

# COUNCIL OF THE BALTIC SEA STATES

Tenth Ministerial Session, Hamburg, 7 June 2001

## COMMUNIQUÉ

At the invitation of the Minister for Foreign Affairs of Germany, the Council of the Baltic Sea States (CBSS) – consisting of the Ministers for Foreign Affairs of Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, Russia and Sweden (representing also the presidency of the Council of the European Union) and a member of the European Commission – met in Hamburg on 7 June 2001 for its tenth ministerial session.

The Baltic Sea Region is undergoing a fundamental transformation, characterised by a dynamic, but uneven economic development, a gradual overcoming of former barriers, the prospect of EU enlargement for four countries of the region and the emergence of the concept of a Northern Dimension. In this process the CBSS is playing the role of an important forum for political guidance and co-ordination of regional co-operation, both among the actors of the region and as a partner of the EU. Pursuant to the recommendations and decisions of the Baltic Sea Summit in Kolding in April 2000 and the 9<sup>th</sup> Ministerial Session of the Council of the Baltic Sea States in Bergen in June 2000, the CBSS today holds a key position in the co-ordination of all regional intergovernmental, multilateral co-operation among the group of CBSS members. Co-operation in the framework of the CBSS will continue to complement the bilateral relations between the states of the region and with the European Union. The relations with the EU have gained momentum and should be further developed at all levels of CBSS activities. The Council recognises the different attempts to ensure a balanced development in the Baltic Sea region.

Impressive progress towards the initial and overall goals of the CBSS, as expressed in the founding documents and action plans, has been achieved in the past years. Cross-border co-operation, promotion of human rights and political freedoms, strengthening and networking of the civil society, the development of local democracy and of the human resources in the region, environmental protection as well as further economic co-operation will continue to require special attention in the coming years.

### **Northern Dimension**

The Council welcomed the development of the Northern Dimension policy over the past year. The CBSS has developed a high profile as a contributor to the regional policy within the initiative of the Northern Dimension, and confirms its intention to play an active role in the further development and implementation of this initiative. The active participation of the European Commission in the work of the Council is of great importance. CBSS working

bodies will, as in the past, put their resources and regional expertise to work for implementation and as instruments for concrete results within the Northern Dimension Action Plan.

The Council reiterated its position that the active involvement of regional organisations is crucial for achieving the goals of the Northern Dimension. The Council appreciates the ongoing work to improve the co-ordination between the CBSS and other regional bodies. Greater co-ordination is necessary in order to clarify their respective roles and avoid duplication. Further efforts to streamline and rationalise the activities of these bodies could yield efficiency gains and a corresponding increase in the impact of the Northern Dimension. The "List of Priorities and Projects" presented by the CBSS on the basis of input from a multitude of organisations at state and sub-state levels constitutes an important basis for further identification of priorities and projects for the Northern Dimension. The List could be used in connection with the monitoring of the progress achieved in the implementation of regional projects within the Northern Dimension.

### **Cross Border Co-operation with Russian regions**

The Council agreed that the EU enlargement provides prospects for the areas along the future external borders of the EU in the region. In this context the Council underlined the particular importance of support for improved cross-border and sub-regional co-operation for the further development of the Baltic Sea Region. This is specifically valid with regard to cross border contacts and economic development in the Russian Oblasts of Kaliningrad, Pskov, Leningrad, Novgorod and the city of St. Petersburg. The Council reiterated its willingness to serve as a forum for dialogue, especially promoting projects and issues related to the development of Kaliningrad Oblast. The Council stressed the need to ensure involvement of the Kaliningrad Oblast in the economic and social development of the area. The Council expressed its satisfaction with the successful start of the EuroFaculty project in Kaliningrad in September 2000, and stressed its full commitment to ensuring further implementation.

### **Financing Instruments**

Support programmes and financing facilities in the region require special attention. The Council welcomed that the European Commission is working to increase co-ordination and enhance the interoperability of EU financing instruments - Interreg and PHARE CBC (Baltic Sea Region) as well as Interreg and Tacis - for the promotion of regional development. The Commission's "Guide to Bringing Interreg and Tacis Funding Together" is a first step. The Council welcomed the European Commission's intention to make further progress in the coming months. The success of the Northern Dimension Action Plan depends on adequate financing instruments. The Council welcomed the efforts of the international financial institutions and the

European Commission to co-ordinate financing programmes aimed at the creation of a Northern Dimension Environmental Partnership.

