

## **Statement by Russian Foreign Minister Sergey Lavrov on CBSS at the third Ministerial meeting of the Northern Dimension**

Brussels, 18 February 2013

I would like to use this opportunity to invite all my colleagues from member states of the Council of the Baltic Sea States (CBSS) to the Council's ministerial meeting to be held in Kaliningrad on 5-6 June as the crowning event of the Russian Presidency.

In this capacity, we see our main goal in giving new impetus to multilateral cooperation in the Baltic region and enhancing the role of the CBSS as coordinator of regional cooperation in this part of Europe.

As Presidency in the CBSS, Russia is guided by the long-term priorities of the Council laid down in the 2008 Riga Declaration of Heads of Government of the Baltic Sea states. They include economic development, environmental protection and sustainable development, education and culture, energy cooperation, civil protection and human dimension.

In addition, our Presidency has its own agenda aimed at creative combination of continuity and reform, further focusing the CBSS on project activities and search for new areas where collective efforts could be applied.

In practical terms, the Russian priorities can be summarised as follows:

1. Developing cooperation in the field of modernisation and innovation, focusing on growth clusters and future establishment of an effective partnership in this area.

In this regard, pilot projects are being considered in the framework of the Modernisation Partnership for South-East Baltic Area (SEBA) launched jointly with Germany and focused at its first stage on the Kaliningrad Region of the Russian Federation. Some projects have already been selected for implementation, including those envisaging creation there of an innovative environmental and tourism cluster "Wystynez lake", incorporating the region in the broader regional water tourism network, organising the "Baltic Artek" youth camp, promoting public-private partnership mechanisms and establishing a European Law Institute at the Immanuel Kant Baltic Federal University in Kaliningrad.

A review conference on the first stage of SEBA implementation will take place on the margins of the upcoming CBSS ministerial session.

Marking an important achievement of the Russian Presidency, modalities of the so-called Project Support Facility worth 1 billion euros for 2013-2015 (to become operational on 1 March 2013) have been agreed. This facility will allow the Council to provide start-up capital for implementation and co-funding of projects relevant for the whole region, including in the framework of the SEBA initiative.

2. Establishing the Baltic Public-Private Partnership Cooperation Network as a sustainable platform for growth, and setting up a regional innovation direct investment fund.

In autumn 2012, the Russian CBSS Presidency launched the Pilot Financial Initiative (PFI) in line with the Memorandum of Understanding between two state development banks – the German KfW and the Russian Vnesheconombank, as well as the CBSS Permanent International Secretariat.

The Memorandum envisages allocation of about 100 million euros on an annual basis for the period of 2013-2015 for implementation of projects in the Baltic Sea region to support innovative small and medium enterprises (SME).

In the follow-up to the Memorandum, a credit contract worth 110 million US dollars for financing SME projects in the North-West of Russia was signed in November 2012 in Moscow, and a similar contract worth 65 million US dollars was signed in December 2012 in Stockholm to finance construction of a modern solid waste recycling facility in Saint-Petersburg on the basis of PPP.

On 22 November 2012 an International Conference “Fostering Small and Medium Enterprises in the Baltic Sea Region: Financing, Public-Private Partnership, Innovations” took place in Kaliningrad in the framework of the PFI.

Currently, work is under way to get influential regional financial institutions involved in the project, such as the Nordic Environment Finance Corporation (NEFCO) and the Nordic Investment Bank (NIB), as well as state development banks from other Baltic states.

3. As part of the efforts to promote the traditions of tolerance as means to counter radicalism and extremism, the Baltic Sea NGO Forum “Tolerance and Cultural Diversity” will be held in Saint-Petersburg on 16-17 April 2013.

4. Promoting direct people-to-people contacts, including through facilitation of the visa regime.

As a milestone in this field, partially with regard to establishing youth exchanges, the first international session of the CBSS-supported “Baltic Artek” international youth camp in the Kaliningrad Region was organised in August 2012.

Another achievement of our Presidency is the launch in October 2012 of the second stage of the EuroFaculty Pskov project (scheduled for 2013-2015) aimed at implementation of modern education standards in leading universities of the Northwest of Russia and in the Baltic States.

The Conference of Heads of Government of Baltic Sea States on the Protection of Environment of the Baltic Sea to be held on 5-6 April 2013 in Saint-Petersburg will be another important event under the Russian Presidency. It is called to consolidate multilateral environmental cooperation in this European region launched by the first Baltic Sea Action Summit held in Helsinki in 2010.

Thank you.