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Opinion

Title **Impact Assessment on: Proposal for an EU Strategy for the Baltic Sea Region**
(draft version of 16 February 2009)

Lead DG **DG REGIO**

1) Impact Assessment Board Opinion

(A) Context

In its conclusions of 14 December 2007, the European Council invited the Commission to present an EU strategy for the Baltic Sea region to address the urgent environmental and other challenges related to the Baltic Sea. The Strategy will be presented to the European Council in June 2009 and will be one of the main priorities of the Swedish EU presidency during the second half of 2009. Implementation is planned to begin in 2010.

(B) Positive aspects

The report is based on extensive analytical work covering the socio-economic challenges of the region as well as existing baseline initiatives and governance structures.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance. Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

General recommendation: As it stands, the report provides insufficient evidence to inform a possible decision on the adoption of the Strategy. Further work is necessary on the following points. First, the report should better explain the region-specific reasons for the selection of socio-economic challenges and analyse more systematically the underlying shortcomings in existing governance structures. Secondly, the report should clarify the content of the options by explaining which actions are to be taken (the content of the Action Plan to be attached to the Strategy) and the role of third countries in the options "Open method of coordination" and "EU Council of Ministers". An additional option should be added, building on the capabilities of existing governance structures (and thereby not creating an additional level of governance) while allowing for the participation

of third countries. Thirdly, the report should provide a more balanced assessment of the options by analysing whether the preferred option could lead to the possible increase in organisational complexity and describing the costs of coordination including by whom they will be borne. Finally, the report should take into account the impacts the financial crisis and the EU recovery package might have on the existing and future initiatives as well as governance instruments. During the IAB meeting, DG REGIO stated its intention to take on board these recommendations.

Given the fundamental nature of these recommendations, the Board would like to examine a revised version of the report on which it will issue a new opinion

(1) Better explain the region-specific reasons for the selection of socio-economic challenges and analyse more systematically the shortcomings in existing governance structures. Given the wide variety of challenges in different policy areas (environment, prosperity, accessibility and attractiveness, safety and security), the report needs to explain better in what respect those individual challenges can be considered of particular relevance to the Baltic Sea Region thus requiring specific joint EU action targeted at this region rather than, for example, an action within the framework of general EU policies. The report should also explain where and to what extent the selection of issues for the strategy has been driven by the need for balancing diverging interests of Member States resulting from, inter alia, existing disparities in their economic and social development. For each of the policy challenges, the report should analyse more systematically the weaknesses of existing governance structures related to non-implementation, non-enforcement, poor coordination, fragmentation of policies or unclear responsibilities. More generally, the report should be clear to what extent those issues differ for areas with exclusive EU competences (such as fisheries, agricultural or internal market policies) and for areas of shared competences (such as innovation or employment policies) and, consequently, whether a uniform approach under the preferred option (specific treatment in EU Council of Ministers) would be equally effective in addressing them, even when recognising the need for a political balance. The report should explain to what extent the selected issues and corresponding actions take account of the current economic crisis and the EU response to it.

(2) Clarify the content and widen the range of options. The report should clarify the role of third countries in the options "Open method of coordination" and "EU Council of Ministers". Given that the action plan is the key element of the preferred approach, the report should present the concrete actions to be taken and show the link between those actions and the problem definition and objectives. Where the action plan could realistically play a role in other options, the report should modify those options and adjust the analysis accordingly. The report should clarify what "specific treatment" in the EU Council means.

The report should analyse an alternative option which does not entail creating an additional level of governance, but which builds on the capabilities of existing governance structures while allowing for the participation of third countries.

(3) Provide a more balanced assessment of options. Given the large number of governance structures in place, the report should be clear how the creation of an additional level of governance (EU Council of Ministers) would affect their roles and how they function, and whether it would increase the overall organisational complexity. This analysis should help confirm or revise the claim that the preferred approach does not disturb existing structures. The report should also provide the description of the costs of

increased coordination (such as possible costs of data collection, stakeholder consultation, development of plans, monitoring) and explain who would bear them. The report should define uniform criteria for the assessment of the options and ensure that they are assessed for each of the policy challenges and in a more balanced way.

(D) Procedure and presentation

The report should respect the 30-page limit. The existing duplications (for example, between sections 2.1 and 2.2) should be removed. Some information such as in section 2.3.1 should be moved to annexes. The language should be made more accessible to a non-specialist reader (for example section 2.1.1). A list of abbreviations should be added.

2) IAB scrutiny process

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