In continuation of the acceptance, in general terms, by the CBSS at its 9<sup>th</sup> session in Bergen in June 2000 of the proposal to establish a financing facility for sub-regional co-operation in the Baltic Sea region, the Council welcomed the proposal of the CSO for the legal text in annex 1 for an agreement on the establishment of a Fund for Sub-regional Development in the Baltic Sea Region. When voluntary pledges to the project amount of at least 3 mill Euro (to be paid either at once or over a period of three years) have been made to the CBSS Secretariat by 1 December 2001, the agreement will be opened for signature. An expert meeting will be held in Copenhagen during the autumn of 2001 to prepare the functioning of the Fund.

### **Civil Society and Democratic Development**

The CBSS has promoted broader participation of the civil society in the efforts of regional development by convening the first Baltic Sea NGO Forum in Lübeck on 28-29 May 2001. The Council appreciated the initiative under the German presidency to support the NGOs in North-eastern Europe in developing common goals and activities and in building up networks in the region. The Council recognises the necessity of participation of the civil society in common efforts to achieve overall goals in the Baltic Sea region. Plans for a stronger contribution of the civil society to the success of the Northern Dimension concept should be developed. The Council took note of the conclusions of the first Baltic Sea NGO Forum and asked the CSO to analyse the proposals put forward. The Council stressed its willingness to seek further co-operation with NGOs through its working structures, in particular the Working Group on Democratic Institutions.

Promoting human rights at the legislative level and their implementation, consolidating democratic development, including the division of power and the rule of law, and the protection of political freedoms in the Member States stay high on the agenda of the CBSS. The institution of the CBSS Commissioner remains an essential instrument to achieve these goals. The Council took note of the annual report of the CBSS Commissioner and expressed its full support to the Commissioner's plans for future work. The Council welcomed the proposal of the Plenipotentiary on human rights in the Russian Federation to hold a meeting of Ombudsmen, following the first seminar of Ombudsmen from the CBSS Member States held in Copenhagen in 2001.

### **Economic Co-operation**

The Council welcomed progress in the work of the CBSS towards the realisation of the objectives of the Action Plan agreed by the Ministers for Trade and Economic Affairs in Bergen in February 2000, with the aim to remove obstacles to trade and investments. It welcomed the initiative of the

German presidency to organise the conference "Fostering Economic Co-operation in the Baltic Sea Region" in Berlin on 13 March 2001. The conclusions from this conference on IT, energy, environment and financing issues, as well as from the Estonian-Swedish Business Conference in Tallinn on 4 April 2001 should be analysed by the appropriate CBSS working bodies and considered in their future work.

Particular satisfaction was expressed with the opening to the public and the wide use of the CBSS IT website on trade and investment information for SMEs in the Baltic Sea region. The Council urged national authorities and the Baltic Sea Customs Conference to intensify on-going efforts to reduce the time for border crossings of goods, aiming at a maximum of 2 hours by the end of 2001.

The Council recognised that the intensive energy co-operation in the Baltic Sea region is of fundamental importance for promoting the integration and opening of the regional energy markets, security of energy supply, sustainable economic and industrial development as well as for addressing environmental challenges through increased use of sound energy systems.

The Polish proposal for convening a meeting in Gdansk in September 2001 of ministers for transport was welcomed by the Council.

The Council welcomed the prospect of Russia's membership in the World Trade Organisation (WTO), which will significantly improve the opportunities for expanded trade and investments in the region.

### **Nuclear Safety**

The Council reiterated the role of the CBSS as a forum for exchanging information and harmonising efforts to enhance nuclear and radiation safety. The signing ceremony for the "Agreement on the Exchange of Radiation Monitoring Data" took place.

### **Information Technology**

In the light of the conclusions from the Kolding summit, aiming at a strengthening of the leading position of the region in the IT sector, the Council welcomed the initiative of the European Commission and the CBSS to develop a Northern eDimension. It welcomed the readiness of Estonia, Latvia and the European Commission, in co-operation with the countries concerned and the other bodies in the region, to prepare concrete proposals for the Northern eDimension Action Plan. The Council expressed the hope that substantial progress be achieved at the meeting of Prime Ministers and ministers responsible for ICT matters in Riga on 28 September 2001. The meeting should adopt an Action Plan for continued work in selected crucial areas and decide on the follow-up at expert level.

