

**Key Note Speech by Danuta Hübner,  
European Commissioner for Regional Policy**

**"The Sea of Opportunity"**

**Conference on the EU Strategy for the Baltic Sea Region  
Rostock, 5 February 2009**

Mr Chairman, Minister-President, Honourable Ministers, elected representatives, Ladies and Gentlemen. Thank you very much for the opportunity to speak to you here at Rostock this afternoon.

Thank you to the organisers of this event, especially the Land of Mecklenburg-Vorpommern. Stakeholders' conferences and round tables on the European Union Strategy for the Baltic Sea Region have been a very practical, and fruitful, demonstration of partnership between region, country and Commission – indeed all stakeholders.

I am also particularly pleased that Christopher Beasley is here today: his support, and the support of other Members of the European Parliament in the Baltic Europe Intergroup has been indispensable.

And I am looking forward to listening to Minister Ušackas from Lithuania and Minister Malmstrøm from Sweden this afternoon:

once again a demonstration of the commitment to partnership we find throughout this region.

We have come a long way since we met at Stockholm last September. A lot has been achieved in the four months since the first Stakeholders' Conference but there is much still to do before the European Union Strategy for the Baltic Sea Region becomes a reality.

Before I explain what we believe still has to be done, perhaps a few words to remind us of where we are. You know the region much better than me but it is worth getting an idea of the challenges facing us all.

- The Baltic Sea Region comprises eight Member States as well as important neighbouring countries including Russia.
- It has a population of over 96 million, and accounts for over 20% of the European Union population.
- The Baltic Sea is losing its quality and bio-diversity:
  - excessive discharges of nitrates and phosphates – from agriculture, industry and domestic sources are causing

increasing eutrophication – killing large areas of the sea every summer.

- Interconnection of electricity supplies across borders is impeded by incompatible technical standards. There are over 100 shipping collisions per year.

But it would be quite wrong to suggest that everything is bad:

- We have some of the most innovative regions in the world, and some of the most dynamic growth areas in the New Member States. Sweden, Finland, Germany and Denmark occupy the top four positions on the EU innovation scoreboard published last month.
- The Øresund and Haparanda-Tornio regions are models of productive cross-border cooperation.
- 15% of the world's cargo – 2000 ships – are in the Baltic at any one time.
- And of course the region is a world leader in mobile telecommunications

So there is a lot to do – but the region has the resources and the potential to succeed in the challenges facing it.

Ladies and Gentlemen, since we met at Stockholm the clouds of economic uncertainty then appearing have become a storm. But we must not let the financial and economic crisis push us off course. The needs of the region have not changed, and nor have the skills and resources here. The European Union – both Commission and Member States – are taking the decisions necessary at this time. But our focus here is on a longer time-scale and we will not let the current turmoil distract us. On the contrary, the obvious economic problems make cooperation around a well thought-out strategy more essential than ever.

The same applies to the energy crisis many Member States and neighbours have been living through. I am not here to blame any side, but what is absolutely clear is that dependence on a single source of power and energy is dangerous. A key feature of the Baltic strategy will be immediate actions to improve inter-connections across the region, especially in the three Baltic States, and the establishment of a real cross-border market for electricity and gas.

Ladies and Gentlemen, we are now at the end of the ‘consultation phase’. Of course, the Commission will not stop listening, or talking, to you but it is time for us to finalise the proposal to the European Council. To get to this point:

- We have received contributions from over one hundred sources
  - Member States
  - Regions
  - Non-governmental and international organisations
  - The Stockholm conference and the four Round Tables of Kaunas, Gdansk, Copenhagen and Helsinki
  - The Hamburg Youth Conference which concluded yesterday
  - And almost one hundred organisations and individuals who responded to the on-line consultation.

I am very pleased that representatives from all these groups are here with us today. Thank you very much for your efforts.

Some messages have been very clear, and we have taken full account of them. Let me mention some of them:

- A real need for a strategy: the problems are serious but the opportunities are waiting to be grasped.
- An integrated approach to overcome the obstacles. There are already good ideas and initiatives under way in different fields but without a basis in an integrated strategy these initiatives are struggling to make the required impact.
- An important rôle for the Commission in setting objectives and prioritising actions. The Commission should also play a central rôle in monitoring and coordinating the many partners active in the field.
- Ensuring that any actions proposed **MUST** have an impact on the ground. The time has now come to launch real, concrete, visible actions.

