EEAS) under the name of the European Union. The Director General of the CBSS and the Deputy Director General, Secretary to the Committee, are also both present at the meetings. Countries may appoint additional delegates as appropriate to attend specific meetings.

CBSS Secretariat Mr Jan Lundin, Director General CBSS Secretariat and Mr Eduardas Borisovas, Deputy Director General CBSS Secretariat.

During the German Presidency the CSO Members were the following -

Chair Mr Gerhard Almer, FFO Germany;

Estonia Ms Tiia Miller, MFA Estonia, and Mr Ahti Raidal, MFA Estonia – CSO members;

Denmark Mr Karsten Petersen, MFA Denmark – CSO member;

Finland Mr Kalle Kankaanpää, MFA Finland, Ms Anneli Puura-Märkälä, MFA Finland, and Ms Satu Mattila, MFA Finland – CSO members;

Germany Mr Klaus Freiherr von Lepel, FFO Germany – CSO member;

Iceland Ms Snjólaug G. Ólafsdóttir, MFA Iceland – CSO member;

Latvia Ms Vita Zivtiņa, MFA Latvia – CSO member;

Lithuania Ms Kornelija Jurgaitienė, MFA Lithuania – CSO member;

Norway Mr Dag Briseid, MFA Norway – CSO member;

Poland Mr Leszek Prokopowicz, MFA Poland – CSO member;

Russian Federation Mr Andrey Pritsepov, MFA Russia – CSO member;

Sweden Mr Sten Luthman, MFA Sweden, and Mr Per Wallén, MFA Sweden – CSO members;

European Union Mr Tuomo Talvela, EEAS, and Mr. Kalle Kankaanpää, EEAS – CSO members;
Other CBSS Member representatives attending the meetings during the year -

Mr. Mart Laanemäe, Ambassador of Estonia to Germany, Mr Raul Mälk, Ambassador at large for regional cooperation, MFA Estonia; Mr Marcus Hicken, FFO Germany, Mr Jan Friedrich, German Embassy in Oslo; Mr Gunnar Snorri Gunnarsson, Ambassador of Iceland to Germany, Ms Ólöf Hrefna Kristjánsdóttir, Embassy of Iceland in Berlin; Ms Ivita Burmistre, MFA Latvia; Mr Arvils Zeltins, MFA of Latvia; Ms Laura Šerėnienė, MFA Lithuania; Mr Marek Sorgowicki, Consulate General of Poland in Hamburg, Mr Jacek Śladewski, Head of Division, MFA Poland; Mr Nikolay Lakhonin, MFA Russia, Mr Vladimir Koptelov, MFA Russia, Mr Sergey Petrovich, MFA Russia; Mr Thierry Bechet, Europe and Central Asia Department, EEAS, Ms May Ann Ramsay, European Commission Representation in Sweden, Mr Richard Tibbels, EEAS Head of Division, Ms Zuzanna Bieniuk, EEAS;

The CSO convened for 7 meetings during the reported period. The meetings took place on the following dates: Berlin, 20-21 September 2011; Stockholm, 22-23 November 2011; Oslo, 18 January, 2012; Plön, 4-5 February 2012; Berlin, 19-20 March 2012; Berlin, 23-25 April 2012 and Berlin, 29-30 May 2012.
The German CBSS Presidency, celebrating 20 years of Baltic Sea Cooperation, set forth several initiatives on parallel tracks.

Energy Security

The leitmotif and orientation point of the German Presidency focused on the topic of energy. Energy Security was the chosen topic for the Extraordinary CBSS Ministerial Session in February 2012 representing a fresh new foreign policy angle for the Council. This was followed in May by the 6th Ministerial Session of the Baltic Sea Region Energy Cooperation (BASREC) which was convened by the Vice Chancellor. Later the same month in the presence of the Executive Director of the International Energy Agency, the 9th Baltic Sea States Summit hosted by the Chancellor had an exchange of views on Energy Infrastructure.

The topic of energy security was approached from five distinct focus points:

- Integrated energy markets
- Energy efficiency and sustainable development
- Nuclear safety
- Environmental protection
- Governance

The Council of the Baltic Sea States Declaration on Energy Security in the Baltic Sea Region was adopted by the Ministers of Foreign Affairs of Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, the Russian Federation and Sweden as well as a representative of the European Union, met in Extraordinary Session at Schloss Plön at the invitation of the Federal Minister of Foreign Affairs of Germany on 5 February 2012. The document can be seen as a breakthrough text for the Council in this area.

SEBA – Modernization Partnership for the South Eastern Baltic Area

This guiding motif was combined with a second overarching theme which focused on a broader development to overcome the lingering disparities between the North-Western area and the South-Eastern area of the Baltic Sea Region in terms of both economy and infrastructure. The subsequent launch of the SEBA Modernization Partnership became instructive in this regard, especially after several new financing tools were discussed and approved by the Member States.

The SEBA programme also provided a common thread leading towards the Russian Presidency of the Council.

The SEBA area runs from the Northern shores on Mecklenburg Western Pomerania right around the coast line of the Baltic Sea into North West Russia as well as inland into the more peripheral regions. Kaliningrad Oblast of the Russian Federation has been chosen as the main focal point in the initial planning period without excluding potential projects in other regions or Member States. This broad stroke of the region holds a large potential for regional cooperation activities, especially in connection with some German Federal State (Länder) priorities. These could be viewed as predefined either in the context of the CBSS cooperation format such as youth and culture for Schleswig Holstein, hosting the Expert Group on Youth Affairs and ARS Baltica; or in the context of the EU Strategy for the Baltic Sea Region, the City State of the Free and Hanseatic City of Hamburg managing the Priority Area Coordination for Education and the Land of Mecklenburg Western Pomerania managing tourism. Alongside sustainable development and public private partnerships these represent the preliminary fields of interest for the SEBA participatory process.
Coherence

Alongside the German Presidency Priorities for the organisation itself, the Presidency set out to use its period at the helm of the CBSS to further work on creating a “coherent framework for cooperation” in the Baltic Sea Region. Thus linking various cooperation formats whilst promoting the emerging division of labour among the major actors. In essence Coherence acted as an overall methodology for the Presidency to track regional cohesion and steer through the sometimes seemingly conflicting and overlaying and multi-layer dialogues within the region.

