

## Interview Paavo Lipponen

# 'The Nord Stream pipeline is a fait accompli'

*Finland's former prime minister, Paavo Lipponen, was hired as consultant for Nord Stream AG in Finland, joining the team of Gerhard Schröder. In an interview with EER, Lipponen does not shy away from chiding the EU for its lack of support for the Baltic States. 'It is essential that the Baltic states and Poland are connected to the European energy supply system.'*

| by Reiner Gatermann

**What made the offer to become a lobbyist for Nord Stream in Finland so attractive?**

I don't see myself as purely a lobbyist. I'm an independent consultant for Nord Stream. My contract doesn't bind me to their directives and opinions. I had already been in touch with Nord Stream when I was told of a lack of communication with Finland. Then Gerhard Schröder (chairman of the Nord Stream board) invited me to Berlin and made me an offer. Since I have always thought a pipeline through the Baltic Sea was a very good idea, I accepted the offer. I'm also still a consultant for PVO (the parent company of TVO, owner of the Olkiluoto nuclear power plant which is currently being built), where my main focus is on relationships with France. My main task at the moment is actually writing my memoirs.

**What is your most important area of engagement with Nord Stream?**

The project is there. My job is to assist so that the permitting process runs as smoothly as possible. As a former politician, I know that during a bureaucratic legal process there will always be complications that are often unintentionally introduced. I'm not an engineer or environmental expert – which is why I will not become involved in such issues. Finland's job is to insure that the project meets Finnish and international environmental regulations.

**Do you think transporting gas from Russia to Germany through a Baltic Sea pipeline is wise?**

It's far too late to ponder this, especially as stopping the project would be unthinkable.

**What role does Finland play in this process?**

This project is part of our European policy. It's legitimate and necessary – even more so today than when it began. Finland doesn't need any gas; our consumption is only 10 to 12%. Of course we won't rule out making use of the pipeline later, which is why we see it as a kind of backstop. But for Europe it is of the utmost importance.

**Is this purely a matter of economics?**

No, of course not. The EU in particular must also discuss the political implications of the pipeline, which includes the interests of the Baltic states and Poland. But in no way can the decision to lay the pipeline through the Baltic Sea be changed.

**There have been quite heated discussions about this in Sweden.**

Yes, but the Swedish government has declared to the German government that its decision will be based solely on environmental criteria. The opposition party in Sweden is



Paavo Lipponen in Riga, Latvia. Photo: Toms Kalnins/EPA

against the Nord Stream project, but I'd like to see the day when the current opposition is sitting in government and stops the pipeline. Their tactic lacks credibility. Given the European interests involved, this debate is frivolous.

**It is the Baltic states and Poland that feel left in the lurch by the Nord Stream project.**

Yes. It is absolutely essential that the Baltic states and Poland are connected with the rest of the European energy supply system. Unfortunately, not much has been done for these countries. Instead, the EU has demanded that Lithuania close its nuclear power plant in Ignalina. This is humiliating. The only thing these countries were left with after the disintegration of the Soviet Union was nuclear plants. All other industry disappeared. And what does the EU now offer? After having invested hundreds of millions in safety closure is still being demanded. On the Russian side of the border, there are four reactors of the same type. I haven't heard demands for their closure.

**On the one hand you work for a project that, from the point of view of the Baltic states and Poland, is not in their interest. And on the other hand, you complain that the EU is not sufficiently**

**concerned about these countries and their energy supply.**

This is not a contradiction. The Nord Stream pipeline is a fait accompli. However, that doesn't mean that everything has been done correctly. There's a great deal to do to give these countries the feeling they belong, especially after recent events in Georgia. This is why I believe it is extremely important that Angela Merkel visited Tallinn this year. Since 2000, when her predecessor Schröder was there, no European president or prime minister had come to the Baltic states. It's a disgrace how these small countries have been treated.

**What's the general feeling towards the Nord Stream pipeline in Finland?**

It's generally positive, provided the environmental issues are seriously and thoroughly investigated.

**Has a political or even a state security aspect ever arisen during the debate in Finland?**

Of course events in Georgia have also been reflected in the Finnish debate. But the pipeline has never been seen as a threat to state security. It's also time for a reality check. There's no alternative to the pipeline. It's not just a German-Russian project; the EU has characterised it as an essential part of the trans-European network.

## *This is a media hoax. There is simply nothing Finland could be concerned about*

**Finland has always had a special relationship with Russia. How would you describe the country as a partner?**

Since the war Russia has always been a reliable partner. There has never been a problem here. I'm not saying that in the current energy situation there are absolutely no political considerations. But Russia needs revenue from gas exports. And working with the Russian energy industry connects it with western Europe. The development of common standards is a pressing task for all parties. The partnership provides a good opportunity for doing this, and it is in the interests of western Europe and the US to negotiate with Russia.

**Are you speaking from your own experience as a Finn?**

In a way yes. Finns have a great deal of self-confidence. We were forced to in order to survive, as no one wanted to help us in our conflict with the Soviet Union. In the new Europe the situation has changed. Bilateralism no longer exists. We are members of the EU. Nevertheless, good relations with Russia are still important to us, and we are working hard within the EU for them. Sometimes we wonder if countries such as Germany, France, Great Britain and Italy always place their EU interests above their bilateral interests with Russia.

**Wouldn't it have been better if the EU had been the contract partner for Nord Stream instead of Germany?**

I don't know, but this is history. We are getting the pipeline, and the EU and Russia need it, especially with the EU's climate policies. These often seem excessive and out of touch. The EU is not in a position to play the role of world leader.

By discriminating against nuclear power so much, the EU's climate policies are even less credible. The same applies to its relationship with Turkey. To reject Turkey is against our own interests.

**Recent reports say Finland is not satisfied with Nord Stream's plans for an environmental assessment of its pipeline project. What are Finland's concerns?**

This is a media hoax. There is simply nothing Finland could be concerned about. There was an unofficial meeting of the governments concerned and other interested parties, in which many questions were answered. This is part of a process in preparation for the environmental assessment plan, which Nord Stream will present around mid-2009. There were no complaints from the Finns.

**How many new nuclear power plants does Finland actually need?**

A few. Until now Finland has had two nuclear power plants, each with two reactors. A fifth reactor is currently being built. Government and industry agree that a sixth unit is also required. Industry, which is energy-intensive, is calling for a seventh reactor. An eighth would be required to replace the two oldest reactors in Lovisa and enable Finland to continue being independent from power imports. We import a lot of power from Russia and, unlike gas, the provision of electricity is not so secure. A somewhat longer period with extremely low temperatures could leave us without Russian power. It also wouldn't be bad to be more independent from Swedish power imports. ■

## Who is Paavo Lipponen?

*Paavo Lipponen (1941) was Finland's second longest serving prime minister (1995-2003). Reaction in Finland to his appointment as consultant for Nord Stream has been mixed. Prime Minister Matti Vanhanen had no concerns: 'he has retired from all state tasks, is no longer a member of government or parliament and knows the Finnish decision-making process and the history of the gas pipeline very well.' However, Anneli Lapintie of the Left Alliance declared, 'it is wrong if one lobbyist has better access than others to those in power,' referring to the fact that Lipponen still has an office in the parliament buildings, although he only uses it to write his memoirs. The tall social democrat is frequently called 'Moses' in Finland. People notice him and he wins respect through his deliberate and thoughtful manner of speaking. As one journalist put it: 'He doesn't waste words.'*

