

The Council of the Baltic Sea States: Assessing Norway's 2010/11 Presidency

Summary

During its second CBSS Presidency – which it held from July 1st, 2010 until June 30th, 2011 – Norway has placed a particular emphasis maritime policy, human trafficking and the institutional reform of the CBSS.

The Norwegian Presidency has probably been one of the more active and successful ones, achieving relative success in each of the stated priorities. However, limited financial resources impeded the Presidency's ability to develop projects to a desired level.

Arguably the most important challenge facing the CBSS today is ensuring its future relevance. Although the dismantlement has been advocated, the organization still has an important role to play in the Baltic Sea area as it is the only regional organization that deals with a broad range of policy domains that has not been initiated by the European Union (EU). The CBSS still has a future as a platform for coordination.

The Norwegian Presidency

Norway has been a member of the CBSS since its establishment in 1992 and has held the Presidency of the organisation for the second time – from July, 1 2010 to June 30, 2011.

During its Presidency, Norway has been promoting the long-term priorities laid down by the organisation itself, in its Declaration of the CBSS reform of June 2008. These priorities are the following:

- Environment
- Economic development
- Energy
- Education and culture
- Civil security and the human dimension

In addition, the Presidency has set three additional priorities which will each be assessed:

- Maritime policy
- Fight against trafficking in human beings
- Further development of the CBSS as an organisation to become more efficient, relevant, and operative.

The choice to focus on maritime policy does not come as a surprise since Norway is by virtue of its geographical location, an important shipping nation. However, it is aware of the fact that there are negative environmental effects related to maritime activity, specifically: air emissions, discharge of oil and other wastes and introduction of organisms through ballast water.

The Norwegian Presidency has made use of the CBSS Expert Group on Maritime Policy to develop the sector and meet these challenges. The paramount stress was put on meeting regulations on the green house gas emissions which are to be reduced by 2015-16. Moreover, Norway has been in favour of the introduction of alternative fuels, notably the LNG – Liquefied natural gas.

In this regard, the Norwegian Ministry of Trade and Industry organized a workshop on LNG entitled *The Baltic Sea as a pilot for LNG in Europe? Promoting the use and distribution of maritime LNG* on March 10, 2011.

However, the Norwegian Presidency, through the aforementioned project, has raised the issue of environmental degradation and linked it to maritime policy, but much more than placing the topic higher on the agenda has not been achieved – although this a necessary first step.

As far as the CBSS priority of combating human trafficking is concerned, Norway has identified as its biggest achievement the launch of the Task Force against Trafficking in Human Beings (TF-THB) – which has produced a Handbook for Diplomatic and

Consular Personnel on how to assist and protect victims of human trafficking – and the Data and Education on Forced Labour Exploitation and Counter Trafficking (DEFLECT) project. The focus is mostly on women and children as well as labour market (as there is, e.g., no clear difference between social dumping and forced labour).

However, several shortcomings have been identified. First of all, there is a shortage of financial resources. This inevitably impedes the development of more projects and other, more visible actions on behalf of the CBSS. Norway has explicitly stated that this is the cause behind the lack of progress in the field of human trafficking.

A common problem encountered during presidential terms is the inability to mobilise the necessary funds needed to realise stated objectives. The case of the Norwegian Presidency is consistent with the aforementioned. The challenge, therefore, is to search in other places (such as the EU or international institutions, e.g. the World Bank or the IMF) to find the necessary resources.

Secondly, the development of a Baltic identity is still lacking. Despite the commitment on behalf of all the member states, shortcomings in understanding such an identity and the common interests of the nations adjacent to the Baltic Sea, both among public and politicians, prevail.

When it comes to institutional reform of the CBSS, which seems inevitable for vitality of the organisation and its further development, the Norwegian Presidency has concentrated on restructuring the secretariat and fostering the efficiency of the organisation in order to reconfigure it into a more project-organization and to seek consensus among all members in building a project portfolio with other actors.

With regards to the latter, the Norwegian Presidency has identified the fight against trafficking, sustainability, nuclear and radiation safety and the maritime sector as CBSS' unique niche.

In the Norwegian view on the future of the CBSS, the secretariat shall be a source of proposals and the manager of projects. This presumes, however, more flexibility in acting and decision-making.

Additionally, Norway attempts to change means of regulations inside the secretariat and seeks towards

work on making it have free hands in development of the projects.

In general, no member state welcomes a radical reform of the CBSS. However, they realize that reform is imperative. Norwegian representatives proclaim that Oslo is in favour of fostering the structural improvement and further development inside the Council – however, within the already existing limits.

This means that the intergovernmental nature of the Council should be preserved because it does not seem to be an obstacle in decision-making. Most international organisations are of intergovernmental character. There are often other issues at stake that could be obstacles to tackle concrete issues such as a lack of real interest. Also, the CBSS can only issue recommendations to the governments that are legally non-binding. In addition, there is an effort on behalf of Norway to avoid overlapping among other regional organisations in this area, which can be possible solved by scaling down some common issues.

Institutional Reform

The CBSS was founded first of all to symbolize the dawn of a new era of cooperation between former rivals and secondly, as an instrument to tackle to consequences of the end of the Cold War. These goals have been largely achieved and the root cause dealt with by the accession of most former Soviet states to the European Union and/or NATO.

One can easily associate a policy domain or policy domains with each regional organisation, such as environmental issues with HELCOM. For the Council of Baltic Sea States, a similar exercise would prove to be far more difficult.