To this end, the German Institute for International and Security Affairs (SWP) was tasked to organise a research seminar series on coherence, emanating in a paper with a number of suggestions on the subject. Several activities were undertaken. One of these was the first joint informal meeting of the Steering bodies of the CBSS, the Northern Dimension and the EU Strategy for the Baltic Sea Region. Alongside this as part of the Baltic Sea Days, in parallel and interlocking sessions, the German Federal Foreign Ministry hosted a series of meetings including the High Level Group for the EU Strategy for the Baltic Sea Region and the EU Strategy for the Danube Region, the Northern Dimension Steering Group and the Council of the Baltic Sea States Regional Directors Meeting, as well of course with the Committee of Senior Officials which steers and coordinates CBSS activities.

Important for the overall development and sense of coherence in the regional architecture are also the political signals from the Council of the European Union first in November 2011 and then reiterated and broadened in June 2012 stressing the Council of the Baltic Sea States as a cooperation platform and paving the way for effective cooperation on the project level.

Engagement and Participation

The engagement and participation of youth and by extension the general public into the halls of regional cooperation became a natural extension of the German Presidency during the Baltic Sea Days held in Berlin in April 2012. The Baltic Sea Days was a new type of gathering aimed at not only raising awareness among European and German policy makers of the spectrum of cooperation in the Baltic Sea region and the host of opportunities it offers but to also widen the audience of cooperation.

The NGO forum organized by the Baltic Sea NGO network took the subject Social Capital for a Sustainable Baltic Sea Region. The dialogue between civil society and decision makers from politics, business, administration and science who were in Berlin for the Baltic Sea Days proved a useful meeting point. Workshops focused on youth and environment policy, social affairs, human rights and civic participation. This was complemented by the members of the Baltic Sea Youth Session meeting with Parliamentarians at the German Bundestag.

Two highlights were the Baltic Sea Crime Fiction Festival with public readings and events bringing together authors from the region and the Baltic Sea Youth Session which brought together young people from all Member States to debate and discuss the future of the region through their eyes.
The Council of the Baltic Sea States (CBSS) as an organisation.

Always with the CBSS there are high level meetings bringing together the Heads of Government of the region, the President of the Commission and alternatively the Council itself of Foreign Ministers.

In addition, there are Line Ministry meetings and Ministerial Sessions, regional events, the Presidency priorities and the regular business of steering the Expert level actions and the affiliated projects.

This decentralized structure of cooperation within the Council makes for a seemingly complicated but dynamic collection of networks and inter-working groupings. The previous Presidency of Norway focused on two main priorities of Maritime Policy and Counter-Trafficking with a focus on labour exploitation. The German Presidency programme the work continued at a pace on the Expert and operative level. There were also quite a number of initiatives that materialized, which had been in the pipeline during the previous Presidency period but were crystallized by Germany taking the lead.

New under Germany:

Subregional Focus

The Modernization Partnership for the South Eastern Baltic Area (SEBA) has been launched. This partnership programme will act as a beacon and focal point for various actions in the area.

Financing

A Project Support Facility (PSF) for the organization as a new financial tool which will amount to €1 million over three years from 2013. The Pilot Financial Initiative (PFI) as a new financial tool launched on the initiative of the current Russian CBSS Presidency enabling credits for innovative SMEs and PPPs. (See section on Financing)

Partnerships

One example is the agreement between the CBSS Secretariat and the NCM Information Office in Kaliningrad, Russian Federation. This represents a totally new set up for cooperation between the two organisations as well as managing cooperation in the region. It enables a Project Coordinator responsible for SEBA to be seated at NCM premises in Kaliningrad.

Another example is the strengthened partnership with the Swedish Institute, enabling a number of projects, e.g. CBSS participation in the Baltic Artek Youth Camp.
Economic Development

A CBSS Public Private Partnership Cooperation Network (P3CN) was established – which will concentrate on new financing and procurement models, encompassing design, building, financing and operating processes.

The Baltic Sea Labour Forum (BSLF), a tripartite Forum for Social Dialogue in the Baltic Sea Region and for cross border cooperation in labour market was established after the completion of the Flagship Project Baltic Sea Labour Network (BSLN).

Maritime Policy

Broad dialogue among Maritime Policy actors in the region

Clean shipping confirmed as the first cross-cutting priority area where all the stakeholders together can make a difference.

At the European Maritime Day (EMD) 2012 in Gothenburg, Sweden on the Stakeholder day, 22 May, as initially suggested by the German Chairmanship of the CBSS Expert Group on Maritime Policy (EGMP), the nine identified Baltic Sea organisations with maritime competence gathered for a joint event entitled Common vision, linking efforts, strengthening visibility. Better coherence on Maritime Policy in the Baltic Sea region. The nine organisations in question were the Baltic Sea Parliamentary Conference (BSPC), Council of Baltic Sea States (CBSS) Expert Group on Maritime Policy (EGMP), Baltic Sea States Subregional Cooperation (BSSSC), Helsinki Commission (HELCOM), Visions and Strategies around the Baltic (VASAB), Joint Baltic Sea Research and Development Programme (BONUS), Baltic Sea Forum, Conference of Peripheral Maritime Regions (CPMR) Baltic Sea Commission, Northern Dimension Partnership on Transport and Logistics (NDPTL), alongside representation from the Danish Maritime Authority in capacity as Priority Area Coordinator for the Priority Areas on Clean Shipping resp. Maritime Safety and Security of the EU Strategy for the Baltic Sea Region (EUSBSR).

The joint event can be viewed as a follow up of the BSPC/CBSS/BSSSC common presentation at the EMD 2011 in Gdansk, as the first milestone under the previous Norwegian Presidency in developing a network of maritime organisations in the BSR where the quantitatively broader participation opens for qualitatively better coherence.

The 9th Meeting of the Expert Group on Maritime Policy, the Dialogue of the Baltic Sea organisations with Maritime Policy Competence and the Workshop on Clean Shipping that all took place during the Baltic Sea Days in Berlin, steered by the Federal Ministry of Transport, Building and Urban development were crucial in this regard.

