

Excellencies, ministers, ladies and gentlemen, dear friends.

I am glad to have the opportunity to open this conference, marking the beginning of a 'new active stage' of the Baltic Sea Programme here in Tallinn today. I believe it is useful to call it a new stage, despite the fact that the ideas that will be presented here are not all new and some of them have been around in different forms for many years by now. The Baltic Sea Strategy has been discussed in the European Parliament (indeed it had its start there); some parts of the Baltic Sea Strategy have been included into regional EU programs already for some years. These issues have also been discussed at various regional conferences, such as the Baltic Development Forum in Tallinn last year.

I should add that it is a good opportunity to convene this conference to discuss the strategy as 'a new regional policy initiative of the EU', in the hope of bringing a number of EU activities under one umbrella in terms of identifying problems, specifying priorities and establishing coordination. Given the diversity of countries participating in the Programme, in terms of their histories in 20th century, their size and their income levels, the policy does represent a challenge. Nonetheless, I would call it a positive challenge, and this is at least partly because of the positive experience of Nordic cooperation in the services and energy sectors, which could (or should) be extended over the whole region. All in all, the strategy should pick the areas of action where EU policy and financing can contribute most to ongoing regional activities.

The new institutional realities in the region, i.e. membership of Poland, Lithuania, Latvia and Estonia in the European Union, the Baltic Sea has turned into all but an EU inland sea. This means a better environment for finding solutions to challenges inside the region, which in turn should mean considerable progress for the European Union as a whole. Therefore, I hope, the planned Baltic Sea region strategy would create a coherent framework for implementing already existing programs. Moreover, this would help to focus on the most difficult problems inhibiting the development of the region by creating a comprehensive picture of priority topics and guidelines. And, if we are successful, this could create a positive example for other regions of the EU.

To achieve this goal, action-oriented planning and implementation mechanisms are needed. As there is no lack of regional cooperation initiatives, such as the Interreg programmes and Helcom, the Baltic Sea region strategy should aim to make them work more efficiently and avoid overlapping. Thus, the Commission should have a key role in shaping, implementation and monitoring the strategy's progress, with the member states assisting in every aspect.

The availability of the financing possibilities and the engagement of regional and international financing institutions such as the Nordic Investment Bank, are issues that also need to be considered. A special account in the next EU financial perspective for the Baltic Sea Strategy is of course welcome.

The range of problems in the Baltic Sea Region is wide, ranging from the environment and economy to education and innovation as well as social and cultural issues. The strategy should be flexible and therefore remain open to changes in the EU and on the global arena, which might shift the priorities. At the moment Estonia would focus on three policy areas where the

added value of a visionary and well-coordinated EU approach seems to us most pronounced: (1) economic and spatial integration of the region, (2) maritime environment and navigation, and (3) knowledge-based society. To my mind, two of them deserve special attention.

First, the integration of the Western and Eastern littorals of the Baltic Sea. The very pillars of the EU's economic integration, the 4 freedoms – free movement of goods, capital, people and services – still work imperfectly. One crucial area of cooperation lies in connecting electricity grids and improving energy infrastructure, with the purpose of creating a well-functioning internal energy market. Another crucial issue is the full liberalization of the services sector, which could be an example of an ambitious but achievable strategic aim for the region.

Second, knowledge-based society. The European Council conclusions from March 2008 added a fifth freedom to the four freedoms of the European Union, free movement of knowledge. We wish to achieve a supportive environment for research and development in the Union. Let us begin by creating this environment around the Baltic littoral. Crucial research infrastructure for the region should be created, ideally in a coordinated way. To enable the use of research institutions and laboratories in neighbouring countries flexibly, the creation of a network of accredited laboratories in Baltic Sea countries is one possible area of cooperation.

Finally, some involvement of non-EU countries could be expected in the Programme, in other words, Russia as a littoral state, Belarus and Ukraine as states in the water catchments area and Norway as a democratic, likeminded regional stakeholder. It is important to emphasize that all regional organizations and cooperation platforms in the Baltic Sea area have their special role and value added to the strategy, their activities should not be duplicated but empowered by the strategy. The Northern Dimension is a useful instrument for the external aspects in cooperation with the littoral states outside the EU.

To conclude, given the diversity of among the countries in the Baltic Sea region, the Baltic Sea Programme could be a good example and a testing ground in the EU's efforts to create a well-functioning internal market. In the case of regional success, best practices could be followed elsewhere. Therefore the Baltic Sea region strategy should be ambitious, instead of being a simple reorganization and consolidation of current policies in the region.

I wish all the success to the conference.