### **Knowledge-based Society**

The Council underlined that the development of human resources and the ability to advance and implement innovations successfully are crucial for the

competitiveness of the Baltic Sea region. Keys to progress are educational and scientific structures that promote the accessibility, further development and targeted application of knowledge. The Council noted with satisfaction the proposals made by the expert meeting on the Knowledge-based Society in the Baltic Sea Region held in Berlin on 4-5 May, and expressed interest in all endeavours to increase student mobility and curricula compatibility, e.g. through a Baltic Sea Summer University. The Council called on the following presidency to analyse the conclusions of the meeting and to continue efforts to advance the idea of developing the Baltic Sea Region as a trademark for Knowledge-based societies. The Council suggested that the Conference of the Baltic University Rectors take an operational approach to the proposals and that the ministers for education incorporate this subject into their forthcoming meeting on an Agenda 21 for education for sustainable development in the region.

### **Marine Environment Protection and Safety of Sea Transport**

In view of the increasing density of sea transport in the Baltic Sea, the Council attaches great importance to the prevention of ship accidents and their severe consequences for man and the biosphere. It expressed its support to efforts to reduce negative impacts on the marine environment. The recent accident of the Baltic Carrier has given evidence to the urgent need for adequate measures to enhance the safety of navigation in the Baltic Sea. The Council is of the opinion that sea transport related regulations and regimes should be established on a global basis, wherever possible. Considering the particular ecological sensitivity of the Baltic Sea area, regional activities should also address specific challenges of the region. The Council expressed appreciation of the activities of various international fora such as the International Maritime Organisation (IMO), the EU, HELCOM, and Baltic 21 on questions of safety of sea transport and problems related to the marine environment. The Council welcomed that HELCOM will convene the ministers for maritime transport and marine environment protection to an extraordinary meeting in September 2001 in Copenhagen. The Council believes that it is necessary to improve links between relevant actors and, in some cases, to intensify efforts. The Council urges the relevant sector ministries to contribute actively to the preparations for the extraordinary HELCOM ministerial meeting and to support the speedy establishment and implementation of ambitious regimes and actions with a view to ensuring safe sea transport and a high quality of the marine environment, in particular as set out in Annex 2.

### **Baltic 21**

The Agenda 21 for the Baltic Sea Region (Baltic 21) has a key role in the regional efforts to attain sustainable development. The Council welcomed the considerable progress achieved and underlined the responsibility of the sectors for the implementation of the respective action programmes in an open

and transparent way. It requested the sectors to secure and make available the necessary financial and human resources for implementing the action programmes. The Council noted with appreciation that the Senior Officials Group (SOG) has implemented the decision taken by the Council in written procedure in January 2001 regarding the secretariat function of Baltic 21. Based on the outcome of the SOG meeting in Tallinn on 27 April 2001, the Council took note of measures agreed upon to ensure the practical integration of the Baltic 21 secretariat function into the CBSS Secretariat (Annex 3).

### **Soft Security**

The Council took note of the study on soft security risk management in the Baltic Sea area, commissioned by the German presidency following the request of the CBSS meeting of Political Directors in Berlin on 25 January 2001. The Council asked the CSO to analyse the recommendations of the study.

The Council noted with satisfaction the recognition of the positive impact of its efforts in the field of civil security. In this respect the Council endorsed the proposals put forward at the CBSS conference of civil security experts in Warsaw. Poland will perform the role of lead country in the mentioned field. The Council expressed its support to the initiative of launching a 5-year EuroBaltic pilot project as an umbrella for regional and cross-border co-operation in the field of civil protection.

The Council welcomed the continued concrete operational activities of the Task Force on Organised Crime, which demonstrate the effectiveness of practical Baltic Sea co-operation between authorities concerned to meet the challenges of modern society.

The Council noted with satisfaction that the IT co-operation on children at risk of being sexually exploited is now operational for exchange of information and experience between experts. The Council also took note of the endeavours by ministries responsible for child matters regarding the co-operation on children's issues and its organisation.

