

Moscow Action Plan adopted by the MINISTERS IN CHARGE OF ECONOMY AND TRADE of the MEMBER STATES OF THE COUNCIL OF THE BALTIC SEA STATES (CBSS) 20 March 2002, Moscow

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At the invitation of the Minister of Economic Development and Trade of the Russian Federation, the Ministers in charge of economy and trade of the Member States of the Council of the Baltic Sea States (CBSS) and the representative of the European Commission *met* in Moscow on 20 March 2002 to continue their discussion and exchange views on the great economic potential of the Baltic Sea Region and with the aim of finding new ways of making the best use of it.

The Ministers *took stock* of the current situation in the field of economy and trade in the CBSS region and exchanged views on further activities of the CBSS Member States to promote further economic development of the region. They focused on the CBSS region as a common Baltic Sea investment area and stressed the importance of further reduction of barriers to trade and investments and the creation of a favorable business environment in particular for small and medium-sized enterprises. Furthermore, they re-emphasized the importance of smooth procedures for border crossing of goods in the Bergen Action Plan.

The Ministers *confirmed* their objective set at the meeting in Bergen (February 2000) to contribute to peace and stability in the Baltic Sea Region by means of multilateral economic co-operation. They agreed on the need for further joint activities to strengthen economic growth by means of multilateral economic and trade co-operation in order to ensure sustainable development in the region. The Ministers requested the upcoming meeting of the CBSS Heads of Government in St. Petersburg in June 2002 to take special note of these issues.

The Ministers *welcomed* representatives from the CBSS Observer States (France, Italy, the Netherlands, Slovakia, UK, Ukraine, USA) and a representative from the Republic of Belarus as a guest of the Chair, as well as the representatives of the Business Advisory Council (BAC), the Baltic Chambers of Commerce Association (BCCA), the Barents Euro-Arctic Council (BEAC), the Baltic Sea States Sub-regional Cooperation (BSSSC), the Organization of Economic Co-operation and Development (OECD), the Union of the Baltic Cities (UBC), the Nordic Investment Bank (NIB), the Nordic Council of Ministers (NCM).

The Ministers *confirmed* the political will and commitment of their countries to pursue common interests in the approach towards the development of economy and trade in the CBSS region. The Ministers stressed the necessity of coordinated activities within the framework of the CBSS in the fields of economics, energy, transport and information technologies and emphasized the work of Baltic 21. The Ministers underlined the positive impact on the enhancement of infrastructure, economy and trade in the CBSS area by the development of the regional transport network.

The Ministers *underlined* the importance for the Baltic Sea region of the future Russian membership of the World Trade Organization (WTO), as well as the progress made in the EU accession negotiations by Estonia, Latvia, Lithuania and Poland. They pointed out the achievements reached within the framework of the Partnership and Co-operation Agreement between the EU and Russia.

The Ministers *emphasized* that the Kaliningrad Oblast of the Russian Federation should become an example of fruitful EU – Russia interaction. The Ministers welcomed international projects, including those already implemented by the European Commission in the Kaliningrad Oblast of the Russian Federation in the framework of the TACIS program.

The Ministers *welcomed* the conclusions of the 2001 Ministerial Conference in Luxembourg on the "Northern Dimension in the External and Cross-Border Policies of the European Union", which underlined the importance of regional bodies, such as the CBSS, in the further development and implementation of the Northern Dimension Action Plan. The Ministers expressed confidence that the projects contained in the CBSS 'List of Priorities and Projects', presented to the Luxembourg Ministerial Meeting, would be implemented.

The Ministers *welcomed* the establishment of the Northern Dimension Environmental Partnership (NDEP) and the upcoming pledging conference of the NDEP Fund as an important step towards a more efficient approach to environmental problems in the Northern Dimension area, particularly in the North-West of Russia. The Northern Dimension Action Plan (NeDAP), launched by the CBSS in close partnership with the European Commission, was considered as example of fruitful co-operation aiming at the increased use of modern technologies in the CBSS region, thereby raising economic competitiveness.

The Ministers *reviewed* the results achieved since the adoption of the 'Bergen Action Plan' in 2000. The Ministers acknowledged the recommendations and positive contribution by the Business Advisory Council (BAC) and welcomed the "Updated Progress Report" prepared by the CBSS Secretariat in co-operation with the BAC and the CBSS Working Group on Economic Cooperation.

The Ministers *noted* the progress achieved since their Bergen Meeting, in particular regarding:

- improving border crossing conditions for goods;
- protecting intellectual property rights;
- facilitating a favorable business environment for SMEs;

The Ministers *welcomed* the efforts aimed at improving border crossing conditions for goods. The Ministers noted that by the end of 2001 the clearance time for border crossings of goods

should have been less than 2 hours, and that considerable efforts had been made by national governments and by the Baltic Sea Customs Conference (BSCC) and the Baltic Sea Chambers of Commerce Association (BCCA) to reach this goal. BSCC studies have shown that further and intensified national and multilateral effort are needed to reach the objective, i. a. by harmonizing and implementing customs legislation in line with the WTO/EU legislation. Continued and firm political commitment by the national governments remains the key to success.

