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

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The Commission presents a report on the Implementation of the EU Strategy for the Baltic Sea Region (EUSBSR) adopted by the European Commission in June 2009 (see COM(2009)0248) and endorsed by the European Council in October 2009. The report follows the 2010 interim review, discussed with a wide range of stakeholders at the Annual Forum in Tallinn on 14-15 October 2010. Since the Strategy is a dynamic innovative process that needs time, this report includes recommendations for improvements in the years to come. It also serves as inspiration for the EU Strategy for the Danube Region, and for other possible future initiatives, including those with a similar or greater maritime dimension.

The Strategy addresses key challenges and untapped potential of this large region, covering about one third of the total area of the EU with almost 85 million inhabitants (17% of EU population). It provides an integrated framework for improving the environmental condition of this shallow enclosed sea, tackling transport bottlenecks and energy interconnections. It facilitates development of markets across borders, as well as common networks for research, innovation and enterprise. With these concrete steps, the Strategy contributes significantly to such major EU policies as Europe 2020 and the Integrated Maritime Policy, as well as reinforcing the EU integration of the Region following enlargement.

Main achievements: the Strategy has led to concrete action, with a more streamlined use of resources. New working methods and networks have been established, and many initiatives developed. These comprise:

- **new projects**: the report gives details of the many new projects have been developed and funded to fulfil the aims of the 15 Priority Areas set out in the Action Plan accompanying the Strategy. The projects listed in the report are just a few examples of the more than 80 Flagship Projects being implemented under the Action Plan. Other projects respond to the whole spectrum of interlinked challenges in the Region, such as developing marine protected areas, (making the Baltic Sea the first maritime region worldwide to reach the target of the Convention of Biological Diversity of designating at least 10% of its area as protected). Other projects address further topics in a Baltic-wide cooperative approach, such as the control of hazardous substances, the removal of single market barriers and the enhancement of cooperation among some 200 regional universities,
- **new momentum to existing projects**: the Strategy builds on experiences of past cooperation and existing projects. It provides increased visibility, expanded networks, and clearer direct links to national and European policy making, and also ensures focus and economies of scale. This is done by clustering projects sharing similar themes.
- **new and developing networks**: the Strategy provides a common reference point for the many organisations in the Baltic Sea Region. Increasingly, people and structures are basing their work on the priorities set out in the Action Plan.
- **policy development and coherence**: the integrated way of working also encourages better policy development and alignment, along with a more efficient implementation of existing approaches. It also means ensuring that sectoral policies – including transport, education, energy and climate, environment, fisheries, industry, innovation, health and agricultural policies – are coherent and suited to the needs of the Baltic Sea Region as a whole.
- **alignment of funding and other financial initiatives**: alignment of available funding with the Strategy is key to the success of the implementation process. Focusing the efforts of Cohesion

Policy, which alone makes some EUR 50 billion available for the Baltic Sea Region, along with major EU and national funding sources, has been a challenge. The report gives details of the advances that have been made and notes that the Commission and the European Investment Bank (EIB) are assessing the potential of a joint Implementation Facility.

- **cooperation with non-EU Member States in the Baltic Sea Region**: the three countries most concerned, Russia, Norway and Belarus, have all indicated their support. The report gives particular details of cooperation with Russia. Cooperation with non-Member States within the framework of the Strategy has been bolstered by EUR 20 million in the 2010 EU budget, at the initiative of the European Parliament. It is primarily for environmental projects, via the Northern Dimension Environmental Partnership and HELCOM.

Recommendations: overall, it is clear that the Strategy is a new way of bringing multiple partners and policy areas together to achieve more than any could do alone. For its part, based on the experience reported here, the Commission recommends:

reinforcing the integrated nature of the Strategy through closer alignment with the themes and flagships of Europe 2020;

ensure the **European nature** of the Strategy through regular discussions of the Strategy at policy Councils;

prioritising work on establishing targets to make the Strategy more focused and more concrete as regards to its main aims;

maximising efforts to **align Cohesion Policy** and other funding sources in the Region with the objectives of the Strategy;

strengthening implementation structures (especially Priority Area Coordinators and their steering groups) both financially and in terms of staff. National coordination committees should be set up, and national contacts for each Priority Area should be identified. Structures need to be thoroughly embedded in ministries and/or other relevant bodies;

developing a "Communication initiative" to ensure broader participation in the Strategy, as well as understanding of its achievements.

In addition, the Commission will continue its work on identifying the value-added of this new macro-regional approach, which could be based on an external evaluation of the Strategy's impact. Its conclusions will be incorporated into the report on the macro-regional strategy concept, which the Council has requested for June 2013, drawing on the best possible analysis of the experience gained. These recommendations require more high-level input from all stakeholders. The Commission believes that the achievements and appreciation of the Strategy so far justify this further effort.