In the light of the decision in Kolding and in line with the conclusions in Bergen, the Council took note of the report "Healthy Neighbours" by the Task Force on Communicable Disease Control in the Baltic Sea Region and the recommendations for action. The Council expressed its support to the proposed actions to be implemented in concerted programmes in close co-operation between the Task Force on Communicable Disease Control and the relevant working bodies of the EU and the World Health Organisation.

### **Structure and Working Methods**

The Council appreciated that the initiative of the CBSS to improve co-ordination with other regional and sub-regional institutions in Northern Europe had been welcomed by the other actors in the region. It recommended to seek further improvements of an informal co-ordination on the basis of the

guidelines proposed in annex 4. In this context the Council took note of the achievements in the internal revision of the structure and working methods of the CBSS.

### **Kalmar Action Programme**

The Council welcomed the examination by the CSO of progress made in the implementation of the Kalmar Action Programme. It asked the CSO to propose additional measures to further implement the Plan in areas inadequately covered so far. The CSO was asked to examine the question whether the action plan should be updated.

### **Final provisions**

The Council thanked the Observer States France, Great Britain, Italy, the Netherlands, Ukraine and the United States of America for participating in the meeting and welcomed their willingness to contribute further to co-operation initiatives in the Baltic Sea region.

The Council thanked the special participants for their contributions.

The Council agreed to start preparations for the 4<sup>th</sup> Baltic Sea States Summit to be convened in Russia in the first half of the year 2002.

The Council confirmed the extension of the term of office of the director of the CBSS Secretariat for one year, until 15 August 2002.

The Council took note of the annual report of the Chairman of the Governing Board of the EuroFaculty in the Baltic States.

The Council thanked Germany for chairing the CBSS during 2000/2001 and for organising the 10<sup>th</sup> ministerial session in Hamburg. The Council entrusted Russia with the presidency of the CBSS until 30 June 2002. The 11<sup>th</sup> session of the Council of the Baltic Sea States will be held in Russia in 2002.

## **AGREEMENT ON THE ESTABLISHMENT OF THE FUND FOR SUB-REGIONAL DEVELOPMENT IN THE BALTIC SEA STATES**

The States Parties to the present Agreement,

*Being* members of the Council of the Baltic Sea States,

*Desiring* to contribute towards the fulfilment of the goals and objectives of the said council,

*Bearing in mind* the role of the Northern Dimension in the development of a prosperous and democratic Europe,

*Noting* that effective and decentralised local government based on democratically elected structures forms an important part of modern society and serves to enhance the well-being of its citizens,

*Noting further* that experience and expertise obtained by local authorities in the fulfilment of their duties can be successfully exchanged with similar authorities in neighbouring states,

Have agreed as follows:

### **Article 1**

#### **Establishment of the Fund**

A financing facility to be known as the Fund for Sub-regional Development in the Baltic Sea States (“the Fund”) is hereby established.

The Fund shall possess, in the territory of the Member States, such legal capacity as is necessary for the exercise of its functions and in particular the capacity to contract, hold and transfer funds, to acquire and dispose of movable and immovable property and to institute legal proceedings.

### **Article 2**

#### **Definitions**

- a) “The Fund” means “The Fund for Sub-regional Development in the Baltic Sea States.”
- b) “The applying project” means the project or activity applying for financial support from the Fund.
- c) “Member State” means a State Party to this Agreement.

### **Article 3**

#### **Objectives**

The objective of the Fund shall be to:

- a) Provide financing for co-operation between local and regional authorities in two or more Member States, in particular for small-scale projects.
- b) Facilitate civil and administrative capacity building among local and regional authorities as well as social and economic development in the region.



#### **Article 4**

##### **Project partners**

In order to obtain financial support from the Fund:

- The applying project must involve at least two partners coming from at least two Member States,
- At least one of the partners in the applying project must be an authority at the local or regional level. The other partner(s) to the applying project must be either an authority at the local or regional level or an NGO.

#### **Article 5**

##### **The Statutes of the Fund**

The Fund shall exercise its functions in accordance with the attached Statutes.

