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TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND  
SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**concerning the**

**European Union Strategy for the Baltic Sea Region**

**ACTION PLAN**

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**February 2013 VERSION**

# **ACTION PLAN**

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*for the*

## **European Union Strategy for the Baltic Sea Region**

*An integrated framework that allows the European Union and Member States to identify needs and match them to the available resources by coordinating of appropriate policies, thus enabling the Baltic Sea Region to achieve a sustainable environment and optimal economic and social development.*

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## ABBREVIATIONS

<b>AIS</b>	Automatic Identification Systems
<b>B7</b>	Baltic Islands
<b>BaltMet</b>	The Baltic Metropolises Network
<b>BASREC</b>	The Baltic Sea Region Energy Cooperation Initiative
<b>BEMIP</b>	The Baltic Energy Market Interconnection Plan
<b>BOCTA</b>	The Baltic Operational Crime Assessment
<b>BSAP</b>	HELCOM Baltic Sea Action Plan
<b>BSLF</b>	The Baltic Sea Labour Forum
<b>BSR</b>	The Baltic Sea region
<b>BSRAC</b>	Baltic Sea Regional Advisory Council
<b>BSRBCC</b>	The Baltic Sea Region Border Control Cooperation
<b>BSSSC</b>	The Baltic Sea States Subregional Cooperation
<b>BSTF</b>	The Baltic Sea Tourism Forum
<b>BSTF OPC</b>	The Baltic Sea Task Force on Organised Crime in the Baltic Sea Region
<b>BTO 2030</b>	The Baltic Transport Outlook 2030
<b>CBSS</b>	The Council of the Baltic Sea States
<b>CBSS TF-THB</b>	Task Force against Trafficking in Human Beings
<b>CEF</b>	Connecting Europe Facility
<b>CF</b>	Cohesion Fund
<b>CFP</b>	Common Fisheries Policy
<b>CISE</b>	Common Information Sharing Environment
<b>CLLD</b>	Community-Led Local Development
<b>COSME</b>	Programme for the competitiveness of enterprises and SMEs
<b>DG ENERGY</b>	Directorate-General for Energy
<b>DG ENTR</b>	Directorate-General for Enterprise and Industry
<b>DG ENV</b>	Directorate-General for Environment
<b>DG MARE</b>	Directorate-General for Maritime Affairs and Fisheries
<b>DG REGIO</b>	Directorate General for Regional and Urban Policy
<b>EAFRD</b>	European Agricultural Fund for Rural Development
<b>ECOC</b>	European Capitals of Culture
<b>EEZ</b>	Exclusive Economic zone
<b>EFF</b>	European Fisheries Fund
<b>EGCC</b>	The Expert Group for Cooperation on Children at Risk
<b>EIAs</b>	Environmental Impact Assessments

<b>EIB</b>	European Investment Bank
<b>EMFF</b>	European Maritime and Fisheries Fund
<b>ERA</b>	European Research Area
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>EU</b>	European Union
<b>EUSBSR</b>	EU Strategy for the Baltic Sea Region
<b>FDI</b>	Foreign Direct Investment
<b>FP7</b>	The EU's Seventh Framework Programme for Research
<b>GDP</b>	Gross domestic product
<b>GES</b>	Good Ecological Status
<b>GT</b>	Gross Tonnage
<b>HA</b>	Horizontal Action
<b>HALs</b>	Horizontal Action Leaders
<b>HELCOM</b>	The Helsinki Commission
<b>HIV/AIDS</b>	Human immunodeficiency virus / acquired immunodeficiency syndrome
<b>HLG</b>	High-Level Group
<b>IALA</b>	International Association of Aids to Navigation and Lighthouse Authorities
<b>ICES</b>	International Council for the Exploration of the Sea
<b>ICT</b>	Information and communications technology
<b>ICZM</b>	Integrated Coastal Zone Management
<b>IDU</b>	Injecting Drug Users
<b>IMO</b>	International Maritime Organization
<b>IPR</b>	Intellectual Property Rights
<b>ISUM</b>	Integrated Sea Use Management
<b>ITS</b>	Intelligent Transport Systems
<b>JASPERS</b>	Joint Assistance to Support Projects in European Regions
<b>LNG</b>	Liquefied Natural Gas
<b>LORC</b>	Lindoe Offshore Renewables Centre
<b>LRIT</b>	Long Range Identification and Tracking of Ships
<b>MLG</b>	Multi-Level Governance
<b>MSFD</b>	Marine Strategy Framework Directive
<b>MSP</b>	Marine Spatial Planning
<b>MSY</b>	Maximum Sustainable Yield
<b>NCC</b>	National Coordination Centers
<b>NCM</b>	Nordic Council of Ministers
<b>NCP(s)</b>	National Contact Point(s)

<b>NDEP</b>	The Northern Dimension Environmental Partnership
<b>NDPC</b>	Northern Dimension Partnership on Culture
<b>NDPHS</b>	The Northern Dimension Partnership in Public Health and Social Well-being
<b>NDPTL</b>	Northern Dimension Partnership on Transport and Logistics
<b>NECA</b>	Nitrogen Oxide (NOx) Emission Control Areas
<b>NGO</b>	Non-governmental organization
<b>NIB</b>	Nordic Investment Bank
<b>PA</b>	Priority Area
<b>PAC(s)</b>	Priority Area Coordinators
<b>PCBs</b>	Polychlorinated biphenyls
<b>PGR</b>	Plant Genetic Resources
<b>POPs</b>	Persistent Organic Pollutants
<b>PSSA</b>	Particularly Sensitive Sea Area
<b>RES</b>	Renewable energy sources
<b>SALAR</b>	Swedish Association for Local and Regional Authorities
<b>SCAR</b>	The Standing Committee on Agricultural Research
<b>SEBA</b>	The South East Baltic Area
<b>SECA</b>	Sulphur Oxide (SOx) Emission Control Area
<b>SELEC</b>	Southeast European Law Enforcement Centre
<b>SFM</b>	Sustainable Forest Management
<b>SMEs</b>	Small and Medium Enterprises
<b>SOGC</b>	CBSS Senior Officials Group for Culture
<b>TEN-E</b>	Trans-European Energy Network
<b>TEN-T</b>	Trans-European Transport Network
<b>UBC</b>	Union of the Baltic Cities
<b>VASAB</b>	Visions and Strategies around the Baltic Sea
<b>VET</b>	Vocational Education and Training
<b>VTs</b>	Vessel Traffic Service
<b>WCO</b>	World Customs Organisation
<b>WFD</b>	Water Framework Directive
<b>WHO</b>	World Health Organization

## INTRODUCTION

In December 2007, the European Council issued its Presidency Conclusions, inviting the European Commission to present an EU Strategy for the Baltic Sea region no later than June 2009.<sup>1</sup> Prior to this, the European Parliament had called for a strategy to address the urgent environmental challenges arising from the increasingly visible degradation of the Baltic Sea. The Commission presented its Communication on the EU Strategy for the Baltic Sea Region (EUSBSR) on 10 June 2009<sup>2</sup> alongside a detailed Action Plan prepared following intensive consultation of Member States and stakeholders. The European Council endorsed this approach – the EU’s first macro-regional strategy in October 2009.<sup>3</sup>

Three years have now passed since implementing the EUSBSR. Based on the experience gained so far, the Commission put forward a Communication on 23 March 2012<sup>4</sup> specifying the three overall objectives for the Strategy: ‘*Save the Sea*’, ‘*Connect the Region*’ and ‘*Increase Prosperity*’. The Communication also included concrete proposals to set of measurable indicators and targets for each objective, with the aim of facilitating monitoring, evaluation, communication, and, most importantly, results. On 26 June 2012, the General Affairs Council endorsed this Communication<sup>5</sup> and took note of the list of indicators and targets proposed by the task force of Member State and Commission representatives during spring 2012.