The Ministers *welcomed* the efforts to ensure the implementation and enforcement of intellectual property rights. The Ministers found that the ad hoc task force had fulfilled its task of setting up an Internet website containing information on intellectual property rights (IPR), and integrating it with the SME-IT site of the CBSS. Continued work would be the responsibility of the individual Member States. The Ministers took note of the intention by the chair of the ad hoc Working Group on IPR-issues to arrange, later in spring of 2002, a seminar on 'Public Awareness Campaigns' and urged all CBSS Member States to participate.

Ministers *welcomed* the work to further improve access to information relevant to SMEs. The Working Group on Economic Co-operation (WGEC) has successfully launched a gateway system for the CBSS SME-IT (balticmarket.org). The Ministers *stated* that the gateway system needs to be kept up to date, and that marketing efforts should be launched. It is necessary that all Member States continuously support the gateway, and submit relevant and comparable information to the website.

The Ministers *noted* that the common objective to fight corruption, money laundering, prevention of drug trade and other forms of organized crime needs to be pursued with determined and renewed national effort in the Baltic Sea region. The Ministers *welcomed* that all OECD members of the CBSS now have ratified the international convention on "Combating Bribery of Foreign Public Officials in International Business Transactions". The Ministers *welcomed* co-operation with the OECD and the OECD Baltic Anti-Corruption Initiative and considered the interest expressed by Russia and the Baltic States to join the convention as an encouraging sign. The Ministers *noted* the usefulness of the established 'Clearing-House on Corruption' set up by the CBSS Task Force on Organized Crime for monitoring and updating reports on corruption in the Baltic Sea region.

The Ministers *noted* the development of tourism as an important field of CBSS co-operation, that, inter alia, promotes the economic development based on the common cultural heritage of the populations.

At the same time the Ministers *found it necessary* to further strengthen and intensify efforts to meet all the goals of the 'Bergen Action Plan' and to report on the results achieved on the 'Moscow Action Plan' by May 2003. Such efforts should be undertaken without delay. Particularly with respect to meeting the objectives in conformity in standards and certification requirements, the Ministers *encouraged* the Task Force to intensify its work under its Russian chairmanship with full account taken of the discussions on standards and certification within the bilateral EU – Russia relations.

The Ministers *stated* the importance of the development of favorable framework conditions for entrepreneurship and innovation, inter alia to further develop regional networking on public policies regarding business incubators, in order to strengthen potential regional business clusters.

The Ministers *called* for the launching of the Baltic Sea Region as a ‘Joint Investment Area’. They stated that ongoing co-operation between national investment promotion agencies should be further enhanced, and broadened in order to attract foreign investments to the Baltic Sea Region. The Ministers *underlined* the importance of continued and intensified efforts aimed at coordinating activities within the framework of the CBSS. The Ministers *asked* the CBSS WGEC to develop recommendations for the creation of the Baltic Sea Region as a ‘Joint Investment Area’, where transparency, predictability and the rule of law is considered self-evident for any investor from within or outside the region.

The Ministers also *invited* the CBSS WGEC to elaborate, in time for their next ministerial meeting, quantitative indicators, as an appropriate and comprehensive benchmarking in order to provide sufficient monitoring of the ‘Moscow Action Plan’.

The Ministers *noted* that the objectives mentioned above would be pursued with the CBSS partners as members and candidate countries to the European Union, taking into consideration the European Economic Area and the EU-Russia Partnership.

The Ministers *agreed* that the previous years of co-operation in the CBSS framework has established the foundation for further successful work. The Ministers *noted* with satisfaction that ministerial level meetings had become a tradition, providing unique opportunities to discuss urgent problems in regional relations, to coordinate their solutions, and to exchange views on issues of mutual interest.

In view of the present political and economic situation, the Ministers *welcomed* the intention of the EU and the Russian Federation to develop the concept of a EU – Russia Common Economic Space. A closer economic relationship between the EU and Russia would benefit the entire Baltic Sea region. The Ministers *agreed* to foster mutually advantageous, multifaceted co-operation based on the principles of peaceful coexistence, equality, sovereignty, and observance of law.

The Ministers *expressed* their appreciation and gratitude to the Russian Federation for hosting the meeting in Moscow, thereby contributing to the enhancement and the further development of economic cooperation in the CBSS region.

Annex

In the BSCC study undertaken to measure border-crossing time, many of the border stations with long waiting times have been omitted. Despite this, crossing time is much longer than two hours at several of the measured stations. The BSCC study shall be continued with participation also by those countries that chose not to participate in the first instance.

The Ministers *found* that intensified national and multilateral efforts are needed, not only to reach the two hours objective, but also to monitor progress in this important field. Furthermore the Ministers *asked* relevant authorities to report back at the next Ministerial Meeting on the possibility to use electronic data exchange between customs authorities regarding the movement of goods.