The Statutes may be amended by the Board of Directors. Any proposal for amendments must be submitted by a member of the Board of Directors to the Chairman no later than three months prior to a scheduled meeting of the Board of Directors. The Chairman shall circulate the proposal to all members of the Board of Directors no later than two months prior to the meeting. Proposed amendments shall be considered adopted if two thirds of the Members vote in their favour. Such amendments are not subject to ratification, acceptance or approval of the Governments of the Member States.

The Statutes and any amendments thereto shall be consistent with this Agreement. In the event of conflict between the Agreement and the Statutes, the Agreement shall prevail.

#### **Article 6**

##### **The Board of Directors**

The Fund is administered by the Board of Directors. The Board of Directors is the highest authority of the Fund. Each Member State shall be represented on the Board of Directors by a Director. The Director shall be appointed for a period of two years and may be re-appointed.

The Board of Directors shall annually elect a Chairman and a Vice-Chairman from among its members.

The Board of Directors may take decisions in meetings only when the Chairman or the Vice-Chairman and at least two thirds of the other members are present. Each Member State shall have one vote on the Board of Directors.

The Board of Directors may take its decisions by a written procedure.

In matters concerning approval of applications for financial support from the Project Account, decisions of the Board of Directors shall be taken by a two-thirds majority of the votes cast. A Project cannot be approved for financial support against the vote of the representative from a Member State directly involved and/or directly affected by the said project. The Chairman has the casting vote. Approval of applications for financial support from the project account shall require the concurring vote of at least one State that has paid voluntary contribution(s) to the Project Account during the current or preceding year.

In all other matters than deciding on financial support from the Project Account, and amendments of the Statutes as stated in Article 5, the Board of Directors shall take its decisions by consensus.

The Baltic Sea States Sub-regional Co-operation (BSSSC) and the Union of Baltic Cities (UBC) shall have the right to participate and the right to speak at the meetings of the Board of Directors.

#### **Article 7**

##### **Administrative Budget**

The budgetary period shall consist of one calendar year.

The Chairman shall propose a draft administrative budget. The draft administrative budget shall be submitted to the Board of Directors before the end of June of the year preceding the one to which it relates.

The Board of Directors shall review and adopt the budget before the end of the year preceding the one to which it relates.

The administrative budget shall cover the funding of all expenses related to the management and administration of the Fund. The expenses of the administrative budget shall be borne by the Member States in accordance with an agreed scale of assessment based on the scale of assessment used for financing the Secretariat of the Council of the Baltic Sea States and if necessary, adjusted in accordance with the principles on which that scale is based. The Member States of the Fund will cover the costs of participation for their representatives in the Board of Directors, individually.

A State acceding to the Fund during a budgetary year shall pay a pro rata contribution to the administrative budget covering the period for which this Agreement is in force for that state.

#### **Article 8**

##### **The Project Account**

The Fund shall establish a Project Account from which it may make financial contributions towards the financing of sub-regional projects and activities in accordance with its objectives.

The Project Account shall be financed through voluntary contributions from Member States. However, all Member States undertake to pay a minimum contribution to the Project Account corresponding to their obligatory contribution to the administrative account. The Board of Directors may decide to accept contributions to the Project Account from non-member States, private organisations and individuals.

All contributions to the Project Account shall be made in convertible currencies.

### **Article 9**

#### **Failure to pay contribution**

Assessed contributions to the administrative budget and the Project Account shall be considered due and payable in full within thirty days after the Board of Directors has adopted the administrative budget.

Any Member State that fails to contribute its share to the administrative budget and/or the Project Account within thirty days after it falls due shall have its voting rights on the Board of Directors suspended until payment is made.

### **Article 10**

Contributions made to the Fund shall remain at the Fund's disposal after the end of the budgetary period to which the contribution relates.

### **Article 11**

#### **Settlement of Disputes**

Disputes which may arise between the State Parties regarding the interpretation or application of the present Agreement shall, as far as possible, be settled through negotiations between them. Any dispute which is not settled through negotiation shall be submitted to arbitration if any state Party so requests, in accordance with procedures to be established by the State Parties.

### **Article 12**

#### **Audit**

The Council of the Baltic Sea States shall appoint an Auditor to audit the accounts of the Fund. The Auditor shall be appointed for a period of two years and may be re-appointed. The audit shall be conducted in conformity with generally accepted auditing standards. The Auditor may make observations with respect to the administration and management of the Fund in general.

