Aim of Stakeholder Conference on September 30th 2008

The aim of the conference in Stockholm on September 30th is to give a wide range of stakeholders in the Baltic Sea region (BSR) an opportunity to provide input to the content of the EU Baltic Sea Strategy being prepared by the European Commission. There is a need to identify the main challenges and concerns and what needs to be done to effectively address them. From the Commission side we value this opportunity to listen to the opinions and views of those who know the Baltic Sea region from within. Your input will be of great value to the preparation of the Strategy and in determining how various actions and projects should be implemented. Input submitted in written form will be particularly useful.

I. General Framework

The BSR covered by the strategy refers to the territory of the eight EU member states around the Baltic Sea. As such, it would include entire Member States (e.g. Estonia) and parts of Member States (e.g. Germany). For practical purposes it could also include a wider area as appropriate for a particular topic: for example, discussions on economic issues could involve Norway and Russia, water quality issues could involve all of Poland and part of Belarus and Ukraine (catchment area), security issues should involve the central government in Warsaw etc.

The BSR has some specific features:

(a) Following the recent enlargement of the European Union, it is a Sea which is surrounded by eight EU Member States as well as parts of the Russian Federation;

(b) It is a sea region with specific environmental characteristics (brackish, shallow water) that need particular care and attention;

(c) With the implementation of the single market, the economies in the region are increasingly inter-connected;

(d) Some of the countries in the region are among the most developed in the world with a high quality of life, social and political stability and strong innovation levels due partly to their human capital, while some others are less prosperous but are catching up at a strong pace.

The Strategy will be built on previous dialogue and significant existing work developed by the many stakeholders involved (Member States, regions, local authorities and Regional Councils). The European Parliament and the EU Committee of the Regions have also been very active, producing much useful work.

The Strategy will be based on the commitments undertaken by Member States and regions under the EU legislation, and also in the contexts of the Lisbon and Gothenburg agendas, the National Strategic Reference Frameworks and the Operational Programmes under the European Regional Development Fund and European Social Fund, as well as the strategies and programmes under European Agriculture Fund for Rural Development,

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1 The European Council Presidency Conclusions of 14 December 2007 invited the Commission to present an EU Strategy for the Baltic Sea region at the latest by June 2009. This strategy will inter alia help to address the urgent environmental challenges related to the Baltic Sea. The Northern Dimension framework provides the basis for the external aspects of cooperation in the Baltic Sea region.
and will also further build on these commitments. Commitments made in other fora such as HELCOM are also important. The Northern Dimension is a good framework for external co-operation, especially with Russia and Norway.

The Strategy will seek to fulfil the potential of the 2004 enlargement, with an emphasis on tackling economic, social, transport, security and environmental concerns. It is proposed to focus in particular on the implementation and effective enforcement of the ‘acquis communautaire’ (i.e. body of existing EU law), the programming of EU funds, and the EU Integrated Maritime Policy and Action Plan.

The European Commission proposes that the strategy should adopt a long-term, rolling approach, with a focus on results rather than recommendations. It should be transparent, open to critical public appraisal and evolve as existing policies and programmes are renewed. It will take on board input from both existing organisations working in the BSR and the wider public. It would also include an action plan which will be regularly updated and provide information on actions already undertaken and those currently underway, and future actions set against clear timescales. It is also proposed that the Strategy would be subject to a periodic comprehensive review.

The Strategy will build upon four action-oriented objectives:

A. To make the Baltic Sea Region an environmentally sustainable place:

B. To make the Baltic Sea Region a prosperous place:

C. To make the Baltic Sea Region an accessible and attractive place:

D. To make the Baltic Sea Region a safe and secure place:

**KEY QUESTIONS ON GENERAL FRAMEWORK**

- In order to further exploit the potential of BSR, what are the main topics to develop?
  - economic cooperation? (in what ways / at what levels?)
  - social cooperation? (in what ways / at what levels?)
  - cooperation in other areas?

- Which are the main challenges, and what are the main concerns / obstacles to successfully addressing them?
  - environmental? (which aspects?)
  - safety and security? (which aspects?)
  - other aspects?

Should the objectives of the EU Strategy for the BSR pursue regional specific targets only by means of EU policies? Or should the Strategy be wider and more ambitious in terms of policy alignment by including all policies, EU or not?

- In terms of (EU) policies, which are more relevant? Should some (EU) policies be targeted as higher priority than others? (e.g. environment / maritime etc.)?