Climate Change

The CBSS Expert Group on Sustainable Development – Baltic 21, hosted by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, within the EUSBSR Flagship Project BALTADAPT organized the first Regional Policy Forum on Adapting to Climate Change in the Baltic Sea Region. The Parliamentary State Secretary at the Federal Ministry Katherina Reiche opened the Policy Forum.
Context

Germany presided over the CBSS during the 12 months of July 2011-June 2012.

The dominant discourse in all forums both in the region and globally continued to be the economic downturn and the crisis situation of euro currency stability.

The time period also saw the organization celebrate its 20th Anniversary and coincided with two of Germany’s neighbours and Member States of the CBSS take the helm for their six months stint chairing the rotating EU Presidency. Poland assumed the six month presidency in the latter period of 2011, succeeded by Denmark for the first six months of 2012. This was particularly pertinent and coincidental as Denmark was one of the founders of the CBSS cooperation back in March 1992. The Polish Presidency was equally historic as it marked the first time Poland assumed the Presidency since accession in 2004.

These timely and parallel presidencies in the region provided ample opportunity for synergy effects, not least active participation in two European Commission Annual Forums on the EU Strategy for the Baltic Sea Region (Gdansk and Copenhagen) as well as the Annual Conference on Russia-EU-Norway Cross Border Cooperation in Kaliningrad, Russian Federation.

Two EU-Russia Summits took place in Brussels and St. Petersburg where modernization, visa mobility and trade were high on the agenda. The topic of energy as a recurring theme could be clearly identified.

Complementarity and connection were in the forefront in early December when the Strategy on Social and Economic Development of the North-West Federal District until 2020 was adopted by the Government of the Russian Federation. Joined with the Baltic Sea States Summit Vilnius Declaration – A Vision for the Baltic Sea Region 2020 and the European Union Strategy for the Baltic Sea Region (EUSBSR), these three documents could provide common markers for the region in the years ahead.

Another development in the CBSS geographic area that will have resonance on Member State cooperation in the future was the decision in December 2011 of the World Trade Organization (WTO) Ministers to adopt Russia’s WTO terms of entry at their 8th Ministerial Conference in Geneva. This decision paved the way for the Russia Federation to become the 156th Member of the WTO on 22nd August 2012 post completion of the ratification process.

Founding Conductor and Music Director Kristian Järvi, Baltic Youth Philharmonic, which gave a special performance at the 9th Baltic Sea States Summit
Political Highlights

Extraordinary Ministerial Session on Energy Security

The Council members upon invitation of the Chairman Dr. Guido Westerwelle convened an Extraordinary Ministerial Session in February which focused on Energy Security in the region. Minister President of the Länder of Schleswig Holstein Peter Harry Carstensen was present as well as the former Ministers of Foreign Affairs and founders of the CBSS in 1992 - Uffe Ellemann-Jensen (DK) and Hans-Dietrich Gensher (DE). The current Minister of Foreign Affairs Villy Søvndal of Denmark represented the Danish Presidency of the EU.

Baltic Sea Days

The Baltic Sea Days focused attention of the region to Berlin in April with a series of events over a week including a Presidential reception where Germany’s Federal President Joachim Gauck gave a keynote speech. Dr. Westerwelle also hosted the Baltic Sea Business Forum. At another event held by the Ministry of Science and Research in Hamburg in collaboration with Science link and DESY Dr. Georg Schütte, State Secretary at the Federal Ministry of Education and Research gave remarks.
Ministerial Session on Energy

To follow on from the CBSS Ministerial Session the Baltic Sea Region Energy Cooperation (BASREC) also convened a Ministerial Session in Berlin at the invitation of Vice-Chancellor Philipp Rösler, the eleven Energy Ministers of the CBSS Member States and Energy Commissioner Günther Oettinger discussed, among other things, greater incentives to encourage pension funds and insurance companies to invest in grid expansion.

Baltic Sea States Summit

In May the 9th Baltic Sea States Summit took place on the Northern German coast in the town of Stralsund where Dr. Angela Merkel hosted the Prime Ministers of the region alongside the President of the European Commission José Manuel Barroso. The Heads of Government continued the focus on Energy as well as discussing Demography during their two plenary sessions. The Heads of Government welcomed the participation of President of the Standing Committee of the Baltic Sea Parliamentary Conference (BSPC).

Other political gatherings of note


Germany took over the Presidency from Norway in a ceremony held in Berlin at the end of June where Minister of State Dr. Werner Hoyer introduced the German Presidency Priorities. This was followed in August as is tradition with a presentation by Dr. Hoyer to the 20th Baltic Sea Parliamentary Conference held last year in Helsinki.

Over the summer, also in the context of the German CBSS-Presidency 2011/2012 using the 3+1 format Dr. Westerwelle invited his peers from the three Baltic States of Estonia, Latvia and Lithuania to Binz on the island of Rügen. Afterwards they met for an informal round table debate under the name of Mare Balticum-Tourism Cooperation in the Baltic Sea Region: Experiences and Perspectives. They were welcomed by Wolfgang Seidel Vice-Prime-Minister of Mecklenburg-Vorpommern, Minister of Economics, Technology and Tourism.

In Kiel in September one of the CBSS cultural arm’s ARS BALTICA celebrated its own 20th Anniversary in the presence of Minister of State Cornelia Pieper.

In October the 13th Baltic Development Forum Summit was held in Gdansk jointly with the 2nd Annual Forum of the EU Strategy for the Baltic Sea Region. The event took place under the Polish Presidency of the EU. Dr. Hoyer gave an opening speech.

November saw Hamburg host the Final Conference of the Flagship Project Baltic Sea Labour Network (BSLN) where again Dr. Hoyer gave the welcoming address alongside Detlef Scheele, Senator of the Ministry of Labour, Social and Family Affairs and Integration of the Free and Hanseatic City of Hamburg.

In January at the invitation of Norwegian State Secretary Erik Lahnstein for the 2nd Meeting of the Deputy ministers of foreign Affairs of the Regional Councils in the capacity as Chair of the Nordic Council of Ministers and of the Barents-Euro Arctic Council - The German Presidency was represented by Federal Foreign Ministry State Secretary Emily Haber.

