

Baltic Development Forum 2008 Summit: Priorities for the Future

Based on the many contributions at the Summit the following general conclusions were drawn during the End Note session. A full presentation will be presented in the subsequent BDF Magazine in the course of early spring 2009.

The **financial and economic situation** dominated the context of the discussion on the State of the Region. The common objective was sustaining growth at the Top of Europe. Two distinct views came out. First of all, the need to recognize that the time of high growth had ended, and that new initiatives and policies had to be taken in order to address the situation. In varying degrees, this was especially emphasized in relation to the situation of Island and the Baltic countries. Secondly, many stressed the need not to place too much emphasis on the economic crisis and the present hardship. The region was generally better prepared to weather the storm than many other parts of Europe. The Region truly competes as a knowledge-driven economy with strengths in education, technology, innovative capacity, and business sophistication. These areas should be deepened further as a way of energizing the climate for business. It was also mentioned that the financial and economic downturn was putting regional cooperation on a test: Could we use the regional cooperation to define strategies that could help ensure sustainable growth? A tendency to focus solely on domestic initiatives was a real danger, especially when regional initiatives could be a more effective way to return to economic normality.

In general, the **EU Strategy for the Baltic Sea Region** came at the right time. This Strategy and its action plan should carry out projects and new forms of co-operation that could assist the countries in returning to sustainable growth rates and even stronger competitiveness. A stronger EU presence in terms of agenda and priority setting reflected rightly the Region's development over the last 3-4 years. The chapter of the EU Strategy that will deal with a "more prosperous and competitive" region ought to have a key role. The subjects that were discussed in interactive session at the Summit; innovation, entrepreneurship, labour market, internal market, small and medium sized enterprises, energy etc. should be reflected as priority areas.

The idea of a 5th freedom of the EU's Internal Market was broadly supported as a very good way of promoting and combining the above mentioned areas and as a way of promoting the Baltic Sea Region as a forward looking partner of the EU. Baltic Development Forum offered to develop a concept for the creation of **Northern European Knowledge Market**. The ideas and proposals discussed within the framework of Nordic Council of Ministers had to be taken into account in this respect. Furthermore, the experiences made at the Medicon Valley of the Oresund region and from the Scanbalt cooperation within life sciences.

The question of **governance** was also taken up in the context of the EU Strategy. Undoubtedly, the many and extended cooperation networks had to be given clearer structures for coordination, implementation and surveillance of the EU strategy and its future action plan. The need for a Forum for discussing these issues was welcomed as a very good proposal. Baltic Development Forum offered to play a useful role in this regard and was ready to offer its well-established platform in this regard.

Energy cooperation in the Baltic Sea Region was rightly high on both the regional, European and global agenda. During the many sessions at the Summit it came out clearly that a closer energy co-operation could indeed be very helpful in aligning the three objectives that were at the center of discussion on climate

change and energy: well-functioning energy markets, energy security and reduction of CO2 emissions. A better infrastructure and more interconnections would be necessary to create regional integration in order to address the three objectives simultaneously. Baltic Development Forum would continue to press for this common agenda, also in the context of the EU strategy for the Region. The proposal to create a Green Valley in the Region that would draw on all the energy competences of the region and intensify collaboration in research and development was also seen as an important good vision for the future.

Pollution of the Baltic Sea was equally highlighted as an urgent matter to address. The paradox came out that the Region on the one hand possessed strong clean tech industries and was often regarded as a frontrunner in climate and environment questions and on the other hand was surrounded by the most polluted sea in the World. It was very bad branding of the Baltic Sea Region. Outstanding ambassadors such as last year's and this year's winner of Swedbank Baltic Sea Award, Björn Carlson and President Tarja Halonen played a key role in calling upon all forces to change the situation radically. Cross-sector, cross-country and cross-level integration was seen as a way to involve more and new groups in finding solutions the problem.

The 2008 Summit expressed clearly the need to deepen relations with **Russia**, especially with North West Russia as part of the Northern Dimension in parallel with the development of an EU strategy for the Baltic Sea Region. New suggestions as to how closer cooperation with Russian partners, including business and the industrial sector, could be strengthened came out. Baltic Development Forum would pursue these proposals as a matter of priority in cooperation with all interested parties.

Talents and a well-educated youth are the main assets of the Baltic Sea Region. Talents and the younger generations have to be more strongly integrated in the Regional networks. The private talent management must be in sync with the values and needs of young talents. The Baltic Development Forum would continue to pursue this objective actively. As **business** was the main driver of the Baltic Sea Region's development in the future, further initiatives would be taken in order to improve the presence of business at the Baltic Development Forum Summit.

The Summit ended by inviting all participants to the **2009 Summit in Stockholm** that would be organized in cooperation with the Swedish EU Presidency during second half of 2009.