

The 21st Baltic Sea Parliamentary Conference

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Second session – Energy Efficiency and Green Growth: - Green Growth and Business opportunities, Hans Brask, Director of Baltic Development Forum

Mr/Ms Chairman, Distinguished Members of Parliament, Ladies and Gentlemen,

Let me begin by thanking the organisers for inviting me to the 21st Baltic Sea Parliamentary Conference. Baltic Development Forum is pleased to be part of this important network of decision-makers who represent the citizens of our region.

It is indeed a privilege to be here today at this magnificent building of the Parliamentary Assembly during the Russian Presidency of the Baltic Sea Parliamentary Conference. As we speak, the Russian Presidency of the Council of the Baltic Sea States has also started. To me - who has been working with cooperation in the Baltic Sea Region for many years - it is indeed a pleasure to be seeing Russian authorities taking responsibility for the continuation and work of the institutions that have been established as part of the Baltic Sea region cooperation.

Next week an important conference will also take place in the city of Pskov where I intend to take part together with the Chairman of Baltic Development Forum. The conference is about cross-border cooperation between the Russian Federation, the EU and Norway. A good programme has been elaborated reflecting the well-developed network of different cooperation schemes and instruments that have been worked out in this part of Europe. A strategy for the Northwest region of Russia has been developed.

My first message is therefore the following: Russian friends, keep up the level of ambitions, responsibility and continue giving substance to the will to cooperate, which characterises this part of Europe. We need Russian imagination and inspiration on all levels to successfully achieve common goals for this region. Hopefully we will also see an action plan that can implement the strategy for Northwest region of Russia.

On a more general level, I cannot refrain myself from also congratulating Russia for joining the World Trade Organisation just last week as the 156th Member State and after 18 years of negotiations. It is good news for the global economy, and it is not least very good news for trade and economic integration in the Baltic Sea area.

Now many tariffs in Russia will be lowered, giving better opportunities for trade and economic growth. It will give a better investment climate when businesses know that Russia has embraced a series of rules and commitments in the global economy.

In my view, it is so exciting that I believe that we should mention it in the communiqué of this conference. We should also encourage the Council of the Baltic Sea States (CBSS) – or some other leading organisation – to elaborate a regional report on the consequences and impact of Russian WTO membership. Hopefully, import/export of goods and services will increase to the benefit of all. We could much better facilitate such development if we had a clear idea about what will happen.

If someone should ask Baltic Development Forum – which is an internationally recognised regional think-tank, if you allow me to inform you – to write this report and do this job, I

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would be very pleased of course. In fact, we are already in contact with Russian experts whom we would like to work with on this issue, but we have not yet gotten a kind sponsor.

A further reason why we are so excited stems from the fact that the Baltic Development Forum this summer won an EU-financed project – together with major cities within the BaltMet network – to work with investment promotion agencies on a national and capital/city level.

The objective is to act as an honest broker in order to identify common interests in working with investment promotion. As you know such agencies are normally in fierce competition with each other in attracting global companies to establish themselves in one or another specific corner of the Baltic Sea. At the same time, we believe that there should be ground for synergies and shared interests around the Baltic Sea.

We are very pleased that the city of St. Petersburg is interested in the project and wants to be attached to this EU-project as closely as possible. BDF has already invited St. Petersburg authorities to the first informal meeting that took place in June in Copenhagen at the occasion of the Baltic Development Forum Summit.

We have not decided on which sectors to focus on more specifically, but clean-tech, energy efficiency and green growth could very well be one area. At least it is a sector where the Baltic Sea Region has some of the most advanced technologies, highest competences and competitive companies. On an EU Scoreboard on Eco-innovation, Finland, Sweden, Denmark and Germany rank first, second, third and seventh respectively. It confirms that this region has the world leading economies in the field of innovation and clean-tech. We have a chance to be an important market place and a demonstration site for the various green tech solutions.

The regional potential is huge – not least within energy efficiency. Energy consumption can be reduced significantly in most parts of the region where some countries can even demonstrate convincingly – not least Denmark – that lower energy usage does not contradict the ability to produce high economic growth rates.

There is no doubt that we are not making full use of the possibilities to exchange information and knowledge on best available technologies. This was the very clear conclusion that was made during a conference on Green Growth in the Baltic Sea Region, which Baltic Development Forum organised together with other regional partners last year in Riga. There are very – so-called - low hanging fruits that can be picked when improving the energy efficiency in the region and not least in Russia, the Baltic States and Poland.

The potential of the green sector was also highlighted in the 2012 State of the Region Report, which Baltic Development Forum publishes every year in cooperation with Nordic Investment Bank and European Investment Bank. The report came to similar conclusions – the green growth sector is very important for the region's competitiveness in the future.

Presently, Europe needs to reignite the economy and return to positive growth rates. Only through sustainable growth rates will it be possible to overcome, in a sustainable manner, the debt crisis that it taking its toll on all countries in Europe.

For some years, the EU has identified the Green Economy as one on the driving forces in the Europe 2020 growth strategy. The importance of the sector has even increased during the present debt crisis since many are saying that it is difficult to find any measure that is better in

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creating jobs and growth (without increasing the debt burden further more) than investments in higher energy efficiency and green growth. The return on investment in terms of lower costs on energy resources and energy consumption comes immediately. Very few other sectors have a similar dynamics.

I find this argument persuasive and attractive since we will be able to reduce the Co2 emissions at the same time and take positive steps towards a better/healthier environment.

In a Russian perspective, the energy resources – gas and oil – saved at home through higher energy efficiency can be turned into energy export, which again can improve the Russian economy.

From the perspective of the Baltic countries, energy efficiency and clean tech has also many advantages since it can help the countries in reducing their energy dependence on neighbouring countries. All in all, there are very many good reasons for putting the green economy high on the common agenda for the Baltic Sea Region cooperation. The demand for energy efficiency and renewable energies will increase in the future in both the EU and in Russia.

On a practical level, Baltic Development Forum is developing the methods on how to increase the energy cooperation. Approximately 6 months ago BDF became project leader of an energy efficiency project – RENSOL – in the Kaliningrad region.

With EU funding supporting us, we have created a project partnership with Union of Baltic Cities, Nordic Council of Ministers, Northern Dimension Partnership Universities and Russian counterparts in Kaliningrad, thereby making it possible to draw on networks that have access to different competences in the field of energy efficiency. We have also involved industry and business since they possess the technologies that are called for. We expect a lot from this project where we want to identify the best available technologies in the field of energy efficiency in buildings and try to have these technologies transferred to Russian partners.

We also want to identify different models for financing the projects, making sure that we introduce schemes that have a quick and visible return of investment. We hope that this project – if the successful outcome is ensured – can travel to other parts of Northwest Russia.

Let me finally say, that we sense in BDF a very strong general wish to cooperate more strongly with Russia in parallel with the implementation of the EU's strategy for the Region. At the BDF Summit in Copenhagen, it was clear that all the sessions dealing with cooperation with Russia had full houses. Unfortunately, there were not many Russians among the more than 850 participants that came to our Summit.

And here I would like to return to my opening remarks: Good to see Russian leadership in the Baltic Sea Region institutions. I hope we will see this commitment on all levels in the Baltic Sea Region cooperation. We should welcome you all, and especially the Russian Members of Parliament on regional and federal level.

Thanks you very much for your attention.