The Auditor shall submit his audit report and other observations to the Board of Directors.

## **Final provisions**

### **Article 13**

The present Agreement shall be subject to ratification, acceptance, approval or accession

The present Agreement shall, after its entry into force, remain open for accession by Member States of the Council of the Baltic Sea States.

### **Article 14**

This Agreement shall enter into force thirty days after the date of deposit with the Government of Denmark of the fifth Instrument of ratification, acceptance or approval.

### **Article 15**

A State Party may, by written notification to the Depository, denounce the present Agreement. The denunciation shall take effect one year after the date of receipt of the notification, unless the notification specifies a later date. This Agreement may be modified by unanimous agreement between the Member States. Any such modification or amendment shall enter into force thirty days after the Depository has received notice from all the members that they have ratified it.

### **Article 16**

The original of the present Agreement, Instruments of ratification, acceptance, approval or accession shall be deposited with the Government of Denmark.

# **Statutes for the Fund for Sub-regional Development in the Baltic Sea States**

## **Para 1**

### **Working language**

The working language of the Fund shall be English.

## **Para 2**

### **Meetings of the Board of Directors**

The Board of Directors shall meet as required, and at least once a year. .

A Member State may request the Board of Directors to hold an extraordinary session. Such sessions shall be held on the territory of the state requesting the session, and the costs incurred by the session shall be borne by the state or states requesting the session.

The Board of Directors may invite representatives from Governments and local authorities as well as from international organisations to participate in the meetings of the Board of Directors as observers.

## **Para 3**

### **The Chairman**

The Chairman presides over meetings of the Board of Directors and represents the Fund when the Board of Directors is not in session. The Chairman executes the decisions of the Board of Directors.

The Chairman prepares the agenda for the session of the Board of Directors. A draft agenda shall be submitted to the members of the Board of Directors no later than two weeks before the start of each session.

## **Para 4**

### **Decisions by written procedure**

When the Chairman deems it appropriate, he may submit a proposal for adoption by the Board of Directors by means of a written procedure. A proposal submitted for approval under this procedure shall be considered adopted if it has received support from the necessary number of members within a date fixed by the Chairman. The period between the Chairman's submission of his proposal and the date fixed for responding to the proposal may not be shorter than ten working days.

## **Para 5**

### **Administration**

The fund shall be served by a minimal administrative structure. The CBSS Secretariat will assist the Board of Directors. Cost of the CBSS Secretariat for assisting the Board of Directors e.g. through the employment of additional staff if necessary, shall be borne by the Fund. Sub-contracting of administrative services to public or private agencies, companies or international organisations located in the Member States shall be considered by the Board of Directors. The Board of Directors will decide on the structure of the administration.

The Administration shall at quarterly intervals notify the members of the Board of Directors of the status of the Project Account, including the amounts at the Fund's disposal.

## **Para 6**

### **Applications for financial support**

The Board of Directors shall establish a standard format for applications and a project manual concerning the objectives and priorities of the Fund.

Applications shall be assessed on the basis of their compliance with the objectives and priorities of the Fund as set out in the Agreement and supplementary priority criteria as established by the Board of Directors.

The Board of Directors should in particular consider supporting:

- Projects aimed at strengthening democratic institutions and good governance at the local and regional level.
- Projects within the social, administrative, health and educational sectors.
- Projects aimed at environmental improvement.

All projects should primarily aim at transfer of knowledge.

In setting out supplementary priority criteria for projects to be financed by the Project Account, the Board of Directors should pay special attention to the following:

- a) An adequate geographical distribution within the territory of the Member States of projects funded by the Project Account;
- b) The particular needs of specific regions;
- c) The degree to which projects may serve to enhance co-operation in the region as a whole.

**Para 7**

**Recommendations for financial support**

Based on the analysis and assessment provided by the administration, the Chairman submits his recommendation with respect to the rejection or approval, in whole or in part, of an application to the Board of Directors. The Board of Directors decides on the matter in accordance with the provisions of the Agreement and para 2, 4 and 7 of the Statutes.