This document is the EUSBSR Action Plan updated to reflect the new objectives, indicators and targets that are fully in line with and contributes to the objectives Europe 2020 Strategy. It introduces governance of the EUSBSR in line with the guidelines for roles and responsibilities of the main implementing actors, which was also agreed by the General Affairs Council on 26 June 2012. It also presents the work structured by priority areas and horizontal actions. The Action Plan may be updated regularly as the Baltic Sea region and its context develops, following an agreement among the priority area coordinators, horizontal action leaders, the Member States and the European Commission.

Although this is a strategy of the European Union (EU), it is clear that many of the issues can only be addressed in constructive cooperation with our external partners in the region, in particular Russia. However, the Strategy cannot dictate action to third parties. Instead, it indicates issues on which

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<sup>1</sup> European Council Conclusions of 14 December 2007, point 59: ‘Without prejudice to the integrated maritime policy, the European Council invites the Commission to present an EU strategy for the Baltic Sea region at the latest by June 2009. This strategy should 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’.

<sup>2</sup> [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/communic/baltic/com\\_baltic\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/communic/baltic/com_baltic_en.pdf).

<sup>3</sup> [http://ec.europa.eu/regional\\_policy/cooperate/baltic/pdf/council\\_concl\\_30102009.pdf](http://ec.europa.eu/regional_policy/cooperate/baltic/pdf/council_concl_30102009.pdf).

<sup>4</sup> [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/communic/baltic/com\\_baltic\\_2012\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/communic/baltic/com_baltic_2012_en.pdf).

<sup>5</sup> [http://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/EN/genaff/131228.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/genaff/131228.pdf).



cooperation is desirable and proposes platforms to this discussion and cooperation. As the European Council conclusions noted, the Northern Dimension, a common policy of the EU, Russia, Norway and Iceland, provides the basis for these external aspects of the Strategy. Other fora are also useful, such as the EU-Russia common spaces<sup>6</sup> and international bodies, for instance the Council of the Baltic Sea States (CBSS), the Nordic Council of Ministers or the Helsinki Commission (HELCOM). This cooperation is without prejudice to the decision-making mechanisms of these respective bodies.

A key factor of success for the Strategy is the integrated and coordinated governance of the Baltic Sea region, between sectors of society as well as between regional and local authorities in the respective countries.<sup>7</sup> Without such integration, the targets will be difficult to achieve. The Strategy itself is particularly important in this respect as it provides the only context within which all policies relevant to the health and prosperity of the region are addressed. Its overall success will depend on the degree to which the Strategy is given weight and attention from the highest political level in the region.

Successful implementation of the Strategy requires also the adoption of a gender perspective in the governance system and the Action Plan. Equality between men and women is a core value of the European Union. At the same time, economic and business benefits can be gained from enhancing gender equality. In order to achieve the objectives of the EUSBSR the contribution and talents of both women and men should be fully used.

Specifically, this Action Plan comprises 17 *priority areas* and 5 *horizontal actions*, which represent the main areas where the EUSBSR can contribute to improvements, either by tackling the main challenges or by seizing key opportunities. Typically, one Member State coordinates each priority area or horizontal action, and they work on implementation in close contact with the Commission and all stakeholders, i.e. other Member States, regional and local authorities, inter-governmental and non-governmental bodies. Other bodies may, also be nominated to coordinate an area or action. They need to ensure that the Action Plan is consistent with all EU policies, and in particular Europe 2020 Strategy as well as the Integrated Maritime Policy, with its objectives for blue growth and the Marine Strategy Framework Directive (MSFD) objective to reach good environmental status by 2020.

The priority areas are organised according to the three overall *objectives* of the Strategy, and one horizontal section. This distinction is for ease of analysis, but every objective covers a wide range of

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<sup>6</sup> Common set of roadmaps between the EU and Russia. There are 4 common spaces: Common economic space, Common space of freedom, security and justice, Common space of external security, Common space of research and education, including cultural aspects.

<sup>7</sup> For an extended discussion of the role of integrated governance in the Baltic Sea region, see WWF Baltic Ecoregion Programme, *Counter Currents: Scenarios for the Baltic Sea*, WWF 2012.

policies and has impacts on the other objectives: they are interlinked and interdependent. Each priority area and horizontal action starts with a *presentation of the issue* providing background information on the topic. Then, specific *indicators and targets* for the area in question are set.

By way of example, climate change will be adequately included as a cross-cutting horizontal consideration in the implementation of the Action Plan's objectives, sub-objectives, priority areas, horizontal actions and flagship projects.

To translate this into results, there are detailed *actions* and *flagship projects*. Actions represent the main steps that are needed to achieve the agreed indicators and targets for that particular area, while flagship projects detail how to achieve (part of) the desired outcome. Importantly, flagship projects should all have a lead partner and a deadline for implementation. In some cases, actions and/or flagship projects might require a change in the policy thrust or (rarely) national legislation of the Member States in the Baltic Sea region. In others, they require financing which could be provided by private or public funding (EU, national, regional or local funds). All actions and projects should be understood without prejudice to the existing exclusive Community competences.

In a number of cases, the objective of the actions and flagship projects is to highlight areas of activity that are ongoing within the EU system or in other international frameworks, but which require greater coordination within the Baltic Sea region and consistent funding strategies to be implemented successfully. The Strategy provides a unique opportunity to do this. Work on the Action Plan should be carried out in close coordination with any such on-going developments (in particular new regulations), including at EU level, to ensure coherence and efficiency.

The lingering impact of the economic crisis affects the context in which this Action Plan needs to be implemented. There is a less-favourable climate for investment, affecting both public sectors and private business generally. This makes it all the more essential that the EUSBSR allows the partners in the region to take a longer perspective, recognising that when this crisis has passed the regions that have best prepared will be those best equipped to take advantage of the new opportunities and innovations.

The report 'Counter Currents: Scenarios for the Baltic Sea 2030' was published in August 2012 as the result of an extensive multi-stakeholder consultation that included several members of the European Commission and EU Member States. It provides a useful context in which to take that longer-term perspective on how the commitments we make today will impact the future of the Baltic Sea, 10-20 years hence.

## **GOVERNANCE OF THE STRATEGY**

### **Roles and responsibilities of the main stakeholders of the EUSBSR**

Further to the Commission recommendations in the report published on 22 June 2011, in the Communication of 23 March 2012, and the Council Conclusions adopted on 26 October 2009, 15 November 2011 and 26 June 2012, and as a result of the works of the taskforce set-up in June 2011, the roles and responsibilities of the main stakeholders of the Strategy have been defined as follows. There is a broad consensus that they should constitute the minimum activity that each implementing stakeholder concerned should undertake. Although not mentioned below, it is important that stakeholders at local and regional level are involved, when relevant.

### **The tasks of the European Commission include:**

1. Playing a leading role in strategic coordination of the key delivery stages of the EUSBSR.
2. Taking the EUSBSR into account in relevant policy initiatives and programmes planning.
3. Promoting and facilitating the involvement of stakeholders from all levels of the entire macro-region and supporting them implement the EUSBSR.
4. Encouraging dialogue and cooperation with stakeholders from other interested Baltic Sea region states.
5. Facilitating implementation of the EUSBSR in cooperation with the Member States (i.e. national contact points, line ministries, bodies in charge of implementing programmes/financial instruments, priority area coordinators, horizontal action leaders) by:
  - a. closely aligning EU, national and regional policies and strategies with the EUSBSR;
  - b. supporting alignment of programmes/financial instruments with the EUSBSR objectives;
  - c. identifying and addressing obstacles to the effective implementation of the EUSBSR;
  - d. disseminating information, best practices and lessons learned in implementing the EUSBSR;
  - e. Ensuring adequate internal capacity to implement the EUSBSR.
6. Consulting on a regular basis with the Member States, inter alia through the High-Level Group.
7. Evaluating and reporting on the progress made in implementing the EUSBSR and the results achieved.
8. Whenever appropriate, in dialogue with priority area coordinators, horizontal action leaders and national contact points review, and update the EUSBSR and Action Plan. Seek endorsement from the Council or respectively the High-Level Group on the proposed amendments.