In March the Council celebrated 20 years with a special commemoratory publication tracking the numerous developments in the region which provided a compendium of thoughts and ideas from some of those involved in the process.

Rostock-Warnemünde hosted the event Building a Baltic Sea Tourism Region as a joint initiative of the German Presidency and the Land of Mecklenburg Vorpommern, Minister of State Cornelia Pieper and Erwin Sellering, Minister President of the Land opened the session and welcomed the participants. This followed the event held at the Nordic Embassies which concentrated on Tourism and Health at the Baltic Sea Days where State Secretary and Commissioner of Land Mecklenburg-Western Pomerania to the Federation gave greetings and welcome.
Other political gatherings of note

The joint event of the Free and Hanseatic City of Hamburg and the Germany Presidency entitled Baltic Sea Conference - From Education to Employment – Optimising Transition Management followed the day after. Dr. Michael Vöges, State Secretary, Hamburg Ministry of Education took the function of host at the official dinner.

In June Minister of State Cornelia Pieper attended the European Commission’s 3rd Annual Forum on the EU Strategy for the Baltic Sea Region jointly with the 14th Baltic Development Forum Summit as one of the culminating events of the Danish EU Presidency which coincided with the completion of the German CBSS Presidency. The Minister of Justice, Culture and Europe for the German Land Schleswig Holstein Ms Anke Spoorendonk also attended. Minister Pieper took the opportunity to have a bilateral with her Polish counterpart Secretary of State, Ministry of Foreign Affairs Poland Piotr Serafin. The Prime Minister of Denmark Helle Thorning-Schmidt and the Prime Minister of Estonia Andrus Ansip gave welcoming addresses. Commissioner Johannes Hahn for Regional Policy and Siim Kallas, Vice President and the Commissioner for Transport from the European Commission also gave speeches.

The Council Conclusions on the completion of the review of the European Union for the Baltic Sea Region adopted at the 3180th General Affairs Council Meeting in Luxembourg welcomed all the efforts made so far in cooperation with third countries in the region to attain the objectives of the EUSBSR as well as the progress in cooperation with Russia and through the CBSS as well as noting the 9th Baltic Sea States Summit Presidential Communiqué.

The German Presidency handed over the baton to the Russian Presidency.
Key actions taken by the Committee of Senior Officials during the German Presidency after due consideration and discussion

**Adopted** modalities for the establishment of the CBSS Project Support Fund (PSF) of €1 million over a three year period.

**Adopted** the Budget for Financial Year 2012 and 2013

**Adopted** the CBSS Project Support Facility Line as part of the budget

**Adopted** the Revised Amended Proposal on New Remuneration System for the CBSS Secretariat

**Adopted** the Rights and Obligations of CBSS Observers

**Agreed** upon the Modernization Partnership for the South Eastern Baltic Sea Area (SEBA) paving the way forward

**Agreed** that a Memorandum of Understanding, for a Pilot Financial Initiative (PFI) between the banks of Kreditanstalt für Wiederaufbau (KfW) of Germany and Vneshekonombank (VEB) of the Russian Federation alongside the CBSS Secretariat be signed – with the view to broaden the participation to include other Member States and IFIs.

**Agreed** upon the Extension of the Contract between the Donors and the Contractor of the CBSS EuroFaculty Pskov Project for the launch of Phase II

**Agreed** upon the continuation of the Baltic Sea Labour Network Project in the new enlarged form of Baltic Sea Labour Forum (BSLF)

**Accepted** Proposals for cooperation between the 4 regional councils in the North contained in a Secretariat Prepared PM on the matter.

**Attended** the Deputy Foreign Ministers’ Meeting of the 4 Regional Councils in the North

**Considered** the future implementation of the Vilnius Declaration

**Drafted** the Presidential Communiqué the agreed to be presented at the 9th Baltic Sea States Summit in Stralsund, chaired by Dr. Angela Merkel

**Established** a CBSS Public Private Partnership Cooperation Network (P3CN)

**Extended** of the term length the NDPHS Secretariat can be co-located with the CBSS Secretariat as a project in lieu of the NDPHS lack of formal Host Country Agreement and own legal entity.

**Extended** the time limited mandate of the CBSS Expert Group on Maritime Policy (ECMP)

**Granted** the International Organization for Migration (IOM) as a Strategic Partner

**Held** Annual Consultations with the CBSS Observer States

**Liaised** with HELCOM

**Monitored** the various Expert Groups, Task Forces and Inter-governmental bodies who reported to the Committee over the course of the year

**Noted** the Secretariat Audit Report for the FY 2011

**Negotiated** the CBSS Ministerial Session Declaration on Energy Security adopted at the Extraordinary Ministerial Session.
**Noted** the Declaration from the 6th Ministerial Session of the Baltic Sea Region Energy Cooperation (BASREC)

**Participated** in the CBSS Regional Directors Meeting

**Participated** in the Baltic Sea Days

**Participated** in the first Joint Informal Meeting of the CBSS CSO with the High Level Group of the EU Strategy for the Baltic Sea Region and the Northern Dimension Steering Group

**Participated** in the 9th Baltic Sea States Summit

**Participated** in the 17th Ministerial Session

**Planned** for the 17th CBSS Ministerial Session

**Steered** the developments towards a more integrated approach of Maritime Policy among actors in the region through support to the initiative of the Expert Group on Maritime Policy
Actions on Coherence

The trend towards more inclusive dialogue and collaboration continues, improving coherence between regional actors.

ND Policy/Partnerships and the CBSS were recognized as platforms of uniting Russian and European efforts on joint project identification and implementation in the region. The Russia-EU consultations on Cooperation in the Baltic Sea Region (where the CBSS was invited) focused on a list of 18 potential joint projects.

The Annual Troika Meetings with the Russian Federation became a Quartet in April 2012 as Russia is one of the Troika members, so Finland was invited as the succeeding Presidency after Russia from July 2013.

The German Presidency convened a joint informal meeting of the Steering bodies of the EU Strategy for the Baltic Sea Region, the CBSS and the Northern Dimension with representation from the EU Danish Presidency. This was the first time such a joint meeting was convened.