There are also some things people do NOT want to see:

- No new institutions: there are plenty of organisations out there, and adding to their number risks increasing duplication and confusion more than improving effectiveness.
- No empty declarations without assigned actions to back them up within specific deadlines.

The Commission has taken careful note and agrees with all these points.

This conference gives us the opportunity to start the move from words to actions. In the workshops today and tomorrow, I hope to hear your views on the possible key, flagship, projects that we can propose to the Council as first steps to implementing the strategy.

Of course we can't, and won't, specify right now every action necessary to create a region worthy of the capacities of its citizens. That will be a long job and your participation, through different channels, will be essential. In the strategy we will indicate examples of the main potential actions to be carried out as soon as possible. Let me

now, though, just mention a very few that will give you an idea of the direction in which we think the strategy should go.

For a sustainable environment let's start by:

- **removing phosphates from detergents** where this has not yet been done. This could reduce phosphorus inputs to the Baltic by about a quarter, with obvious effect on algal blooms.
- And also **implementing the Waterpraxis project** which has already been approved by the Baltic Sea Region Territorial Cooperation Programme, to reduce nutrient loads by improving water management practices in the Region.

To increase prosperity, especially in the poorer parts of the region, we recommend:

- Increasing the efficiency of the service sector throughout the region by **fully implementing the Services Directive** in a coordinated way. In general the Single Market legislation could and should be implemented in ways that better promote trade and efficiency – especially removing barriers and creating opportunities for SMEs.

- **Creating business opportunities in environmental technology** by bringing together the existing expertise in the field. This will create a critical mass that offers a competitive advantage to the region's companies, especially SMEs.
- **Creating an 'Ivy League' of Baltic Universities** by supporting complementary faculties and departments across the region, ensuring that the quality is accessible throughout. We must also encourage the so-called 'Fifth Freedom' – the freedom of movement of knowledge – around the Baltic Sea.

Under the accessibility and attractiveness heading, I will just highlight:

- **Achieving the Rail Baltica target of a 120 kilometre per hour link from Warsaw to Tallinn by 2013** – the need is so evident. The journey takes 36 hours at the moment!
- And we should **complete energy interconnections** between the three Baltic States and the wider region, such as the Baltic Interconnection Plan and the Sweden-Lithuania high voltage connection. Indeed, I am very pleased to say that as part of the package announced a week ago, the Commission proposes

contributing 500 million euros from European Union funds to gas and electrical interconnection infrastructure in this region.

Finally, since the safety and security of all our citizens must be paramount at all times, I would encourage further action in the field and in particular:

- Enhance cross-sectoral and cross-border cooperation of **maritime surveillance systems** in the Baltic. This is also a priority for the implementation of the Maritime Policy in the Baltic Sea basin, which my colleague Joe Borg will present to you tomorrow. The implementation of this policy will be an important component of the Strategy.

These are – I repeat – examples. The action plan we present to the Council will have more than this, and you will be discussing the options shortly. But I also want to underline that for these actions to be implemented, well-functioning partnership is needed. And it is working. Let me explain:

- You – all of you – have proposed realistic, achievable actions
- We have identified key flagship projects

- The executive bodies must fulfil the actions you have proposed and the Commission and Member States have agreed.
- We – the Commission – are willing to monitor and report on progress
- We ask that you, at the political level, react to our reports and modify policies as necessary.

Ladies and Gentlemen, we have perhaps reached the end of the beginning. So what lies ahead?

- After this conference, we will examine the results and make sure that the draft action plan is **specific** and **realistic**.
- The Regional Policy Directorate-General will hold meetings with each of the Member States concerned, in Brussels, to be sure that every action is feasible, and that everyone knows just what is expected of them.
- Where necessary, we will identify **lead partners** and timetables to ensure that the actions are achieved.