**The tasks of the High-Level Group include:**

1. Giving advice to the European Commission on the EUSBSR and its implementation.
2. Providing opinions on the review and updates of the EUSBSR and Action Plan.
3. Proposing actions to be taken by the European Commission and the Member States to strengthen the EUSBSR implementation:
  - a. contributing to the implementation of the Council Conclusions on the review of the EUSBSR;
  - b. identifying and addressing obstacles to the effective implementation of the EUSBSR;
  - c. proposing actions to promote a macro-regional approach in developing new policies and aligning of programmes/financial instruments.

**The tasks of the Member State<sup>8</sup> include:**

1. Ensuring that the EUSBSR is implemented and has continuous political commitment to it:
  - a. intensifying actions further to enhance existing political support for the implementation of the EUSBSR at all levels (EU, national, regional and local), particularly by making the EUSBSR a reference point for all adequate fora;
  - b. recognising the need to include the EUSBSR on the agenda of the Council in its different formations as and when appropriate to promote effective involvement of and closer links to relevant EU policies in the implementation of the EUSBSR;
2. Ensuring that national and regional strategic planning, existing policies, programmes and financial instruments is in line with the EUSBSR by:
  - a. coordinating and integrating relevant policies with the EUSBSR;
  - b. inviting line ministries and other relevant authorities to mobilise programmes/financial instruments to support the implementation of the EUSBSR.
3. Supporting the role of national contact point in national coordination of the EUSBSR, and the priority area coordinator(s) and horizontal action leader(s) in thematic and transnational implementation of the EUSBSR by:
  - a. appointing a national contact point and supporting in fulfil its tasks;
  - b. setting up a national coordination body to boost the effectiveness, synergy and sustainability of the results achieved;
  - c. assuming responsibility for coordinating the priority area(s) concerned;
  - d. appointing priority area coordinator(s) and horizontal action leader(s) and ensuring that there is adequate internal capacity to fulfil the role;
  - e. appointing priority area focal points and horizontal action focal points<sup>9</sup>;

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<sup>8</sup> By the Member State is meant the national administration. It is strongly preferred that a national policy coordination is led by the Prime Minister's office or the Ministry of Foreign Affairs to ensure coherent development and implementation of the EUSBSR among the involved institutions.

- f. maintaining adequate internal capacity implement the EUSBSR.

**The tasks of the national contact point include:**

1. Seeking political support and commitment to implement the EUSBSR in the home country.
2. Cooperating with other EUSBSR national contact points to secure coherence and exchange the best practices.
3. Ensuring overall coordination of and support for the EUSBSR implementation in the home country:
  - a. ensuring information to, consultation with national institutions regarding the EUSBSR and seeking their involvement;
  - b. facilitating the involvement of other relevant stakeholders;
  - c. maintaining an ongoing policy dialogue and working with the national coordination body to initiate operational action;
  - d. encouraging dialogue between relevant programmes/financial instruments and national stakeholders for the alignment of resources;
  - e. identifying the priority area focal points/horizontal action focal points.
4. Formulating and communicating national positions on the EUSBSR and Action Plan.
5. In close cooperation with the European Commission, priority area coordinators and horizontal action leaders, participating in the review and updating of the EUSBSR and Action Plan.
6. Supporting priority area coordinator(s) and horizontal action leader(s) in implementing the EUSBSR.
7. Monitoring and, on the request of the European Commission, reporting on the coordination activities taken in the implementation of the EUSBSR.
8. Encouraging the participation of relevant stakeholders from the entire macro-region in the implementation of the EUSBSR.
9. Promoting the visibility of the EUSBSR.

**The tasks of the priority area/horizontal action focal point include:**

The priority area focal points serve as a liaison at national level for all matters regarding the priority area/horizontal action concerned in the Baltic Sea region states that do not hold the position of priority area coordinator for the priority area or horizontal action leader for the horizontal action in question.<sup>10</sup>

1. Functioning as a focal point for the priority area/horizontal action in the home country by:
  - a. participating in national coordination regarding the EUSBSR;

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<sup>9</sup> The Member States are appointing priority area focal points (line ministries, agencies, other national/regional institutions) for each priority area of the EUSBSR. See tasks of the priority area focal points.

<sup>10</sup> If there is a priority area coordinator/horizontal action leader appointed in the Member State for the particular priority area/horizontal action, no priority area focal point/horizontal action focal point is required.

- b. providing information on the priority area/horizontal action to authorities or the public, whenever requested;
  - c. identifying relevant contact persons in the home country for priority area/horizontal action activities and flagship projects;
  - d. assisting the priority area coordinator(s)/horizontal action leaders to communicate and giving visibility to the priority area/horizontal action;
  - e. ensuring that decisions on the priority area/horizontal action are communicated to the relevant stakeholders.
2. Liaising regularly with the priority area coordinator(s)/horizontal action leaders in order to:
- a. contribute to policy discussion within the priority area/horizontal action concerned;
  - b. attend relevant activities, e.g. steering committees, meetings and conferences, of the priority area/horizontal action; and ensure continuous EU relevance in areas/actions not exclusively coordinated by Member States;
  - c. provide information on activities and projects in the home country of relevance to the priority area/horizontal action;
  - d. convey positions to the priority area/horizontal action; and ensure they are nationally consolidated among the authorities and stakeholders concerned.

**The tasks of the priority area coordinator include:**

Facilitating the involvement of and cooperation with relevant stakeholders from the entire macro-region and in close cooperation with those<sup>11</sup>:

1. Implementing and following-up the priority area towards targets and indicators defined. Whenever relevant, reviewing the set indicators and targets set.
2. Reviewing regularly the relevance of the priority area as described in the Action Plan. Proposing necessary updates, including the addition, modification or deletion of actions and flagship projects to the European Commission.
3. Facilitating policy discussions in the Baltic Sea region regarding the priority area concerned.
4. Facilitating the development and implementation of actions and flagship projects defined under the priority area.
5. Conveying the relevant results and recommendations of on-going and completed flagship projects to the policy level.
6. Ensuring communication and visibility of the priority area.

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<sup>11</sup> For this purpose, a steering committee/coordination group should be set-up and chaired by the priority area coordinator(s). A group should be composed of representatives of all Member States and other Baltic Sea region states, when relevant, as well as experts in the area concerned. It's up to members of group to decide on internal rules of the steering committee. The group should meet at least twice a year and support priority area coordinator(s) in implementation of the tasks referred.

7. Maintaining a dialogue with bodies in charge of implementing programmes/financial instruments on alignment of funding for implementation of the priority area and flagship projects.
8. Liaising and cooperating with other priority area coordinators and horizontal action leaders in order to ensure coherence and avoid duplicate work on the EUSBSR implementation.
9. Monitoring progress within the priority area and reporting on it.

**The tasks of the horizontal action leader include:**

Facilitating the involvement of and cooperation with relevant stakeholders from the entire macro-region and in close cooperation with those:<sup>12</sup>

1. Implementing and following-up the horizontal action towards targets and indicators defined. Whenever relevant, reviewing of the indicators and targets set.
2. Reviewing regularly the relevance of the horizontal action as described in the Action Plan. Proposing necessary updates of the horizontal action to the European Commission.
3. Facilitating policy discussions in the Baltic Sea region regarding the horizontal action concerned.
4. Facilitating development and implementation of the horizontal action concerned.
5. When relevant, conveying relevant results and recommendations of the horizontal action to the policy level.
6. Ensuring communication and visibility of the horizontal action.
7. Maintaining a dialogue with bodies in charge of implementing programmes/financial instruments on alignment of funding for implementation of the horizontal action.
8. Liaising and cooperating with priority area coordinators and other horizontal action leaders in order to ensure coherence and avoid duplication work on the EUSBSR implementation.
9. Monitoring progress within the horizontal action and reporting on it.