**Para 8**

**Audit, reporting and evaluations**

The Chairman shall, with the necessary assistance of the administration, submit to the auditor before 15 February each year the accounts together with a report on the activities of the preceding year.

The auditor shall submit his audit report and other observations to the Board of Directors before the end of March each year.

Independent evaluations of the Fund and the projects receiving support from the fund shall be undertaken with regular intervals. The first general evaluation of the Fund and its activities shall take place no later than two years after the establishment of the Fund.

## **Marine Environment Protection and Safety of Sea Transport**

To ensure safe sea transport and the protection of the marine environment, the Council

1. welcomes the new requirements for the phasing out of single-hull tankers adopted within the International Maritime Organisation (IMO) in April 2001 to speed up and complete by 2015 the phasing out of single-hull tankers, and requests its member countries to implement this agreement in a harmonised way and without any relaxation;
2. appreciates activities by some countries to support Short Sea Shipping (SSS) and use of inland waterways as useful means to transfer traffic from road to sea in support of a sustainable, environmentally friendly set up of transport structures. Sweden, Denmark and Finland have established a Short Sea Shipping Promotion Bureau to strengthen the role of SSS. In Germany a similar office will be set up soon. Germany, in co-operation with Poland, undertakes presently studies regarding options for the support of short distance sea transport. Other countries are invited to join or undertake similar efforts;
3. encourages its members to demonstrate a maximum of commitment to Search and Rescue (SAR) measures which are enabled in the Baltic Sea area through the SAR Convention, a network of bilateral agreements and supported through regular exercises. All Baltic Sea states participate in the joint studies on Search and Rescue within the framework of the SAR Convention.  
The Council encourages the ongoing work to strengthen the co-operation between the different SAR services within the Baltic Sea region;
4. welcomes existing initiatives for an AIS based surveillance system as supportive means for preventing accidents with ships. It is worthwhile to promote the speedy introduction of the system in the Baltic Sea area. To this end special attention should be given to the proposal of the European Commission for establishing a monitoring, control and information system for maritime traffic at European level (i.a. VTMISS). The Council encourages its member states to develop within their maritime administrations AIS based systems and similar IT based intercommunication procedures between the national systems. Existing activities aiming at regional surveillance systems are the Baltic Ferry Guidance and Information System (BAFEGIS) between Sweden and Germany and the Vessel Traffic Management and Information System between Finland, the Russian Federation and Estonia.



5. welcomes the initiative by Germany, as the present Chair of HELCOM, to convene an international workshop in co-operation with IMO and EU on problems of oil pollution resulting from sea transport in the Baltic Sea area in the second half of 2001, taking into account the outcome of the extraordinary HELCOM ministerial meeting in September 2001. The Council encourages its members to actively participate in the preparations.
6. welcomes Green Shipping schemes to promote environmental sound shipping and clean technologies to reduce air pollution from ships. Sweden has already introduced the use of economic incentives through its environmentally differentiated shipping dues. The scheme promotes the reduction of emissions of sulphur and nitrogen oxides from ships calling at Swedish ports. The port of Hamburg launched a pilot project for introducing an environmental differentiation of its port dues. The Council invites member countries to consider schemes to the same effect.
7. welcomes the established co-operation between Prosecutors Generals in the Baltic Sea region to combat more effectively environmental crime in the region and to enhance co-ordination in cases of trans-national environmental crime. The Council appreciates the efforts by the Office of the Prosecutor General of Denmark to co-ordinate the work.
8. encourages its members and involved international organisations to promote satisfactory solutions for obligatory pilots in especially sensitive passages in the Baltic Sea.
9. asks the CSO to follow progress in the mentioned activity fields and report in due time.

## **Baltic 21**

The Council approved the action taken by the Senior Officials Group of Baltic 21 (SOG) and the Director of the CBSS Secretariat to implement the decision of the Council of January 2001 taken in written procedure, taking into consideration the letter of 5 March 2001 to the chairman of the CSO of the CBSS from the chairman of the Baltic 21 SOG.

The Council noted that the ad hoc Baltic 21-HELCOM Working Group has concluded that at present there is no overlap of Baltic 21 and HELCOM activities, but that in some areas there is a need for ensuring complementarity of efforts in order to avoid potential overlaps in the future. It requested the SOG and HELCOM to ensure that the necessary measures are implemented.