The conference entitled Cooperation in the Baltic Sea Region: a Model for Coherence? jointly organised by the German Federal Foreign Office and the Stiftung Wissenschaft und Politik - Deutsches Institut für Internationale Politik und Sicherheit (SWP) on 1 - 2 December 2011 in Berlin led to the presentation of a more elaborated paper for discussion at the aforementioned joint informal meeting.

The 2nd Deputy Foreign Ministers’ meeting of the 4 Regional Councils in the North and the Northern Dimension partners was held in Oslo at the invitation of the Norwegian State Secretary for Foreign Affairs, though not a new format, and not a CBSS initiative (the first meeting took place in St. Petersburg upon the initiative of the Russian Federation in 2009 when Russia was chairing BEAC) this follow up initiative supports cross-cutting Council cooperation.

This was furthered in March by a meeting Chaired by Germany of the Regional Councils of the North at Presidency and Secretariat level. The European External Action Service and DG for Regional Policy of the European Commission alongside a representative from the Baltic Sea States Sub-regional Cooperation (BSSSC) were also present. This was a more regional focused gathering than the previous and rather larger gathering of Regional Organisations hosted by the CBSS in the presence of both Norwegian Chair and the incoming German Chair back in June 2011 at the CBSS Secretariat. That particular coordination meeting in addition to the 4 regional councils included the participation of the Black Sea Economic Cooperation (BSEC), the Central European Initiative (CEI), the Regional Cooperation Council (RCC) and the Union for the Mediterranean (UfM).

The CBSS was also invited as a member of the ND to the third meeting of the Senior Officials of the renewed Northern Dimension which took place in Reykjavik on the 8th of November 2011. The meeting was hosted by Iceland. The four Northern Dimension Partners; Iceland, Norway, the Russian Federation and the European Union participated in the meeting at the level of Deputy Foreign Minister or equivalent. The representatives of the Regional Councils in the North, the International Financial Institutions (IFI) and the institutions and bodies of the Northern Dimension participated in the meeting. The Representatives of the United States and Canada took part in the meeting as observers.

In the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the European Union Strategy for the Baltic Sea Region (COM(2012) 128 final, Brussels, 23.3.2012) under the section on Neighbours, regional and international organisations states that cooperation should be intensified, in particular with the Russian Federation, noting the CBSS as one of the existing platforms to use.

The CBSS was also specifically mentioned in the Council Conclusions on the review of the European Union Strategy for the Baltic Sea Region adopted at the 3125th General Affairs Council meeting in Brussels on 15 November 2011. The mentions concentrated naturally on cooperation with third countries but also to look for synergy effects between the EUSBSR and multilateral cooperation structures and networks within the Baltic Sea Region such as the CBSS.
Finances

In the next year the financing of the operations of the Council will continue to diversify further.

Alongside the regular Member State contributions to the operations budget of the Secretariat and the housed units, there were several new financial tools adopted for FY2013.

The German Presidency kicked off its tenure with a presidency extra contribution which prioritized establishing the new modernization partnership for the South Eastern Baltic Area (SEBA) 2011-2013 – a joint initiative of the German and the subsequent Russian CBSS Presidency 2012/13.

Germany also gave an extra contribution to boost capacity of Media and Communications at the Secretariat.

The Secretariat also received a generous host country extra contribution from Sweden and extra contributions from other Member States depending on the project of reference.

It was decided to create an off budget Project Support Facility (PSF) which starting from January 2013 will accumulate to €1 Million over a three year period. The Project Support Facility will be used to support regional cooperation projects with an initial focus on projects emanating from the SEBA Conference in Kaliningrad in 2013.

The Secretariat also became even more project oriented in line with the intention of the 2008 Riga Reform Declaration, especially in the field of Civil Security, as it took the role of Main Beneficiary and Lead Partner in activities focused on Emergency Preparedness and everyday accidents. Smaller projects on climate change adaption, labour market dialogue, maritime surveillance and trafficking for labour exploitation, to name a few themes, where other parties hold the Lead Function but where the CBSS Expert Groups and Units play an integral part complemented the general trend.

In addition to this the new Pilot Financial Initiative (PFI) was launched which constitutes a credit line to enable private sector investment, offering a financing possibility for small and medium sized enterprises as well as public private partnerships. The partners at present are the CBSS Secretariat and the Russian as well as German public banks: Vnesheconombank (VEB) and KfW. The initial numbers involved are between €75 and €100 Million. The fields of cooperation will be SME financing in innovation, modernization and energy efficiency and PPP projects focusing on sustainable development in the fields of municipal and regional infrastructure, energy efficiency, ecology and climate protection. It is considered that this Initiative, which initially focuses on North West Russia, will be widened to become a regional initiative.

Project Financing came from different sources depending on the project and / or priority area.

The Pilot Financial Initiative (PFI) MoU was signed by Jan Lundin, Director General of the CBSS, Michael Kopeikin, Bank for Development and Foreign Economic Affairs and Stephan Opitz, KfW, in the presence of Igor Shuvalov, Deputy Prime Minister of the Russian Federation.
Expert Groups, Task Forces & Projects

Sustainable Development

The main high level initiative of the German chair of the CBSS Expert Group on Sustainable Development - Baltic 21 was to organise with input from BASREC a side event on the 20th June 2012 at the RIO+20 United Nations Conference on Sustainable Development. The focus was Green Economy.

The Side Event started with a high-level panel on the importance of regional cooperation as an effective way of delivering sustainable development and bridging between national action and global commitments. Speakers in the high-level panel included Mr. Rinat Rinatowitsch Gisatulin, Vice-Minister of Natural Resources and Environment of the Russian Federation, and Ms. Lena Ek, Swedish Minister of the Environment.

The second part of the Side Event shared lessons learned on working on a project-to-policy cycle approach to sustainability.

At the Side Event the CBSS also launched its publication and main input to the UN Conference on Sustainable Development in Rio, namely a publication highlighting its key messages on green economy called Northern Lights.