**The tasks of the flagship project leader include:**

1. Ensuring implementation of the flagship project.
2. Liaising regularly with the respective priority area coordinator(s)/horizontal action leader(s):
  - a. taking actively part in the work of the respective priority area/horizontal action, e.g. relevant meetings and conferences;

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<sup>12</sup> For this purpose, a steering committee/coordination group should be set-up and chaired by the horizontal action leader(s). A group should be composed of representatives of all Member States and other Baltic Sea region states, when relevant, as well as experts in the area concerned. It's up to members of group to decide on internal rules of the steering committee. The group should meet at least twice a year and support horizontal action leader(s) in implementation of the tasks referred.

- b. regularly monitoring and reporting on the progress of the flagship project to the priority area coordinator(s)/horizontal action leader(s);
- 3. Promoting the flagship project results and ensure they are sustainable. Supporting the priority area coordinator(s)/horizontal action leader(s) in conveying relevant flagship project results and recommendations to the policy discussions and policy development in the Baltic Sea region.
- 4. Establishing and maintaining cooperation with other relevant flagship projects of the EUSBSR, in order to ensure consistency, exchange information and avoid duplicate of work.
- 5. Ensuring communication and visibility of the flagship project and its results.

**The tasks of a body in charge of implementing a programme/financial instrument<sup>13</sup> include:**

Bodies in charge of implementing programmes/financial instruments are encouraged, in all stages of the programme cycle, to closely cooperate with the national contact points, priority area coordinators, priority area focal points, horizontal action leaders, horizontal action focal points and line ministries in the Member States for implementing the EUSBSR.

*In the implementation of the programmes/financial instruments:*

- 1. Contributing to macro-regional coordination and cooperation in national and regional development strategies (territorial and thematic) by ensuring the objectives of the programmes/financial instruments are aligned with the objectives of the EUSBSR, in order to facilitate consistency and synergies and the use of available resources most effectively.
- 2. Considering positively the creation of measures to support projects that contribute to the EUSBSR objectives.
- 3. Promoting, supporting and funding the implementation of joint and coordinated projects to reach the EUSBSR objectives.
- 4. Participating in and contributing to a continuous dialogue with the main implementing stakeholders of the EUSBSR in order to identify and work together in areas of mutual interest and objectives, such as the Europe 2020 Strategy.
- 5. Disseminating information to potential project applicants on the opportunities offered by the programme/financial instrument to implement the EUSBSR (see point 2).

*In the reporting phase of the programme/financial instrument:*

- 6. Indicating and reporting on specific projects under actions/measures/priorities of the programme that contribute to the implementation of the EUSBSR objectives.

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<sup>13</sup> A body in charge of the implementation of a programme/ financial instrument is the institution or the authority (at international, national, regional or local level) responsible for the management and implementation of the respective programme or financial instrument.



## Updating the Action Plan

The EUSBSR Action Plan adopted by the Commission in June 2009, of which the Council took note in October 2009, has been extensively discussed with Member States, stakeholders and the relevant services in the Commission. Any amendments should therefore be made with caution.

## The governance process

Three general criteria apply:

1. proposals for updates should be coordinated by the relevant priority area coordinator(s) and horizontal action leader(s), agreed upon with national contact points and communicated to the Directorate General for Regional and Urban Policy;
2. proposals for updates should be in line with Community policies;
3. the Commission will decide on all updates and corrections after consulting the High-Level Group of Member State officials, when appropriate.

The Commission has developed a ‘typology of updates to the Action Plan’ to serve as a general rule of thumb when evaluating proposals for updates.

Broadly, the typology distinguishes between:

- A. Updates for the purpose of clarifying, correcting or ‘filling the gaps’,
- B. Updates that propose to cover new ground or are required because of a change in circumstances, and
- C. Updates proposing to move, significantly amend or delete flagship projects. While proposals to move projects should generally to be accepted, the other two types will be evaluated on a case-by-case basis.

	Type of updates to the Action Plan	Commission’s approach
1	Filling gaps	To be accepted
2	Clarifications, correction	To be accepted
3	Negotiated change	To be accepted
4	Change of circumstances	Generally to be accepted
5	Delete flagship project	Case-by-case evaluation
6	Modify flagship project	Case-by-case evaluation
7	Substance change	Case-by-case evaluation
8	Add flagship project	Case-by-case evaluation
9	Add flagship project not covering new ground or not of macro-regional relevance	Generally not to be accepted

The following section describes in detail the process of becoming a flagship project.

### **Flagship projects: functions and labelling process**

The actions of the EUSBSR are implemented by means of flagship projects. Flagship projects demonstrate the progress of the EUSBSR, and may serve as pilot examples for desired action.

A flagship project is frequently the result of a policy discussion within a priority area/horizontal action.

A flagship project fleshes out the ambition of a priority area in a specified field of action.

A flagship project may, for example, develop key solutions, new methodologies, practises or new forms of cooperation. Flagship projects may also concern key investments of regional importance.

Once approved, a flagship project is listed in the Action Plan.

In terms of structure, a flagship project is either:

- a single project or
- a set of projects (a group) operating in the same field. The set of projects may compile single projects; flagship projects and linked projects, even if they are implemented under different fields (topics or themes).

### **The label of a flagship project can be given to a project that fulfils the following criteria:**

1. A flagship project must fulfil the following key criteria:
  - a. it has a high macro-regional impact;
  - b. it contributes to fulfilling the objectives, indicators and targets of the EUSBSR;
  - c. it is related to the implementation of one or more actions of the priority area/horizontal action concerned.
2. In general, a flagship project is also expected to:
  - a. have a clear transnational dimension (cooperation between and/or impact on at least three Baltic Sea region states including at least two EU Baltic Sea region states if other Baltic Sea region state (Russia and Norway) is involved);<sup>14</sup>
  - b. be mature for implementation:
    - i. can be implemented within a realistic timeframe;
    - ii. has a clear financial and activity plan which e.g. encompass setting aside resources for attending relevant activities of the respective priority area/horizontal action and the EUSBSR;
    - iii. a partnership is established and a flagship project leader is identified.

Priority area coordinator(s)/horizontal action leaders may decide on specific criteria under their respective priority area/horizontal action after consultation with national contact points and the Directorate General for Regional and Urban Policy (DG REGIO).

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<sup>14</sup> Under exceptional circumstances projects with less than three countries involved could be considered.

### **Procedure to become a flagship project**

Projects interested in obtaining the label of flagship project in the EUSBSR are to undertake the following:

1. identify under which the EUSBSR priority area/horizontal action the proposed flagship project would fit;
2. establish contact with the priority area coordinator(s) for the priority area/horizontal action concerned;
3. in order to assess the proposed flagship project, the priority area coordinator/horizontal action leader may invite the proposed project leader to attend a meeting of the priority area/horizontal action;
4. if the project proposal is supported, the priority area coordinator/horizontal action leader, after consulting the main stakeholders (national contact points, steering committee and/or national focal points) make a recommendation to DG REGIO regarding the project;
5. DG REGIO considers the proposal and makes a recommendation to the High-Level Group;
6. the High-Level Group agrees on the flagship projects to be included in the Action Plan.

A project can be listed as a flagship project in one priority area/horizontal action only. If a project contributes to several priority areas/horizontal actions, it may liaise with the other relevant priority areas/horizontal actions.

A flagship project does not have the exclusive right to undertake action in the priority area/horizontal action under which it is listed. The priority area coordinator(s)/horizontal action leader(s) may at any time accept more flagship projects in the same field.

Furthermore, by implementing the flagship project, its leader shall fulfil the tasks of the flagship project. Leader vis-à-vis the EUSBSR as specified under the tasks of flagship project leaders above.