- Within each (EU) policy concerned, what priority actions/projects should be developed or advanced? (e.g. accelerated implementation deadlines for some environment directive targets)
II. THE FOUR OBJECTIVES

1. Environment – key points, key questions

The protection of the environment is a major issue in the Baltic Sea region. The abundant resources in terms of vast nature areas, a rich biodiversity and a diverse landscape present many opportunities. However, the environment can also be negatively affected by certain human activities, including the impacts of climate change. Pollution affects the water, soils, air and biodiversity. The Baltic Sea is under severe pressure due to eutrophication, over fishing, hazardous substances and invasive species. In addition, nuclear issues cause specific problems in the fields of waste management and risk prevention.

**KEY QUESTIONS "HOW TO MAKE THE BALTIC SEA REGION AN ENVIRONMENTALLY SUSTAINABLE PLACE"**

1. What are the main environmental challenges?

2. How are they best addressed? What actions are needed and by whom?

3. Are there clear priorities?

4. Are these priorities evident in the work carried out so far?

5. In addressing certain concerns can challenges be turned into potential opportunity? (e.g. energy infrastructure links? Sharing good practice?) If so, how?
2. **Prosperity - key points, key questions**

The region is characterised by some countries which are very developed and innovative on higher levels of market liberalisation and others less so, although catching up at a strong pace. It has leading enterprises in the fields of high technology, services, energy, agriculture, forestry and fisheries. Yet, its regions could benefit more from the single market through increased trade, by closing the development gap and fully integrating their markets. To increase and maintain its competitiveness, the Baltic Sea region has to continue moving towards a strongly networked and knowledge-based society by promoting innovation in particular through SMEs, and by fully implementing the EU ‘acquis’ by the member states. To pursue work on industrial policy including changing unsustainable consumption and production patterns is crucial. Deeper cooperation in the field of energy will contribute to future prosperity.

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**KEY QUESTIONS "HOW TO MAKE THE BALTIC SEA REGION A PROSPEROUS PLACE"**

1. What are the main challenges for the BSR if it is to remain competitive in the future?

2. How can the different Baltic Sea markets be encouraged to interact more and thus overcome some of the problems associated with insufficient internal competition?

3. Is there potential for the formation of cross-border clusters and if so, what actions are needed to promote such a development?

4. How can the level of competition in services be increased?

5. Is the implementation of the 'acquis' for the internal market functioning as intended?

6. What are the main remaining barriers for trade in the region?

7. What are the main remaining barriers to mobility - of labour, students and ideas - in the region?

8. What concrete actions need to be taken and by whom?
3. **Accessibility and Attractiveness – key points, key questions**

The region is characterised by long distances to main markets in Central Europe and elsewhere. Developing better integrated and more efficient transport, energy and other communication networks, as well as ensuring a better quality of life right across the region, are key aims. Overcoming transport and energy bottlenecks, including in the winter time as well as energy isolation and problems related to security of supply, are crucial for the region. The population base is also central to supporting the long-term development of the Region. It needs to therefore be attractive in terms of provision of high quality and sustainable infrastructure and services (transport, energy, health, education, culture and tourism etc.) to give its citizens incentives to stay and to draw in more investment, tourists and newcomers.

**KEY QUESTIONS ON "HOW TO MAKE THE BALTIC SEA REGION AN ACCESSIBLE AND ATTRACTIVE PLACE"**

1. Are the topics mentioned above comprehensive? Do other concerns/perspectives exist?

2. Should more attention be paid to creative/alternative solutions, given the large distances/sparse population/peripheral nature of major parts of the region? (If so, which topics? Which ideas?)

3. In addressing certain concerns can challenges be turned into potential opportunity? What are the opportunities for the Region?

4. Can better cooperation help realise this potential? (internally? externally? how?)

5. What concrete actions need to be taken and by whom?
4. **Safety and security, key points and key questions**

Safety and security is an issue which affects all citizens in the region. While many of the EU initiatives in this field are horizontal in nature and not focussed on any particular region the strategy could identify issues which are of particular importance to the Baltic Sea Region and issues where the existing cooperation could serve as a model of best practice to the EU at large. Maintaining and promoting safety and security in the region would necessitate focusing attention e.g. to law enforcement cooperation, judicial cooperation in criminal matters, good governance and crime prevention. It also would concerns the need for ensuring the safety of economic activities such as maritime transport and protection of critical infrastructure.

