European Union strategy for the Baltic Sea region and the role of macro-regions in the future cohesion policy

2009/2230(INI) - 10/06/2009 - Non-legislative basic document

PURPOSE : Communication concerning the EU Strategy for the Baltic Sea Region.

CONTEXT : eight of the nine states bordering the Baltic Sea are members of the EU. The introduction of Community rules, and the opportunities created by Community instruments and policies (for example cohesion policy, the strategy for sustainable development, environmental policy, the integrated maritime policy, the internal market and the Lisbon Agenda) have opened important new possibilities for a more effective co-ordination of activities, thus delivering higher standards of living for the citizens of these Member States. However, full advantage of the new opportunities that EU membership provides has not yet been taken and the challenges facing the region have not yet been adequately addressed.

Recognising this, the European Parliament published a report in late 2006 calling for a strategy for the Baltic Sea Region, and the European Council in 2007 invited the Commission to present a EU strategy for the Baltic Sea region.

This Communication presents the strategy requested by the European Council. The strategy seeks to provide both a co-ordinated, inclusive framework in response to the key challenges facing the Baltic Sea Region and concrete solutions to these challenges. It should be read with the indicative action plan.

CONTENT : The action plan is organised around four pillars. The individual actions and flagship projects have been selected for their fast implementation and impact.

The four pillars are:

An environmentally sustainable region: available data suggest that pressures such as pollution by nutrients, predominantly nitrates and phosphates, cannot easily be absorbed but have rapid and visible impacts. The Action Plan covers the following priority areas:

- to reduce nutrient inputs to the sea to acceptable levels;
- to preserve natural zones and biodiversity including fisheries;
- to reduce the use and impact of hazardous substances;
- to become a model region for clean shipping;
- to mitigate and adapt to climate change.

A prosperous region: due to small national markets in the Baltic, it is essential to upgrade the business environment to stimulate development of local enterprises and attract foreign investors. Despite the internal market, practical obstacles to trade in goods and services still exist. Transfer of knowledge and competence and deepened cooperation from the Nordic countries and Germany can greatly help Poland and the Baltic States to continue catching up.

The Action Plan covers the following priority areas:

- to remove hindrances to the internal market in the Baltic Sea Region;
- to exploit the full potential of the region in research and innovation;
-

implementing the Small Business Act and promote entrepreneurship, strengthen SMEs and increase the efficient use of human resources;
- to reinforce sustainable agriculture, forestry and fishing.

An accessible and attractive region: Northern Finland, Sweden and the Baltic States, have the lowest accessibility rates in the whole of Europe in both internal and external relations. The causes are the large size of the region, resulting in long travel distances and times, and difficult geographical and climate conditions. Low infrastructure or service density implies high prices. Improvements must be through sustainable modes of transport. The paper also discusses the energy markets. The latter lacks appropriate infrastructures and are too nationally oriented instead of being linked across the region. This creates higher energy supply risks and prices. In addition, for the internal energy market to function well, countries need to be interconnected. However, Estonia, Latvia, and Lithuania remain, with the exception of the Estlink power cable between Estonia and Finland, essentially isolated from the wider energy networks of the EU.

The Action Plan covers the following priority areas:

- to improve the access to, and the efficiency and security of, the energy markets;
- to improve internal and external transport links;
- to maintain and reinforce the attractiveness of the Baltic Sea Region in particular through education, tourism and health.

A safe and secure region: the main issues are marine pollution and cross-border crime. Due to its strategic position, the Baltic Sea Region is a natural route for oil transport, and there is also an increasing trend towards transport of liquefied natural gas. These activities carry risks for the environment. In 2007 there were 120 ship accidents in the Baltic Sea. Further actions are still needed to improve maritime safety and surveillance agencies and disaster response.

The paper goes on to discuss the region's crime patterns, which are influenced by its geographical location, differing economic and social conditions, differences in prices of excisable products, along with the openness and ease of access within the Baltic Sea Region that is a feature of intra- Community relations. The Action Plan covers the following priority areas:

- to become a leading region in maritime safety and security;
- to reinforce protection from major emergencies at sea and on land;
- to decrease the volume of, and harm done by, cross border crime.

Horizontal actions: a number of cross-cutting actions are fundamental to the entire strategy. These include the development of integrated maritime governance structures and maritime and land-based spatial planning. The BONUS-169 project combining an ecosystem approach with an effective science/policy interface funded under FP7 is central to the success of the strategy.

Governance and implementation proposals: the paper discusses the need for a flexible approach in view of the wide range of actions, and makes the following proposals:

- **policy development**: general oversight will be within Community structures, with periodic reports and proposals for recommendations from the Commission to the Council. The Commission will be responsible for co-ordination, monitoring, reporting, facilitation of the implementation and follow-up. In partnership with the stakeholders of the region, it should prepare regular progress reports, and use its power of initiative to make proposals for adaptation of the strategy and action plan whenever these are required. The Commission will work in partnership with the other institutions, Member States and regions, international financing institutions, and intergovernmental organisations such as HELCOM to identify co-ordinating bodies at the level of priority areas and lead partners for

flagship projects. There will be an annual forum to bring together partners concerned with different aspects of the strategy. Relations with third countries should be conducted primarily through the Northern Dimension with the option to use alternative channels when useful;

- **practical implementation**: these arrangements will encourage efficient policy co-ordination, more effective application of Community legislation and better co-ordination of funding instruments. The Commission is not proposing additional funding or other resources at this time. However, some of the specific actions and projects will require financial support. A major source is the Structural Funds available in the region – most programmes already allow actions envisaged in the strategy. Programming authorities can review the allocation criteria and facilitate the selection of projects aligned with the strategy. Furthermore, the Commission will welcome appropriate modifications of the programmes where necessary.

Funding: Member States have agreed to examine funding projects and actions aligned with the Strategy priorities from their own resources. The European Investment Bank and other international and regional financial institutions, such as the Nordic Investment Bank and the European Bank for Reconstruction and Development, could also contribute.