## FUNDING ISSUES

The EUSBSR does not have its own financing. As it stated in the Council Conclusions on the EUSBSR, adopted on 26 October 2009, the Strategy *'is financially neutral and relies on a coordinated approach, synergetic effects and, on a more effective use of existing EU instruments and funds, as well as other existing resources and financial instruments'*. According to the Commission Communication (June 2009), the European Social Fund, European Regional Development Fund, Cohesion Fund, European Agricultural Fund for Rural Development and European Fisheries Fund are the key funding sources of the Strategy. The study 'Analysis of needs for financial instruments in the EU Strategy for the Baltic Sea Region', carried out by SWECO in October 2011 confirmed that *'the implementation of most projects is to a large extent dependent on EU Structural Funds. In particular European Territorial Cooperation Programmes are widely used'*. However, the actions and projects under the Strategy and its Action Plan can be funded by many other financial sources (7th Framework Programme, BONUS<sup>15</sup> Joint Baltic Sea Research and Development Programme, the LIFE programme, Education and Culture programmes, etc.), as well as national, regional, private sources. In the future actions and projects in the transport, energy and ICT sectors may also become eligible for funding by the Connecting Europe Facility (CEF). In addition, some projects (especially major ones) could benefit from the support of international financial institutions such as the European Investment Bank and the Nordic Investment Bank. In this respect, JASPERS initiative plays also a significant role, in particular in the transport, energy and environment sectors, including trans-border projects. Thus the EUSBSR embodies the new concept of macro-regional cooperation which is based on effective and more coordinated use of existing funding sources, and the promotion of synergies and complementarities.

An extensive overview of potential funding sources can be found at: <http://www.balticsea-region-strategy.eu/pages/funding-sources>.

To facilitate implementation of the EUSBSR, at the initiative of the European Parliament, EUR 2.5 million was earmarked in the 2011 EU budget for activities mainly supporting the work of the priority area coordinators, horizontal action leaders and flagship project leaders, and to raise awareness of the Strategy. The European Parliament included the same amount (EUR 2.5 million) to support the Strategy in the 2012 EU budget. This financial assistance includes support to promote a seed money initiative. Thus the EUSBSR *Seed Money Facility* will be operational as of early 2013. This Facility focuses on the preparation phase of project applications contributing to the objectives of the Strategy. The preparation phase will, firstly, enable networking activities aiming at building strategic partnerships and exchange with the responsible priority area coordinators of the EUSBSR Action Plan. Secondly, seed money shall

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<sup>15</sup> BONUS 2010-2016. The Joint Baltic Sea Research and Development Programme. [http://www.bonusportal.org/bonus\\_2010-2016](http://www.bonusportal.org/bonus_2010-2016).

cover the planning of the ‘main stage’ project activities and the budget as well as investigate potential future funding sources. It will be managed by InvestitionsBank Schleswig-Holstein, which is also the managing authority of the Baltic Sea Region programme for 2007–2013.

### **The alignment of funding**

Given the importance of the EUSBSR for sustainable growth and development of Baltic Sea region, its contribution to the objectives of Europe 2020 Strategy, and the fact that the EUSBSR is based on the effective use of existing funding sources, it is essential to align national, regional and EU policies and financial resources with the objectives of the Strategy. The Commission recommended to align the Cohesion Policy and other funding sources in the region with the objectives of the Strategy in the first progress report on the implementation of the Strategy (June 2011). The Commission then reiterated the importance of aligning the relevant existing and future sources of funding with the objectives of the EUSBSR aiming to maximising the impact of Strategy in its Communication of March 2012, echoed in the Council Conclusions adopted in November 2011 and June 2012.

Major steps have been taken to support the macro-regional approach in the financial framework 2014–2020. The legislative proposals for Cohesion Policy during the 2014–2020 submitted by the Commission on 6 October 2011 require Member States to describe their approach to the macro-regional strategies and their priorities and objectives and how these will be taken into account when drafting the Partnership Agreements and Operational Programmes. However, the alignment of funding shall not be limited only to the Cohesion Policy programmes. The Strategy can bring tangible and visible results only if it is comprehensively linked to *all* available financial resources. Thus Member States and bodies in charge of implementing programmes are encouraged to align all relevant national, regional and EU funding sources with the priorities of the EUSBSR.

There are several ways to align the programmes with the EUSBSR and it’s up to Member States to decide which one to choose. For example, the Common Strategic Framework, which invites Member States to ensure successful mobilisation of EU funding for macro-regional strategies in line with the needs of the programme area identified by the Member States, foresees that this can be done, among other actions, by prioritising operations deriving from these strategies by organising specific calls for them or giving priority to these operations in the selection process through identification of operations which can be jointly financed from different programmes. Country position papers adopted by the Commission provide guidance to Member States on how to incorporate macro-regional and sea-basin strategies in the Partnership Agreements. Specifically alignment could be done by: 1) setting a priority axis for developing interregional and transnational cooperation (horizontal or vertical one); 2) identifying potential cooperation projects (projects idea) and its partners in the Partnership Agreement and/or Operational Programmes; 3) introducing a project selection criterion which gives priority to

flagship projects as listed in the EUSBSR Action Plan, or other projects having a clear macro-regional impact, contributing to the targets and objectives and to the implementation of one or more actions in the Action Plan; 4) allocating a certain amount of funding to activities/projects that are in line with the Strategy; 5) including a separate paragraph describing how the objectives and priorities of the EUSBSR will be reflected in implementing the programmes, their links.

## **COMMUNICATING THE EUSBSR – LET’S TALK ABOUT RESULTS**

Since the EUSBSR is a first macro-regional strategy in Europe, there is a vital need to communicate the achievements on all levels to all possible targets groups. The basic responsibility lies with the implementing stakeholders, as evident in the governance of the EUSBSR where dissemination, information and communication are highlighted as a task for everyone.

The key issue is to tell e.g. politicians, taxpayers, NGOs about the added value of the Strategy. This implies that it must be obvious what the overall goals are and that the indicators used can mirror the change. If so, the success of the EUSBSR can also be communicated.

The three objectives of the EUSBSR – ‘Save the Sea’, ‘Connect the Region’ and ‘Increase Prosperity’ – are a good help and are positive messages that can be used at global and the regional level. Nevertheless, there should be a direct link and connection with every single priority area, horizontal action, flagship project and action, and described in relevant and clear messages showing that the Strategy really delivers results and respond to the three main objectives.

Messages should be tailored to meet the needs of the target audiences. They should be conveyed in a simple way using plain language. Every actor and stakeholder needs to have an outreach plan and then choose the best possible channel to reach the target audience.

Communication is needed to ensure outreach. Even if there would be successful projects and major changes due to the implementation of the EUSBSR it will fail if those results are not widely communicated.

*The tasks to communicate lies with all key stakeholders and will be monitored by the Commission and the Member States fully in line with the decision in the General Affairs Council 15 November 2011.<sup>16</sup>*

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<sup>16</sup> Council Conclusions on the review of the European Union Strategy for the Baltic Sea Region, 15 November 2011. [http://ec.europa.eu/regional\\_policy/cooperate/baltic/pdf/council\\_conclusions\\_eusbsr\\_15112011.pdf](http://ec.europa.eu/regional_policy/cooperate/baltic/pdf/council_conclusions_eusbsr_15112011.pdf).

## **OBJECTIVES AND SUB-OBJECTIVES OF THE STRATEGY**

### **Save the Sea**

The Baltic Sea and its transition area to the North Sea are still one of the most polluted in the world. Its poor state threatens the quality of life for the 80 million inhabitants living around it. The problems facing the sea, including algae blooms, dead zones on the bottom, air pollution, marine litter and noise and the negative environmental consequences of overfishing and heavy ship traffic, involve all coastal countries, calling for more coordinated action. The overall aim of the EUSBSR ‘Save the Sea’ objective is to achieve good environmental status by 2020, as required under the Marine Strategy Framework Directive, and favourable conservation status under the Habitats Directive in accordance with the EU Biodiversity Strategy, and taking into account the related targets by 2021, as required by the HELCOM Baltic Sea Action Plan (BSAP). Achieving the ‘Save the Sea’ objective is also essential to success in the other two priority objectives to ‘Connect the Region’ and ‘Increase Prosperity’.