Climate Change Adaptation

The Policy Forum on Climate Change Adaptation in the Baltic Sea Region is a working platform to develop a region-wide climate change adaptation strategy. Three Policy Fora are planned which will spark an exchanging of knowledge and enable open and constructive dialogue on the future strategy document. The 1st Policy Forum took place on 24 April 2012 in Berlin, Germany and kicked off the working process on the strategy document. This will be followed up by a 2nd Policy Forum in late autumn 2012 and then a 3rd Forum in 2013. The Forum was built upon existing political network structures working with climate change adaptation in the region. The Forum involves high level policy makers from across the Baltic Sea Region, representatives of the European Commission, international and regional organizations alongside research institutions, sub-regional and city networks.

The Baltadapt Project - Positive and valuable instances of adaptation in the Baltic Sea Region have been acknowledged but they are often fragmented and do not identify the Baltic Sea as a specific eco-region. The EU Strategy for the Baltic Sea Region highlights this problem and calls for a Baltic Sea Region-wide climate change adaptation strategy, which will provide a framework to strengthen cooperation and collaboration within the region helping to create a coherent set of adaptation policies and actions, from the transnational to the local level. This truly transnational strategy focuses on the sea itself and its coastline. Baltadapt is a flagship project under the EU Strategy for the Baltic Sea Region. It is funded by the Baltic Sea Region Programme 2007–2013 and runs from October 2010 to December 2013. It has been awarded the Lighthouse Project quality label by the Council of the Baltic Sea States Expert Group on Sustainable Development – Baltic 21.
BUSINESS AS USUAL

EXPERT GROUPS, TASK FORCES & PROJECTS

Baltic 21 is a project centered network for sustainable development in the Baltic Sea Region.

CLIMATE CHANGE
Become a climate adapted and low carbon region.

SUSTAINABLE URBAN AND RURAL DEVELOPMENT
Create a region of sustainable cities and archipelago with vibrant rural areas.
EuroFaculty Pskov Project

The German Presidency of the CBSS from July 2011-June 2012 coincided with the last year of the first phase of the EuroFaculty Pskov Project. At the same time the second phase of the project (2012-2015) was thoroughly prepared.

- The number of BA students benefitting from the project is significant. The first students of the new BA programme will graduate in spring 2014 when altogether 40 students will graduate after either a four years full-time study or five years part-time study. In spring 2012 there were 163 students (full- and part-time) enrolled in the new BA programme and another 120 (full-time) and 60 (part-time) are expected to enrol this autumn. Hence there will be altogether 343 students studying in the new BA programme in the autumn of 2012.

- The second phase begins on 1 September 2012 and lasts until 31 August 2015. Financial pledges from the CBSS Member States together with the expected surplus from the first phase form a total sum of 750 000€ for the second phase (equal to cash contributions for the first phase). In addition and as before Russia and Germany are contributing in-kind to the project.

- For the second phase a set of revised project objectives has been agreed:
  - The Bachelor level work will continue during the second phase in order to consolidate the three agreed profiles.
  - An International Master Programme (MA) will be one of the big endeavours of the second phase.
  - A Management Development Programme (MDP) will be a one-year international programme for representatives of the business community, universities and administration.
  - New consortium members that will be included during the second phase are the University of Latvia, University of Tartu and Saint Petersburg State University of Economics and Finance (FINEC).

- At the end of the German presidency Ambassador Kerstin Asp-Johnson (Sweden) retired as Lead Country representative and Chair of the International Expert Group and was succeeded by Ambassador Catherine von Heidenstam (also Sweden).

Cultural Cooperation

On the cultural side and in the spirit of coherence the Joint Meeting of the Council of the Baltic Sea States Senior Officials Group for Culture and the Nordic dimension Partnership on Culture in Greifswald that took place on 4 May 2012 provided an opportunity for the cultural bodies, such as the Monitoring Group on Cultural Heritage and ARS BALTICA to report on their work to the Senior Officials Group and for the NDPC to introduce its plans. The cultural bodies central areas, whether heritage, identity or creative industries were welcomed and the proposal of a joint meeting in St Petersburg in February 2013 will be reviewed by the Russian Presidency.

Civil Security and the Human Dimension -

The Task Force against Trafficking in Human Beings

The Task Force against Trafficking in Human Beings (TF-THB) continued its focus on trafficking for labour exploitation.

The TF-THB developed a new strategic plan for work of the Task Force during 2012-2014. One of the main objectives of the strategic plan is to consolidate TF-THB common projects at the national level in CBSS Member States.

The primary project that the TF-THB will focus on during the next two Presidencies will focus on labour exploitation. In cooperation with HEUNI in Finland, the Ministry of Interior in Lithuania and the University of Tartu in Estonia the Task Force received 500,000 Euros funding from the European Commission under the Programme
Prevention of and Fight against Crime, the Swedish Institute Baltic Sea Unit and the Danish Action Plan to implement ADSTRINGO over a two year project on trafficking for labour exploitation in all CBSS Member States. The main objective of ADSTRINGO is prevent trafficking for labour exploitation through enhanced national and regional partnerships of stakeholders that are in a position to address situations of trafficking and labour exploitation and through improved understanding of the mechanisms that facilitate such exploitation. ADSTRINGO was nominated as a Flagship project under the European Union Strategy for the Baltic Sea Region Priority Area 15.5 to prevent trafficking.

As a follow up to the DEFLECT conference held during the Norwegian Presidency and preparation for the implementation of ADSTRINGO the TF-THB conducted a study on the cooperation between stakeholders to address trafficking for labour exploitation at the national level in all CBSS Member States. The DEFLECT study reports will be utilized in the ADSTRINGO workshops that will bring together all stakeholders to enhance cooperation for addressing trafficking for labour exploitation.

The Handbook for Diplomatic and Consular Personnel on How to Assist and Protect Victims of Human Trafficking is now available in Russian.

The first common meeting between the TF-THB and CBSS Observer States was held in Berlin on June 12, 2012. It was attended by representatives from Belarus, Romania, Spain, The United Kingdom and the United States of America.

The Task Force developed several project ideas and proposals during the year that are in the first stages of implementation or pending funding. Those are firstly the State of the Region Trafficking Report that will be published biennially. It will both provide substantial updated information about trafficking in human beings in the region and individual Member States of the CBSS and information about the work of the TF-THB. Secondly, NEXUS a research project which aims to prevent trafficking for labour exploitation and migration into precarious labour situations in CBSS Member States. Thirdly, to develop a computer based training programme based on the Handbook for Diplomatic and Consular Personnel to increase the longevity and meet the demand for the distribution of this training tool that has been extremely well received by consulates, embassies, regional and international organisations as well as NGOs in CBSS Member States and beyond.