- We – the Commission – will adopt the strategy and indicative action plan in June, ready for the European Council meeting on 19<sup>th</sup> June.
- We are organising a conference for all Structural Funds Managing Authorities in the region – at Visby on 11 and 12 June – to identify how cohesion policy can enable the regions to contribute to the strategy.
- Together with the Swedish Presidency of the Council, we will then immediately launch a process to develop the action plan into a rolling plan that is transparently updated to take account of the needs of the region as they evolve.

By these actions in the short term we can ensure that our strategy is more than words: that it will lead to immediate action on the ground.

But this strategy must work in the longer term, even after the enthusiasm we all feel now is displaced by familiarity and by other urgent priorities.

Maybe I should say a word about cooperation in the Baltic Sea Region.

We have well established cooperation forums: the Nordic Council, the Council of Baltic Sea States and the Northern Dimension, to name just three that operate across the board. There are also many specialised bodies, of which the Helsinki Convention (Helcom) is widely appreciated for its work on improving the environment of the region. These organisations, each with its own membership, play important roles in facilitating cooperation and we must make full use of them. For instance, in our dealings with non-Member States, which are vital members of the Baltic Sea community, the Northern Dimension Partnership has a leading role. Nonetheless, the message we have heard is that these institutions are not best-placed to ensure the kind of integrated action we need.

As I said earlier, we have heard the call for no new institutions, but also for Commission involvement. The Commission has no wish to push into a crowded field. However, we do recognise that there is a part for the Commission to play in the successful development and implementation of the strategy, and so far as is possible we are willing to play that part.

Our detailed proposals will depend on the discussions tomorrow, when my Director General, Dirk Ahner, will be participating, and also on our discussions subsequently with Member States and others. But here are some of the points that need to be agreed:

- What is the best way of ensuring the right policy decisions are taken?
  - How can we continue the political involvement at the highest level that started this whole process – at the European Council?

**I believe** that we should have strong political leadership where it is needed – the governments of the region. We must find a way to maintain the priority and support that the Member States are showing. In my view this could be best done by using the resources and qualities of the European Council and the Council of Ministers.

- Who should monitor – coordinate – implement – the actions that are part of the strategy?
  - Are existing institutions in the region adequate? Can the Commission do this?

**I believe** that the Commission is ideally placed to take on a coordinating rôle – **if**– the necessary resources can be found. The Commission has a view of all policy areas and works closely with all the countries concerned. But you must appreciate that this is a new style of work for us, and we will need your help.

- How can we ensure that all the partners – the people who can really make things happen – are consulted and participate fully in the development of the strategy and updating the action plan?
  - Could we organise regular events like these conferences and roundtables?

**I believe** that the implementation on the ground should be done by the bodies that know it best – the agencies, municipalities, NGOs and other bodies that have enormous experience and expertise in this region. Again, the Commission can facilitate this process, reminding partners of their responsibilities and commitments. However, it is very important that there is no temptation to leave the implementation to the Commission. There must be full involvement from everyone concerned.

- How can we associate our important neighbouring countries?

**I believe** that the existing mechanisms, especially the Northern Dimension Partnership, should be used and, if necessary, adapted to enable the strategy to succeed with support from all sides.

Ladies and Gentlemen: the future of the Baltic Sea Region depends on our success today and in the coming weeks. But there are wider concerns as well.

- If the strategy is successful, we can reverse the environmental deterioration of the Sea and the wider region
- We can create a model for attacking challenges across the Community – as you know, Member States in the Danube region are already watching us carefully.
- Perhaps we can even create a new model relationship between the Union and all its citizens.

**So we are listening, participating, acting.**

Ladies and Gentlemen, the Commission is committed to this region:

- By offering the European Council the best prepared, most widely consulted strategy possible.
- By undertaking to present a selection of flagship projects that will be implemented by the best qualified partners.
- By being available to provide co-ordination and monitoring of the progress of the actions, and the development of the strategy.

I know you are all equally committed to the region and to the success of the strategy. You, here, now, by endorsing and improving the actions, by supporting a realistic path for implementation, by aligning your organisations to the strategic approach, will make it possible to achieve the goal we all seek:

To enable the Baltic Sea Region to enjoy a sustainable environment and optimal economic and social development.

Thank you very much.