To help achieve this, the Strategy aims at reaching sustainability objectives as defined in Europe 2020 Strategy and its resource efficiency flagship and the proposed 7th Environment Action Programme. It also aims at influencing stronger implementation of relevant EU environmental legislation for example on the marine environment, nitrates from agricultural sources, biodiversity, habitats, fisheries and eutrophication, as well as the integration of environmental and climate change concerns across all relevant policy fields, including energy, transport, agriculture, fisheries (both wild and aquaculture) and industrial policies. Significant sources of pollutants and nutrients are of land-based origin. Cooperation to improve the water quality of rivers, lakes and coastal areas and successful river basin management according to the Water Framework Directive (WFD) is needed to save the sea. Airborne emissions and emissions from shipping are also substantial in the Baltic Sea and need to be addressed.

Local conditions and initiatives form the natural backdrop of the Strategy’s work to save the sea. For example, the designation of the Baltic Sea as a Particularly Sensitive Sea Area (PSSA) by the International Maritime Organization (IMO) in 2005, and its designation as a SO<sub>x</sub> Emission Control Area (SECA) should facilitate cooperative and effective action towards increasing the sustainability of maritime activities such as shipping, because it remains a crucial contributor to the economic prosperity of the region. Moreover, by implementing a policy-driven, fully-integrated joint research programme, BONUS, the Joint Baltic Sea Research and Development Programme, improves the efficiency and effectiveness of the region’s environmental research programming, providing concrete scientific outputs to facilitate an ecosystem-based management approach to the use (and protection) of the region’s natural resources.

Many actions and projects under the ‘Save the Sea’ objective are implemented with Russia and Belarus in the framework of the Northern Dimension Environmental Partnership (NDEP), through HELCOM



and the Council of Baltic Sea States (CBSS) and new initiatives like the South East Baltic Area (SEBA) and the so-called Turku process. Through a range of projects in for instance water, wastewater, solid waste and energy efficiency, these frameworks are helping to deliver real benefits to the environment in the area extending from the Baltic Sea to the Barents Euro-Arctic region.

Meeting the ‘Save the Sea’ objective will also contribute to the greater sustainability of goods and services which rely on a healthy marine ecosystem, including safeguarding the health of marine and coastal environment. This will lead to sustainable growth and jobs in marine and maritime sectors, and improve the well-being and health of people living in the region, in line with the overall objectives of the Integrated Maritime Policy and the Marine Strategy Framework Directive (MSFD). Furthermore, addressing environmental challenges will also lead to new business opportunities.

Actions to adapt to climate change are of outmost relevance both for ‘Clear water in the sea’ and ‘Rich and healthy wildlife’ sub-objectives in order to meet the set of targets. The region now has more capacity to apply agri-environmental measures, thanks to the development of cooperation projects under the EUSBSR. This cooperation across agricultural and environment sectors has raised a number of important cross-cutting issues concerning the interaction between agriculture and environment and shown the possibilities offered by focusing on multi-benefit measures. The role of agriculture, not only in reducing nutrient inputs to the sea, but also in providing solutions for ecosystem management and climate change adaptation, should be recognised and supported.

	PA Nutri	PA Hazards	PA Bio	PA Agri	PA Ship	PA Safe	PA Transport	PA Energy	PA Crime	PA Market	HA Spatial	HA Sustainable
<b>Objective 1: Save the Sea</b>												
Clear water in the sea	✓	✓	✓	✓	✓							✓
Rich and healthy wildlife	✓	✓	✓	✓	✓						✓	✓
Clean and safe shipping	✓	✓			✓	✓	✓			✓		
Better cooperation	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓

✓ **Dark check - the PA or HA primarily addresses this sub-objective**

✓ **Light check - the PA also addresses these sub-objectives, though not as directly**

Reliable and compatible marine data is essential to achieve the objectives of the Strategy, in particular those related to Maritime Spatial Planning, climate change and implementation of the Marine Strategy Framework Directive. Marine data – geological, physical, chemical and biological – collected largely by public institutions, are still fragmented, of uncertain quality and difficult to assemble into coherent pictures of the entire Baltic sea-basin. In order to (1) increase the efficiency of all those who work with marine data – industry, public authorities and research bodies, (2) stimulate innovation and growth, and (3) reduce uncertainties in the past, present and future behaviour of the sea, the European Commission launched the European Marine Observation Data Network (EMODNET). A first preparatory phase has been completed. Portals are now providing data products and maps showing sediments and habitats over whole sea basins. Calls for a second phase of EMODNET were launched in May 2012 that will deliver access to data and maps of seabeds and the overlying water column of all Europe's sea-basins by the end of 2014. Baltic organisations are participating fully in this endeavour. Efforts are also underway to identify the gaps and duplications in monitoring the North Sea and the Mediterranean. Based on experiences with these a similar effort can be launched for the Baltic once the European Commission's proposed European Maritime and Fisheries Fund becomes operational.

***Sub-objective: Clear water in the sea***

Eutrophication<sup>17</sup> is a major problem for the Baltic Sea, and for the region's lakes. It is caused by excessive nutrient inputs, especially nitrogen and phosphorous, which mainly originate from inadequately treated sewage, agricultural run-off and leaching and airborne emissions from road and maritime traffic and combustion processes. The nutrient load increases the primary production of the sea, leading to toxic algae blooms, oxygen depletion and other harmful effects that can lead to changes in the whole ecosystem. As the Baltic Sea is shallow and semi-enclosed with a slow water exchange rate, inputs of nutrients have a long-lasting effect on the entire sea. Therefore it affects all countries in the catchment area and no single country or sub-region, acting alone, can solve the problem. Close cooperation with HELCOM and within the Northern Dimension Environmental Partnership is of key importance. Strong support from the highest political level is essential to the success of this joint work. To ensure clear water, every effort must be made to achieve the targets and indicators set under the Marine Strategy Framework Directive (MSFD), the WFD, the Nitrates Directive, the Urban Waste Water Treatment Directive and in the updated HELCOM Baltic Sea Action Plan (BSAP) in 2013. The main areas for cooperation include cutting nutrient inputs from urban waste water treatment plants, rural settlements, shipping, and the application of sustainable agricultural practices in the whole catchment area, with particular focus on reduction of fertiliser inputs. Full implementation of all relevant EU legislation is needed, alongside cross-sectoral policy-oriented dialogue – for instance to promote the

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<sup>17</sup> Eutrophication is defined here as the enrichment of water by nutrients, especially compounds of nitrogen and/or phosphorous, causing an accelerated growth of algae and other forms of plant life to produce an undesirable disturbance to the balance of organisms present in the water and to the quality of the water concerned.

alignment of policies that have an impact on the Baltic Sea (including the Common Agricultural Policy). Moreover, technical solutions going beyond EU requirements are in place for enhanced phosphorous removal in the waste-water treatment process, in line with HELCOM Recommendations 28E/5 and 28E/6, and these should be promoted and applied.

Apart from full implementation of the Nitrates Directive (NiD) and the adoption of reinforced measures according to its art. 5§5, additional rural development measures could be used to go beyond this baseline and to reduce nutrient run-off and leaching, better utilisation of nutrients and increase the retention capacity in the landscape, and HELCOM recommendations for manure management in agriculture (28E/4) should be followed. Incentives for agri-environmental measures should be allocated effectively to the most polluting areas, only measures going well beyond the baseline should be financed, and more attention should be paid to nutrient recycling. The European Commission's work on the sustainable use of phosphorus is closely related to this.

The sustainable research framework established through BONUS should be used to support efforts.

