Summary of the workshops on the objective "Making the Baltic Sea region an accessible and attractive place", Stakeholder conference, Stockholm 30 September 2008

Both workshops were chaired by Malgorzata Kaluzynska from the Office of the Committee for European Integration, Department of analyses and strategies, Poland.

The introduction speech was made by Eva Srejber, Vice President, European Investment Bank (EIB). She focussed on the qualities that a region must have to be attractive to invest and/or move to:

- Easy and safe travel
- Secure and clean energy
- World class education
- Dynamic companies

The BSR region possesses many of these qualities but there are also a lot of improvements to be made, especially since the qualities are unevenly distributed. To achieve results within these fields there needs to be a lot of investments in strategic areas. This is also where the EIB can be helpful. EIB is an EU bank owned by all the member states, and it supports EU policies by providing loans to investments that are in line with their objectives. The EIB is already active in the BSR through approximately 400 projects with a total value of 123 billion Euros.

The objective of the EIB investment is to strengthen the competitiveness through financing strategic transport sectors like:

- Improved capacity in the harbours
- Adequate airport capacity
- Modernisation of the railway systems
- Public transport system in bigger cities
- Fehrman Belt bridge between Denmark and Germany
- Via Baltica
- The use of Public-Private Partnership solutions to buy capacity from private companies.
- LGTT to give a loan guarantee to PPPs

In the energy sector, some urgent investments are needed to make the situation sustainable, such as:

- Link the Baltic States to the electricity market in the Nordic countries
- To improve the energy effectiveness in the Baltic states and Poland
• Investments in new cleaner and more efficient energy plants to replace Ignalina
• Find new capacity

To improve the innovative capacity in the region several investments need to be made.

• Strengthening the links between public R&D and private R&D
• Financing in science centres and clusters
• Promoting co-operation and exchange of experience between the universities in the BSR
• Developing partnership and risk sharing to get more investment to the innovative sector

Summary of issues raised by the participants in the workshops:

▪ How will the priority projects for the strategy be selected? To give push to the strategy implementation, 1-3 flagship infrastructure projects need to be indentified. A comprehensive impact assessment has to be made to find the most relevant ones and to go beyond national priorities.

▪ There is a need to analyse both priority projects and the available tools, the revision of the TEN guidelines is one opportunity to adapt the tools to the regional priorities in infrastructure. We also need to look at other EU instruments like the Erasmus program and see if they have rules that are contradictory to the ambitions in the strategy, or even earmark funding in those programs to achieve the common objectives.

▪ Also the common information space need to be included, we must highlight projects with the aim to create a common Baltic Sea identity. There is also a need to develop the 5th freedom for ideas and research; the region must be seen as a common arena for high-level research. This will not happen by itself so there is a need to work through a number of projects and policies to achieve this, as today it is obvious that we don't know enough about each others strengths.

▪ To develop a single market for electricity is of high importance. The Baltic link must be complemented by actions such as a cable between Estonia and Finland and a Polish-Lithuanian cable. These actions need to be implemented as soon as possible. Also to diversify the gas supply is important for the long term energy security. Renewable energy needs to be used more in the region and be a larger part of the energy mix.

▪ The Baltic metropoles network has agreed on 26 projects that should be prioritised. The urban areas must be able to play the role of economic engines for the development of the region and to do that the connections between them and to the surrounding regions must be further developed.

▪ The northernmost areas containing important natural resources must be connected in a better way to the central European markets. The ongoing work with railways in Northern Sweden must be realised and connected to other important links.
Via Baltica and Rail Baltica are very strategic projects that must be implemented, they are especially strategic if seen as the connecting link between Warsaw, Berlin, St Petersburg and Helsinki. The objective is that in 2010 it will only take 3 hours to go from Helsinki to St Petersburg. There is also a proposal to build a railway tunnel Helsinki-Tallinn.

The flight connections need to be developed. There are too few intra-regional connections today which hampers cooperation, trade and tourism.

External accessibility needs to be improved. The corridors to central eastern Europe needs to be developed, there are 6 today but they need to be developed further and complemented. There is a need to plan for complex transport needs that are to be sustainable in the long run.

The planned Northern Dimension partnership on transport and logistics should, when implemented, contribute to real progress in developing the cross-border links in the region. The work must focus on identifying and removing missing links, a transport corridor is only as strong as its weakest link.

The region must develop high quality in education and research, and be attractive through knowledge. There is an interest in all BSR countries to cooperate and pool resources on research and education. The national financial instruments for research should be opened up also to other countries, a pilot project is being planned between Sweden and Finland. A special fond for mobility of researchers in the region should be established, today most travel to the US and not within BSR.

Russia sees the strategy as an interesting exercise and it coincides well with the Federal plan for development to 2020. St Petersburg and also the private sector in Russia should be involved in the discussions.

More common efforts should be made to raise the overall quality of the universities in the region and not just the top 5. The possibility to pool resources and transfer them between universities would be a great step forward.

The border crossing facilities with Russia need to be developed, the barriers that exist today are not good for trade. Also an overall transport analysis must be made including Russia and Belarus who have important corridors that could be better integrated with corridors within the EU.

The region must make itself attractive to investors and labour, two ways to achieve this is to lower the taxes and to look at the labour migration policy and introduce blue cards to get the labour force that is needed.

The development of the BSR as a maritime model region is based on several aspects: 1) developing safe maritime transport - using the best available technology; 2) developing the potential for business in the sea itself: wind and wave power plants require marine spatial planning that is missing today; 3) developing sustainable tourism, have clean cruise ships and clean harbours; and 4) developing the common maritime heritage- built on the Hanseatic traditions.