The Council furthermore noted that the SOG has approved a budget for the financing of the Baltic 21 secretariat function in 2002, covering i.a. the cost of two staff members. The decision by the SOG that some of the tasks related to the SOG and the sectors have to be carried out on a project basis, financed by voluntary contributions of external donors, was taken note of by the Council that recommended such donors to consider funding requests in a positive spirit.

The Council expressed appreciation of the grants by the Nordic Council of Ministers as a welcome contribution to the Baltic 21 travel budget. They expressed the view that in the future the countries should strive at minimizing the use of the present facility for travel support in the Baltic 21 context.

The Council finally noted that the SOG has agreed on Terms of Reference regarding the tasks and major responsibilities of the Baltic 21 secretariat function within the CBSS Secretariat, and that recruitment of new international staff for that function will take place before 1 November 2001 in accordance with agreed guidelines.

## **Strengthening the CBSS**

In April 2000 the **Baltic Sea States Summit in Kolding** recommended a consolidation within the framework of the CBSS of all regional intergovernmental, multilateral co-operation taking place among the group of CBSS members and a close co-ordination between the CBSS, the BEAC, and appropriate EU institutions. Meetings of field ministers of the group of CBSS member countries would in the future be CBSS meetings, held on an ad hoc basis in accordance with their own decisions.

In June 2000 the **Council of the Baltic Sea States** in Bergen decided to review its structure and working methods.

Following up on these recommendations and decisions, the **Council of the Baltic Sea States** meeting in Hamburg on 7 June 2001 decided to take full advantage of the new role of the CBSS encompassing all regional intergovernmental, multilateral co-operation among the group of CBSS members. With the intensification of co-operation of the field ministries the Council remains a forum for political guidance and overall co-ordination. Such co-ordination would not infringe on the responsibilities of field ministers for their own field of competence and expertise. In addition, a close co-ordination with regional organisations at the parliamentary and sub-state level should be promoted.

The Council adopted the following guidelines:

1. Annual meetings of the presidencies of CBSS and BEAC, as well as BSSSC, UBC and BSPC will be held with the aim to improve the flow of information and promote the establishment of co-ordinated work plans for the year. Contacts with the Nordic Council of Ministers should be further developed.
2. Since the Northern Dimension is becoming an important framework for regional co-operation, meetings with the European Commission could be agreed upon in advance of these annual meetings. The possibilities for joint meetings should be explored.
3. Subject related networking of relevant task forces, officials groups and working groups of organisations with a similar substantial focus should be further developed. Harmonisation and synergism among relevant working groups of regional organisations at state and sub-

state level should be promoted through contacts between the respective chairmen of the groups.

4. A draft work plan of the working groups on economic co-operation, democratic institutions and nuclear and radiation safety should be submitted for discussion before the first CSO meeting under a new presidency for political guidance. The plans should specify the expected outcome of the activities.
5. The informal network of contact points in ministries should be kept updated to facilitate informal co-operation. In 2003 the use of the contact point list will be evaluated.
6. The CBSS Secretariat, which shall continue to work under the guidance of the chairman of the Committee of Senior Officials (CSO) and its working bodies, will develop its role as "focal point of information". This will include, inter alia, an up to date calendar of events of regional interest. The Secretariat will keep the list of contact points up to date and increase links from the CBSS website.
7. The CBSS member countries, foreign ministries as well as field ministries, will improve the flow of information to the CBSS Secretariat including of factual news and elements for a more active information policy of the CBSS. The Secretariat will support this by establishing an appropriate technical solution and format for a reporting scheme for information.
8. The presiding country shall lead the work on the implementation of the decisions made at the previous ministerial session, and at the expiry of its presidency it shall organise the annual CBSS ministerial session. The presidency shall chair the CSO. In collaboration with the other member states and with the technical assistance of the Secretariat, the CSO-Chairman shall organise regular meetings of the CSO, make proposals for the agenda and elaborate draft decisions on specific issues on the agenda. The CSO-Chairmanship shall guide the work of the Secretariat and with its help monitor the development of the co-operation among the group of CBSS countries as well as provide synergy and co-ordination of co-operation in the CBSS with the activities of other multilateral organisations carrying out their activities in the Baltic Sea region.