***Sub-objective: Rich and healthy wildlife***

The Baltic Sea region has a unique ecosystem. It ranges from with nearly fresh water and up to six months of ice cover in the North to the more saline Kattegat. Only a specific selection of species can survive in this brackish water, and the low number of macro species makes the ecosystem extra sensitive to changes in its physical and chemical composition, which can affect the balance of entire food webs. These ecosystems are particularly sensitive to climate change.

There are many threats to marine biodiversity. One of the major ones is eutrophication (see sub-objective 'Clear water in the sea'), which has caused low oxygen content of the bottom water in parts of the sea, and created species-poor areas with low benthos biomass. Another threat stems from the arrival of alien invasive species (e.g. water flea and comb jellyfish), for example through ballast water from ships, that compete with native species and sometimes cause ecosystem changes.

Other threats are hazardous substances that affect the growth, reproduction and resilience of fish, marine mammals and seabirds. These substances include organic and inorganic contaminants and heavy metals, emitted by land sources and from dumped chemical and conventional munitions. Residues of pharmaceuticals also end up in the sea.

Fisheries directly impact on stock status which in turn affects food web structures. The Baltic Sea has a low number of commercially exploited stocks and predominantly single species fisheries, 90% of these are within the Community and have only one external partner. Given these characteristics, the Baltic

could be a basin in which to strengthen the ecosystem based approach to fisheries, as well as other specific action such as increased selectivity in fishing gears to work towards elimination of discards. Regional cooperation across the Baltic Sea can help support this.

Actions have to both minimise the adverse effects of human activities that cause pollution and work towards preventing damage, by for example establishing an ecologically coherent network of well-managed marine protected areas as one tool within a wider integrated sea use management (ISUM) approach to maritime spatial planning and integrated coastal zone management (ICZM). In addition to the threats, other upcoming trends and uncertainties that have been identified<sup>18</sup> as potentially damaging to Baltic Sea wildlife and biodiversity now or in the near future include increased infrastructure development (such as ports, pipelines, power cables etc.) and increased coastal zone activities (including cities, tourism facilities, coastal defence structures, energy supply systems, fish farms).

BONUS can be a useful source of science based information to reduce the negative effects of, for instance, fishing and in countering the introduction of new alien species by ships. This sub-objective supports the HELCOM Baltic Sea Action Plan's section on biodiversity and nature conservation, and its specific sections on maritime traffic. The implementation and development of relevant EU policies and instruments, including the EU Biodiversity Strategy to 2020, the Common Fisheries Policy and the Marine Strategy Framework Directive, are important aspects of the work to ensure a rich and healthy wildlife, halt the loss of biodiversity and the degradation of ecosystems by 2020, and restoring them in so far as feasible.

#### ***Sub-objective: Clean and safe shipping***

As maritime transport on the Baltic Sea is constantly increasing, clean and safe shipping is becoming more and more essential for the whole area, both on sea and on land. The EUSBSR addresses the issue in holistic manner taking into consideration various aspects such as:

- reducing the environmental impact of ship air emissions and thus maximising opportunities for innovation in shipbuilding and marine equipment, illegal and accidental discharge of oil, discharge of untreated sewage, hazardous substances, introduction of alien organisms via ships' ballast and hull fouling, and making joint risk assessments;
- strengthening and integrating maritime surveillance system, which is a strategic tool proposed in the context of the Integrated Maritime Policy, to help prevent marine accidents;
- strengthening human capital: ensuring proper training, setting common standards and enhancing maritime careers;

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<sup>18</sup> WWF (2012). Counter Currents: Scenarios for the Baltic Sea 2030.

- reinforcing preparedness and response capacity to major emergencies on sea and on land at macro-regional level: improving cooperation and coordination between various actors (maritime safety, security, surveillance and disaster response agencies).

### ***Sub-objective: Better cooperation***

The urgency of the common environmental challenges facing the Baltic Sea calls for closer cooperation between all coastal countries. In fact, this is crucial for achieving the targets on clear water, a rich and healthy wildlife and clean and safe shipping.

Several roadblocks need to be addressed. For instance, some of the policy areas demanding closer cooperation are dealt with by different administrations in different countries, making it a challenge to bridge borders and sectors. Responding maritime accidents, to give an example, may be dealt with by the ministry of the interior in one country, the ministry of defence in another country, and the ministry of the environment in yet another country. For instance by boosting the work of national focal points (see chapter on governance of the Strategy: description of roles and responsibilities) and inclusive steering groups, the Strategy aims to promote macro-regional, cross-sectoral dialogue, building on the work in place through HELCOM and co-operation projects. Cooperation and exchanging good practices in ecological education and climate change mitigation is important. The MSFD also calls for cooperation within marine regions such as the Baltic Sea, in order to reach the objective of good environmental status of the marine environment by 2020.

Through better cooperation, the Strategy aims to accelerate implementation of the HELCOM Baltic Sea Action Plan, and to put in place transboundary, maritime spatial plans applying the ecosystem approach throughout the region. The ecological, economic and social benefits of maritime spatial planning (MSP) are by now well documented and, in principle, undisputed. Several Baltic Sea states have already implemented a regime for MSP at national level and some others are in the process of doing so. In order to have a fully functioning planning system at regional (Baltic Sea) level, it is important that all coastal states have national activities for planning in place, and will work together on key transnational topics. The HELCOM-VASAB Working Group Road Map will guide the work in order to achieve the Strategy objective to implement MSP in all coastal states by 2020. Otherwise, cross-border cooperation on transboundary issues will not be fully addressed. It is therefore important that national regimes are in place and pilot regimes/activities are launched as soon as possible. The forthcoming policy instrument on Maritime Spatial Planning and ICZM from the European Commission, to be adopted by the European Council and European Parliament, will set the frame for future initiatives in this regard. It is crucial for the success of each of these instruments that they are mandated and empowered from the highest political level in each participating state.

*Targets and indicators for the objective ‘Save the Sea’*

Sub-objectives	Indicator	Baseline	Target/deadline	Data sources
<b>Clear water in the sea</b>	Environmental status, incl. level of inputs of nutrients – in line with indicators being developed in HELCOM by 2013 and under the Marine Strategy Framework Directive.	Situation in 2010	Indicators agreed in 2013 within HELCOM.  Good environmental status (GES) by 2021.	HELCOM, Marine Strategy Framework Directive.
<b>Rich and healthy wildlife</b>	Biodiversity status and ecosystem health (incl. fish stocks) and amounts of hazardous substances – in line with indicators being developed in HELCOM by 2013 and under the Marine Strategy Framework Directive.	GES integrated indicators	Indicators agreed in 2013.  Good environmental status (GES) by 2021.	Marine Strategy Framework Directive, HELCOM.
<b>Clean and safe shipping</b>	Number of shipping accidents.	Annual average of shipping accidents* 2008-2010: 3,017 per 10.000 vessels.	Decreasing trend.	HELCOM  <i>* shipping accidents are defined according to the HELCOM definition ‘all accidents (including but not limited to grounding, collision with other vessel or contact with fixed structures (offshore installations, wrecks, etc.), disabled vessel (e.g. machinery and/or structure failure), fire, explosions, etc.), which took place in territorial seas or EEZ of the Contracting Party and involved tankers over 150 GT and/or other ships over 400 GT irrespectively if there was pollution or not are reported’.</i>
	Illegal discharges.	Situation in 2011.	Elimination of illegal discharges by 2021.	HELCOM.

<b>Better cooperation</b>	HELCOM Baltic Sea Action Plan (BSAP).	2007 adoption).	(BSAP	Evaluation in 2013. Full implementation of BSAP by 2021.	HELCOM.
	Drawing up and application of trans boundary, ecosystem-based Maritime Spatial Plans.	None in 2011.		Pilot plans in 2013.  Drawing up and application throughout the region in 2020.	European Commission, DG Mare, DG ENV, national ministries, HELCOM-VASAB Maritime Spatial Planning Working Group, European Territorial Cooperation programmes' reports where relevant: Plan Bothnia, BaltSeaPlan projects.