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**KEY QUESTIONS ON "HOW TO MAKE THE BALTIC SEA REGION A SAFE AND SECURE PLACE"**

1. What are the main security concerns for the future? What specific regional measures should the Baltic Sea countries and other relevant stakeholders undertake to effectively respond to these concerns?

2. Are the structures that exist today sufficient to handle the security issues for the future?

3. How can we make sure that increased cooperation actually leads to increased security?

4. What forums could be most effectively used to deepen cooperation with our external partners?

5. What steps could be taken to better inform our citizens of the productive cooperation in this sector, so as to increase the general sense of security?

6. What concrete actions need to be taken and by whom?
## Issues to reflect on and to address in further discussions

### I. Governance Issues

The development and implementation of the EU Strategy for the Baltic Sea Region requires appropriate initiatives to achieve integrated governance, and tools to drive integrated approaches forward. The issue on how the strategy should be implemented and monitored needs to be thoroughly discussed, as well as who the responsible parties should be.

**Better identify the actors responsible for action**

A structured and sustainable discussion forum for all key players for the design, implementation and monitoring of policies and projects (including the action plan of the EU Strategy for the Baltic Sea Region) should be established. This forum could be based on existing structures with agreed decision-making mechanisms.

**Better funding opportunities**

There are currently many funding opportunities for projects in the BSR available from bodies such as the European Commission, Member States, national funds, the financial sector (incl. the EIB, NIB, NEFCO, ERDB etc), and the private sector. Some €55bn is available from EU Cohesion Policy under the three objectives (Convergence / Competitiveness and Employment / European territorial cooperation). Funding opportunities are also available under several other EU instruments such as the 7th RTD Framework Programme; the Competitiveness and Innovation Programme; and the LIFE+ Programme. The key question when selecting projects for financing might be: "How would this investment advance the aims of the Strategy?" Another issue is if some investments are hindered by bottle-necks.

**Better policy design**

The policies in the BSR are often inter-dependent. Issues such as the environment, the economy and transport cannot be addressed satisfactorily at the national level but are better addressed at the macro-region level. Therefore it is important that policies are coordinated to make sure that they complement each other, and that methods are developed to take account of the environmental concerns. This is a particular challenge as the ‘ownership’ of such policies is often with different authorities.

One example is the increase of often competing activities on coasts and seas. This is a source of potential conflict that needs to be managed. Maritime spatial planning is useful for developing an integrated maritime policy for the Baltic Sea. The general objective is to create and establish a more rational organisation of the use of marine space, to balance demands for development with the need to protect the environment, and to achieve social, economic and environmental objectives in a transparent and planned way.

The Strategy could consider a mechanism for the development of overarching Maritime Spatial Planning for the Baltic Sea region, based on the EU Maritime Policy Action Plan and on the work of HELCOM. The Commission could assist as appropriate with guidance and examine potential action on EU regulations in support of this.
Better implementation of the existing EU legislation

EU legislation (aquis) covers for example the ‘single market’ (free movement of goods, services, persons, capital and knowledge) and environmental protection. In several cases, this ‘acquis communautaire’ is not fully transposed or properly implemented by Member States. In other cases, red tape prevents effective or consistent application of the rules.

The Strategy could push to implement fully the "acquis communautaire".

Better cooperation

The Baltic Sea Region has a long tradition of cooperation, but the effectiveness of cooperation instruments could still be improved. For example, cooperation between the national and the regional or local level (vertical cooperation) may benefit from review. The cooperation between Member States, between Member States and Russia, and the cooperation between stakeholders of the same field (e.g. cooperation between universities, enterprises, ministries etc.) which is characterised as horizontal cooperation, may also benefit from more intensive work together.

KEY QUESTIONS ON GOVERNANCE

1. Could the Strategy be implemented without any additional organisation (body)? If not, what type of organisation, existing or new, would be appropriate?

2. If funding is to be aligned, how should it be implemented, reviewed and monitored? (By peer review? By more binding agreements?)

3. How can better policy design be facilitated? What currently hampers better coordination? How can this be improved?

4. If implementing the 'acquis' is an issue, how can this be improved? (On voluntary basis? On local/regional basis?) In which fields could this best be tested?

5. Who are the key actors concerned?

6. How would the Actions/Flagship projects or group of projects be monitored? (Periodic reports to the EU Council? If yes which periodicity?)