The Task Force against Trafficking in Human Beings (TF-THB) and the EGCC had their first joint meeting, where Norway gave a presentation on experiences and data on trafficking for forced begging, particularly taking the EU Directive in consideration.

**Expert Group for Cooperation on Children at Risk (EGCC)**

The main new direction for the EGCC has been the focus on Early Intervention, particularly intervention methods targeting families with infant children considered to be at risk.

A conference organised by the German Kinderschutz-Zentren, the German Federal Ministry of Families, Senior Citizens Women and Youth and the EGCC was held in Berlin in September 2011. Josef Hecken, Permanent Secretary to the Federal Ministry of Family Affairs, Senior Citizenship, Women and Youth opened the Conference. The EGCC plans to follow this up with further exchange of evidence based methods in the member states during the coming year.

The renewed EGCC priority paper for 2011-2013 was adopted setting out 4 priorities:

a. The protection of children from all forms of sexual exploitation and sexual abuse

b. Ensuring the rights to protection of children in migration and the protection of children that are trafficked

c. Early intervention and prevention as a means to ensuring children’s right to protection from all forms of abuse, violence and neglect.

d. The rights of children in residential care and in other forms of out of home care

The EGCC is currently completing two projects that have been coordinated by the group: ROBERT Project (Risktaking Online Behaviour – Empowerment through Research and Training) and the AudTrain project focused on systematic
In concrete terms it aims to develop scenarios and identify gaps for all main hazards in the Baltic Sea Region, in order to anticipate potential disasters (with particular focus on forest fires, floods, nuclear and radiation hazards, extreme weather, diseases (pandemic flu) and accidents at sea) as well as to establish a methodological framework common for all the countries in the region, its major novelty is precisely project’s macro-regional approach.

The project 14.3 was built to fill a specific gap, for while the maritime safety and security issues have been rather well covered in previous and ongoing macro-regional projects, there were no Baltic Sea Region (BSR) wide projects dealing also with land-based natural, man-made and technological disasters and risks.

The expected result of the 14.3 is a macro-regional risk/hazard/scenario assessment, facilitating the development of disaster prevention strategies for the Baltic Sea Region. It will also become a basis for a macro-regional mechanism in collaboration among competent civil protection authorities and beyond.

The CBSS Secretariat was awarded the Sea Surveillance Cooperation Baltic Sea (SUCBAS) Recognition Award 2012 for its communication of the Baltic Sea Maritime Functionalities (BSMF) project, a Flagship Project under PA 13 of the EUSBSR. In his motivation, Captain Peter Görg, Deputy Chairman of SUCBAS, (Germany), paid attention to the fact that the CBSS is a strong and neutral actor working in cross-sectoral spirit to the benefit of the whole region. Moreover it was appreciated that the CBSS has been active in maritime cooperation, especially in the context of the Baltic Sea Maritime Functionalities (BSMF) project, where also SUCBAS was a partner, along with Baltic Sea Region Border Control Cooperation (BSRBC), and Estonian, Finnish, Polish, Russian as well as Swedish authorities. The CBSS was selected out from about thirty organisations, projects or people that had been proposed to the SUCBAS Board. SUCBAS is a cornerstone for sea surveillance information exchange and co-operation within the Baltic Sea area and its approaches. The aim of the co-operation is to enhance Maritime Situational Awareness benefiting maritime safety, security, environmental and law enforcement activities in the region by sharing relevant maritime data, information and knowledge between the participants.
SEBA will achieve this objective through a number of actions, such as a high-level Conference in connection with the CBSS Ministerial in Summer 2013 and a number of projects in areas of strength of the CBSS, preliminarily tourism (e.g. development of the lake Vistytis crossborder tourism cluster), creative industries, sustainable development including environment, youth exchange, higher education, public-private partnerships, promoting innovative SMEs and cultural heritage.

A framework project funded by Germany was launched in October 2011, enabling the establishment as of January 2012 of a Russian Project Coordinator in Kaliningrad, situated for 18 months at the Office of the Nordic Council of Ministers thanks to an Agreement between the CBSS Secretariat and the NCM Office.

SEBA was first launched during the 13th Baltic Development Forum Summit, 2nd Annual Forum of the EU Strategy for the Baltic Sea Region in Gdansk on the 26th October 2011. A follow up workshop was held in Copenhagen on the 18th June 2012 where Jan Lundin, Director General of the CBSS, Arne Grove, Director, Information Office of the Nordic Council of Ministers in Kaliningrad, Russia, Alla Ivanova, Minister - Head of Agency for International relations, Kaliningrad, Russia, together with Anna Karpenko, SEBA coordinator, were discussing SEBA’s vision for modernisation through regional cooperation in the fields of tourism, natural and cultural heritage, sustainable development, PPP, higher education and youth exchange.

One early outcome of the CBSS focus on SEBA was the participation, partly funded by the Swedish Institute, early August 2012 by the CBSS Secretariat and the CBSS Expert Group on Youth Affairs in the Baltic Artek Youth Camp on the coast of Kaliningrad. Another is the intention of the EU to support SEBA as part of a “horizontal action” in the updated Action Plan of the EU Baltic Sea Strategy currently being prepared. A third is the SME financing conference planned in Kaliningrad for November within the framework of the Pilot Financial Initiative (see section on Finances).
In summer 2012 Baltic Artek Youth Forum in the Kaliningrad region was organized for the third time. This year was special, since one of the sessions from 1-5 August was truly international with English as working language. The International Baltic Artek brought together 205 young people: 125 from the Russian Federation and 80 participants from abroad, including such countries as Israel and Iraq.

CBSS-Baltic 21 contributed to the internationalization efforts of Baltic Artek by facilitating the participation of 14 young people from the BSR and adding four workshops to the overall programme. Seven experts from Sweden and one from Russia were invited to hold interdisciplinary workshops on sustainable city development, cultural heritage in the BSR and regional identity, eco-design and sustainable consumption.

