Challenges for the Future European Cohesion Policy in Relation to the Baltic Sea Region

The Baltic Sea States Subregional Co-operation (BSSSC) and the CPMR Baltic Sea Commission (BSC) welcome the Commission’s initiative to open a debate on the EU cohesion policy after 2013 at an early stage.

The BSSSC and the BSC would like to contribute to the debate with the following reflections and recommendations based on experience with regional cooperation in the Baltic Sea Region through many years.

Cohesion in the Baltic Sea Region – Including Russia

In the Baltic Sea Region the European cohesion policy has contributed to the development and promotion of knowledge-based industry and strengthened the impact of higher education and universities in regional development. This policy has over the years significantly contributed to the economic progress of the region by enhancing the strategic approach in regional development as well as the role of the regions, increased employment and entrepreneurship, improved competitiveness and sustainable development and integrated the exchange of good practices and knowledgesharing across Europe. This is something that also has created an added value for the Baltic Sea Region but also for the whole of Europe. As the Baltic Sea Region is one of the most dynamic regions in the world, the cohesion policy will also in the future play an important role in the process to continue economic growth in the region.

The cohesion policy should continue the cooperation between various levels (national, regional local), various actors (private, NGO, public), cross border, transnational interregional, and between EU-members and non-EU-members (Russia, Belarus and Norway).

In order to ensure stable, predictable and democratic neighbours in the future, Russia’s and Belarusia’s participation in the Baltic Sea Region is very important. Prevention of climate change is one of the greatest challenges in the region. Such challenges cannot be handled individually, they need transnational actions, including close co-operation with Russia and Belarus.

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Better coordination between the EU-cohesion policy and other EU policies such as the Northern Dimension and the European Neighbourhood policies is of great importance since they all contribute to the development and cooperation in the Baltic Sea region and can give synergy effects if coordinated.

It is of utmost importance, that the instruments supporting EU-Russia cooperation are closely interlinked with the Structural Funds. Interoperability between ERDF and ENPI is crucial for the functioning of coordinated cooperation in the Baltic Sea Region.

**Continued Focus on the Creation of Growth, Competitiveness and Jobs**
The BSSSC and the BSC find that the EU Cohesion policy should continue to focus on economic, social and territorial cohesion, including sustainable development in the period after 2013.
The BSSSC and the BSC welcome the fact that territorial cohesion formally has been recognised in the Lisbon Treaty, which will hopefully be ratified by all EU member states during 2008.

The Structural Funds programmes must be linked closely to the Lisbon and the Gothenburg strategies, and continuously focus on improved economic growth, competitiveness, job creation and sustainable development, in order to be well prepared and meet the future conditions and challenges on a globalised and liberalised world market.

The challenge is to develop the knowledge based economy through enhanced innovation, research, technological development, ICT infrastructures, and transfer of research results into businesses. This development would be a continuation of an effort that is already highly prioritised in the present Structural Funds period.

**Strengthened Focus on Sustainability and the Challenges Linked to Climate Changes**
The climate changes have become, and will continue to be some of the biggest social challenges in the future. The changes will be of fundamental importance for the organisation of the entire society and for the economy. Therefore, in accordance with the Gothenburg strategy, reduction of emissions of greenhouse gasses, and sustainability in general (economic, social and environmental) must be prioritised even more in the next structural funds programmes. The entire energy and transport systems must be examined in relation to resources, production, distribution and consumption. A massive concentration on innovation will be needed to find and promote climate friendly solutions.

From a Baltic Sea point of view it is also important to focus on sustainable use of maritime resources, including maritime safety and development of coastal areas. The Baltic Sea Region is dependent on shipping activities, and consequently also very vulnerable in relation to maritime safety. Sea transport must be made safer, and also environmental issues - especially related to the ecosystem of the Baltic Sea - are of high importance and should be kept in focus to improve quality of life, health aspects, and economic and social development in the Baltic Sea Region. Furthermore, there is a need for actions to promote and strengthen the accessibility of the regions around the Baltic Sea; i.e. Baltic links to the European TEN-T networks, sea transport, connections between harbours and the hinterland, and air transport links.
**Structural Funds Support to all EU Regions**
The regions of the Baltic Sea Region express a general satisfaction with the way the Structural Funds are organised and prioritised in the present objective 1, objective 2 and objective 3 programmes. The regional programmes offer an excellent opportunity to focus the efforts on regional conditions and potentials.

EU cohesion policy concerns all regions in the European Union and all regions should benefit from this policy and appurtenant financial instruments with varying levels of intensity in the future. Therefore the BSSSC and the BSC strongly support a future strong cohesion policy after 2013.

The development of the Baltic Sea Region is based on polycentric development and interdependence between growth centres and the surrounding rural areas. “Successful” regions can transfer good examples and knowledge to the regions “lagging behind”. Cooperation and exchange of best practice will lead to a more balanced development in the Baltic Sea Region, and in the long run cooperation will contribute to balance the differences in the standard of living between the regions in the Baltic Sea Region.

**Higher Priority on Territorial Cooperation**
In an increased globalised world, transfer of knowledge and international cooperation will gradually play a more significant role. Cooperation in the Baltic Sea Region has for many years shown that territorial cooperation has the potential to spread knowledge across borders and across sectors. In order to build on the well established structures and experiences, cross-border, transnational and interregional cooperation should be strengthened in the next cohesion period post 2013.

The transnational programmes should contribute to cooperation between national, regional and local authorities across borders including public equivalent bodies such as research and training institutions and other non profit organisations.

**Integrated Regional Cohesion**
The EU cohesion policy is financed by numerous instruments such as the European Regional Development Fund (ERDF), The European Social Fund (ESF), the Cohesion Fund, axis 3 and 4 of the Rural Development Fund and the axis for local development under the Fishery Fund.

The BSSSC and the BSR find that enhanced cooperation and coordination of the various instruments could lead to a more strategic application of the instruments. Furthermore, long-term regional development programmes would make it easier to promote sustainability, growth and job creation which are the cornerstones of cohesion policy.

The BSSSC advocates for integrated, regional cohesion interventions in order to allow the regions to make long-term regional development strategies in relation to the possibilities of the EU financing and programming instruments.
At the same time the cohesion policy should be coordinated with other EU policies and programmes such as the Competitiveness and Innovation programme (CIP), the labour market programme (PROGRESS), the trans European networks (TEN), the environment and nature programme (LIFE+), the framework programme for research, technological development and demonstration (FP7) and other initiatives.

**Simplified and Regionalised Administration**

The administrative rules and procedures for the structural funds must be simplified compared to the situation today where they make up genuine obstacles. A strong simplification of the rules for the EU grants is needed, in order to ensure smooth and simplified procedures. It would also make procedures easier, if the same reporting and controlling systems are applied for all types of public grants.

At the same time, the subsidiarity and partnership principles must be applied in the administration of the structural funds programmes. They must be regionalised in the widest possible way in order to ensure that the decisions are taken close to the citizen. At the same time the regional programmes ensure that the link between EU policies and national policies is taken into consideration in the development and management of the regional programmes.