It could also be argued that the expansion of the European Union poses an existential threat to the CBSS especially regarding its relevance. The status quo is in other words not maintainable. Member states have already show an increasing lack of interest in the CBSS. It is therefore imperative that the future of the organisation is decided upon. In the following section, we outline possible future scenarios.

Dismantling the CBSS: One could describe international cooperation within the Baltic Sea region as one that is characterised by institutional overcrowd-

ing. In order to enhance efficiency, transparency and prevent duplication and overlap, certain organisations must be abolished.

Policymakers have already commenced scaling down the scope of activities of the CBSS in order to avoid repetition and overlap with other regional organisations. However, an organisation cannot continue to decrease its activities without becoming irrelevant and redundant at some point.

However, concerns have been raised over the possibility that an EU controlled setting would present serious obstacles for cooperation with Russia. Abolishing the CBSS therefore does not seem to be a viable future scenario

Transforming the CBSS into an implementation organisation: It could be argued that the CBSS still possesses specific regional knowledge and expertise, despite losing much of its relevance after EU enlargement. He suggests that the organisation can still play a role in settling regional problems and executing technical tasks.

A second possibility would therefore be that the CBSS were to become an implementation agency of other regional organisations. Member states and stakeholders in the CBSS have expressed a desire to see the organisation becoming more project-oriented and the first steps have already been taken towards that end.

A project-oriented organisation perceives projects and programs as temporary organizations for the performance of complex processes. It deals with processes of medium to high complexity and with duration of three to twelve months.

Such an organisation would still be in need of a policy. The general policy would be outlined in organisations such as the HELCOM or the Northern Dimension and the projects managed by the CBSS would underpin these policies. Thereby, the organisation would continue to exist, albeit in a secondary role.

The CBSS would thus implement decisions and agreements made in other organisations through various projects. The secretariat would not need to be strengthened because it will only as a coordinator of the different activities.

In addition to implementing policy decisions within the Baltic Sea region, the CBSS has experience on how to integrate developing countries into European and Transatlantic organisations. This knowledge can enhance the neighbourhood policy of the European Union, especially with regards to Ukraine and Moldova as former communist states (Graudins *et al.*, 2009: 98-99).

This scenario allows cooperation in the Baltic Sea Region to reflect political realities, i.e. the fact that it has largely become an internal area of the European Union. At the same time it leaves opportunities for collaboration in a setting that does not bare a clear EU mark, i.e. the CBSS.

CBSS as an independent organisation: A third scenario would be to keep the CBSS as an equal and independent organisation in the Baltic Sea area. One could argue that the restructuring the organisation as an implementation agency of the Northern Dimension would *de facto* turn it into an EU agency. That would most likely not be accepted by non-EU members, i.e. Norway, Russia and Island. These countries would very likely feel alienated and this would serve as a obstacle to cooperation in the region.

This is especially relevant considering the fact that Russia has re-emerged on the international scene and has become a force to be reckoned with. Norway and others have expressed a desire to continue cooperation in the BSR through the CBSS in order to maintain a positive relationship with Russia.

In addition to a shared desire to 'keep Russia in', a stronger awareness of common interests can develop in the near future. Contemporary economic differences will inevitably disappear as the more eastward states (Poland, Latvia, Estonia and Lithuania) receive aid from EU regional and cohesion funds.

Furthermore, in order to avoid marginalisation of the region within the EU and to put issues related to the Baltic Sea area on the EU agenda, it is quiet plausible that more intense cooperation and coordination is required.

One of the most important challenges is to make sure that every country feels that they have a stake in the CBSS, that they feel that they are able to defend their interests. The difficulty thus lies in binding Norway, Island and Russia to a regional organi-

sation while that region has in fact largely become and internal EU area.

Pivotal in this scenario is the strengthening of the secretariat, just as in the second scenario. It must become more independent from the various member states. This can be done by making it more technocratic and ensuring that it seeks cooperation from grass root organisation in the member states. The secretariat would also have to be allowed to make its own proposals.

Giving the secretariat more independence vis-à-vis the member states would not lead to the gradual development of the CBSS to a supranational organisation. Such a development is not desirable because it would end the cooperation with Norway, Island and Russia. Despite its ability to submit proposals, the member states would stay firmly in control.

The CBSS would assume a coordinating function in the region, avoiding compartmentalisation by linking policy domains together and thus enhancing the efficiency and effectiveness of other regional organisation such as HELCOM and the Northern Dimension. This could be done by initiating projects in areas were the CBSS feels that a too narrow approach is applied by international institutions. Continuing the move towards a project-oriented organisation (discussed above) would therefore be necessary.

Conclusions and Recommendations

It is evident that the Norwegian Presidency has been influenced by domestic policy issues. On the other hand, Oslo has affirmed to its commitment to linking all the priorities within the region together in order to build up one general/common interest.

- The lack of funding has limited the capability of the CBSS to initiate projects. In order to resolve this situation, an independent CBSS fund should be established, managed by the secretariat.
- It is more than clear that the CBSS is in dire need of a clear vision for future development. We recommend /It is recommended/ that the organisation that retains its independent status vis-à-vis the European Union in order to maintain a constructive relationship with non-EU member states.

This could be achieved by strengthening the secretariat in order to give it more independence in their relation with the member states. This could ensure non-EU members that they maintain a stake in the organisation.

Abolishing the CBSS would give the wrong signal to the two remaining non-EU members of the organisation, Norway and Russia (Iceland is in the process of becoming a member), and would impede future cooperation with these countries.

Reforming the CBSS into a policy-coordinating, project-oriented organisation is an excellent way to utilise its experience and knowledge with regards to regional issues and would ensure cooperation with Island, Russia and Norway.

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