The International Baltic Artek 2012 showed that there is a great potential in widening the Baltic Artek concept and adding the international dimension to the Youth Forum. In the following years Baltic Artek has a potential to develop into a unique international meeting spot for Youth from across the Baltic Sea Region and beyond. It can contribute to strengthening the ties and people-to-people contacts between the youth in Russia and other countries of the BSR.

Looking Forward

During the Russian Presidency of the Council of the Baltic Sea States the themes of modernization and innovation will be high on the agenda. Cooperation on Public Private Partnerships and the South Eastern Baltic Area begun under the German Presidency will continue, supported by the Pilot Financial Initiative (PFI) signed at the Stralsund Summit. Attention will be given to the expansion of CBSS-cooperation also with other parts of North-West Russia, one example being the launch in October of the second phase of the Eurofaculty project in Pskov.

Freedom of movement, youth policy alongside the Baltic Artek project and a discussion – also involving the NGO Forum in March in St. Petersburg - on ways to counter the spread of radicalisation and extremism comprise some of the other topics to be emphasized during the Russian Presidency.

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The Staff of the CBSS Secretariat

International Secretariat Employment rotation overview

Jan Lundin Director General (Sweden)

Eduardas Borisovas Deputy Director General (Lithuania)

Nanna Magnadóttir Senior Adviser (Iceland)

Ilya Ermakov Senior Adviser (Russian Federation)

Anna Karpenko Project Coordinator for South Eastern Baltic Sea Area (SEBA) (Russian Federation) seated at NCM Information Office, Kaliningrad, Russian Federation

Jekaterina Popova UNDP placement from Lithuania (3 months since October 2012)

Christer Pursiainen Senior Adviser dealing with Civil Security (Finland) completed his contract in April 2012.

There were two trainee assistants for the Core Secretariat during the preceding period

Katarzyna Karchut from Poland (3 months completed in November 2011)

Evgeniya Khegay from the Russian Federation (4 months completed in August 2012)

Expert Group on Sustainable Development (EGSD-Baltic 21)

Krista Kampus Senior Adviser and Head of Unit for the Expert Group on Sustainable Development (Internationally recruited from Estonia and employed since September 2012)

Maxi Nachtigall Adviser for the Expert Group on Sustainable Development – Baltic 21 (Germany)

Mia Crawford Senior Adviser and Head of Unit for the Expert Group on Sustainable Development and

Anna Berlina Project Assistant for the Expert Group on Sustainable Development – Baltic 21 both completed their contracts during the summer of 2012.

Task Force against Trafficking in Human Beings (TF-THB)

Anna Ekstedt Senior Adviser and Head of Unit for the TF-THB (Sweden)

Vineta Polatside Project Officer for the Task Force against Trafficking in Human Beings (Internationally recruited from Latvia and employed since May 2012)

Bjarney Friðriksdóttir Senior Adviser employed on parental leave cover for 13 months and Ciaran Morrissey employed as a temporary Project Officer for the Task Force against Trafficking in Human Beings both completed their contracts at the Secretariat.

Expert Group on Cooperation for Children at Risk (EGCC)

Lars Lööf Head of Unit for Children at Risk

Alexandra Ronkina Project Officer (50%) for Expert Group on Cooperation for Children at Risk (EGCC)

Media and Communications

The necessity for the organization to focus on internal and external communications has grown incrementally since the Riga Reform Declaration as the organization and the various parts of the organization have broadened and deepened the project portfolio. Media and Communications set-up has changed accordingly.

Anthony Jay Olsson Head of Media and Communication

Marina Belyaeva Media and Communications Coordinator for the Russian Presidency 2012-2013

(Internationally recruited from the Russian Federation and employed since September 2012)

Jacek Smolicki Media and Communications Officer
Egle Obcarskaite Media and Communications and Project Assistant
(Internationally recruited from Lithuania and employed since March 2012, previously held trainee Assistant position)

Gregory Daniel Media and Communications Website Assistant
(temporary local recruitment primarily on German Presidency financing since May 2012)

Szymon Knitter Media and Communications Trainee Assistant on the CBSS Internship and Scholarship Programme from Poland (April – August 5 months)

Edmunds Jansons Media and Communications ERASMUS Placement from Latvia (May – August 4 months)

Mirjam Külm Media and Communications Trainee Assistant on the CBSS Internship and Scholarship Programme from Estonia (from September 2012)

Shawnna Robert Media and Communications Trainee Assistant on Swedish work placement (from October 2012)

While the role has been redefined to suit the current organization the Front Office has been managed by temporary placement cover.

Margareta Nordfeldt Office Administrator – Employment Agency Staff

Ewa Mackiewicz Office Administrator - Unpaid Swedish Work Placement

Recruitment for a locally recruited Front Office/Administrative Assistant was posted on October 15 2012.

Co-located entity Northern Dimension Partnership in Public Health and Social Well-being (NDPHS)

Marek Maciejowski Head of NDPHS Secretariat (Poland)

Silvija Juscenko Senior Adviser for the NDPHS (Latvia)

During the period the NDPHS has been assisted by two trainees on the Internship and Scholarship Programme in the autumn period.

Jakob Samuelsson from Sweden (from September 2011 for 3 months)

Triin Pärm from Estonia (from September 2012 for 3 months)

The Permanent International Secretariat located in Stockholm currently employs 19 staff members. Additionally there are two Swedish work placements in Administration and Media and Communication, two CBSS internship trainees, one UNDP trainee placement, one agency staff and two staff members on employment contracts working remotely – one in Kaliningrad full time and half-time on projects from distance until December. A total of 27 individuals.

The Internationally recruited staff members come from the following Member State in alphabetical order – Estonia, Germany, Iceland, Latvia, Lithuania, Poland, Russia and Sweden. There are currently no Danish, Finnish or Norwegian nationals.

THE STAFF OF THE CBSS

Administration

The Administrative arm of the Secretariat has also continued to evolve as the project orientation of the CBSS as an organization develops necessitating more administrative and financial strategy and support.

Gertrude Opira Head of Administration

Susann Burström Project Accountant

Ligia Broström Administrative Officer

Sandra Ewert Office Administrator completed her employment contract at the Secretariat in May 2012.