## Connect the Region

The geography of the Baltic Sea region, the very long distances by European standards (especially to the Northern parts, which are very remote), the extent of the sea that links but also divides the sub-regions, the long external borders, all pose special challenges to communication and physical accessibility in the region. In particular, the historical and geographical position of the Eastern Baltic Member States, with their internal networks largely oriented East-West, makes substantial investment in communication, transport and energy infrastructures particularly important. As well as being costly and energy inefficient, these missing links are obstacles to the Internal Market and to the goal of territorial cohesion.

In addition, the very extent and variety of the region creates particular attractions for visitors and residents. The wealth of languages and cultures that have survived through centuries of interaction of various types, the range of urban heritage, landscapes, seascapes and cultural landmarks available, provide great potential to create a region that will be a magnet to internal and external visitors. The priority areas in this section therefore seek to address the risks and challenges, while also exploiting and enhancing the opportunities within the region. The priority areas contributing to the Strategy's 'Connect the Region' objective can use the renewed Strategy framework to provide territorial solutions that are smart, sustainable and inclusive, and help connect the region both physically and culturally.

The main priorities under this objective are: 1) to improve internal and external transport links; 2) to improve the access to, and the efficiency and security of energy markets; 3) to connect people in the region.

	PA Bio	PA Ship	PA Safe	PA Transport	PA Energy	PA Tourism	PA Culture	PA Crime	PA Market	PA Innovation	PA SME	HA Spatial	HA Neighbours	HA Involve
<b>Objective 2: Connect the Region</b>														
Good transport conditions		✓	✓	✓						✓	✓			
Reliable energy markets					✓					✓	✓	✓		
Connecting people in the region	✓	✓		✓	✓	✓	✓		✓			✓	✓	
Better cooperation in fighting cross-border crime and trafficking			✓					✓						✓

✓ Dark check - the PA or HA primarily addresses this sub-objective

✓ Light check - the PA also addresses these sub-objectives, though not as directly



### ***Sub-objective: Good transport conditions***

In the Baltic Sea region, transport is particularly important as the distances – internally, to the rest of Europe and to the wider world – are great and the conditions for traffic are often difficult (forests, lakes, snow and ice in the winter, etc.). The region, which is located on the periphery of the economic centre of Europe, depends strongly on foreign trade in goods and needs well-functioning transport infrastructure to achieve economic growth.

As the region is made up of many relatively small countries, national actions are not enough, and even bi-lateral cooperation does not provide the necessary solutions. Wider regional cooperation is needed to overcome the transport bottlenecks. Many of the planned major infrastructure projects only make sense if you look at them from a macro-regional perspective. Regional collaboration structures need to reflect these benefits to make sure that sufficient investment in infrastructure is made.

Moreover, the Baltic Sea is a sensitive ecosystem, and this makes environmental issues important when developing transport infrastructures. The designation of the Baltic Sea as a Particularly Sensitive Sea Area (PSSA) by the International Maritime Organization (IMO) allows the development of particular and specific measures for the Baltic Sea to ensure the sustainability of maritime transport.

The main challenge regarding transport development in the Baltic Sea region is to reduce its remoteness by improving links within the region and to the rest of the EU. Without jeopardising the work under the strategy's first objective, 'Save the Sea'. East-West links are needed to overcome the infrastructure shortfalls of the eastern and south-eastern sides of the sea. The North is very remote and therefore dependent on efficient transport. Better connections to Russia and other neighbours are needed. Further connections to Asia, to the Black Sea and the Mediterranean regions should be developed. This could increase the region's potential as EU's gateway to Asia.

The geography of the Baltic Sea region makes transport particularly challenging. Improving internal and external transport links, increasing efficiency and minimising the environmental impact of transport systems and increasing the resilience of infrastructure to natural and man-made disasters (including the accompanying coastal development and infrastructure), should help boost the competitiveness of the Baltic Sea region, and increase its accessibility and attractiveness. Links to islands and remote communities are a specific issue.

### ***Sub-objective: Reliable energy markets***

Despite common European objectives in energy, affirmed in European Council Conclusions in 2011 and 2012 (calling for the completion of 'the internal energy market by 2014' and stating that 'no EU

Member State should remain isolated from the European networks after 2015'), the three Baltic States (Estonia, Latvia and Lithuania) are not yet properly integrated into the wider energy networks of the rest of the EU. At present, the only power connection is the Estlink between Finland and Estonia. However, the planned second connection – Estlink 2 – between Finland and Estonia will improve connectivity. The cable between Sweden and Lithuania (NordBalt) and the new link between Lithuania and Poland (LitPol Link I) are expected to improve connectivity with the Nordic and Continental European electricity markets by the end of 2015. Decisions on gas interconnections and the regional LNG terminal are still pending. This hampers proper gas integration or other ways to diversify gas supply in the Baltic States (although a LNG terminal will be operational in Lithuania by the end of 2014 to satisfy a part of its gas needs). As a result, the Baltic States are practically isolated in terms of gas supply and therefore are 'energy island' in the EU. Consequently, further actions for creation a fully interconnected and integrated regional energy market should still remain the goal for all EUSBSR states.

The development and integration of energy markets is therefore a key goal, aiming to:

- 1) improve the security of energy supply, particularly in the eastern Baltic Sea region;
- 2) facilitate the diversification of energy sources;
- 3) contribute to economic growth by improving the competitiveness of the region and encourage investments in renewable energy;
- 4) contribute to the overall reduction of greenhouse gas emissions through more efficient energy distribution, increased use of renewable energies, and action to reduce energy demand. In addition, attention must be paid to the resilience of infrastructure to natural and man-made disasters. The EUSBSR, promoting regional cooperation among the EU Member States, would strongly contribute to the implementation of common European objectives in the energy sector, creating an integrated energy market.

The timely implementation of the Baltic Energy Market Interconnection Plan (BEMIP), an extension of the Nordic electricity market model to the three Baltic States, and demonstration of coordinated offshore wind farm connection solutions and other options to increase the use of renewable energy, monitored by EUSBSR, would facilitate the work in this area. As with all proposed investments, this should come under an ISUM approach, including the use of environmental impact assessments (EIAs) to ensure that the potential costs do not outweigh the benefits.

***Sub-objective: Connecting people in the region***

The objectives of the Strategy will be achieved by improving cooperation between the actors involved. Therefore, in almost all priorities and horizontal actions, one of the effects of the strategy will be to better connect the people in the region, either by setting-up new networks and new platforms of cooperation, or by strengthening the existing ones. Connecting the region also includes improved access

to communications networks and the internet as basis for seamless flow of information and closer and more instantaneous cooperation and exchange.

In this respect, the upcoming programmes, cooperation or coordination organisations, and all the instruments made available to carry out the activities, actions and projects of the Strategy will have to be used in a way to create a wide feeling of ownership of the Strategy, for all people concerned.

Depending on the priorities and horizontal actions concerned, this connection may be physical, such as by access to communications networks, cultural, intellectual or economic.

***Sub-objective: Better cooperation in fighting cross-border crime***

It is widely acknowledged that, without a sense of security and confidence, it is extremely difficult, if not possible, to achieve development of any kind. The EUSBSR therefore includes actions that address the specific challenges of the region in this field. The Baltic Sea region has long external EU borders which, due to geographical conditions, are easy to cross. This places responsibilities on many Member States to take action to protect the safety and security of the Union as a whole.

A number of related actions need to be highlighted. Actions to combat cross-border crime aim to bring regional cooperative focus to assessment and prevention, strengthen protection of external borders, and further develop long-term cooperation between Member States on law enforcement.

The Baltic Sea Task Force on Organised Crime in the Baltic Sea region (BSTF OPC) is the only platform where all the EU Member States from the region, as well as Iceland, Norway, Russia, the European Commission, Europol and Interpol co-operate. The heads of Governments of the Baltic Sea states decides on the mandate of the BSTF OPC.

*Targets and indicators for the objective ‘Connect the Region’*

Sub-objectives	Indicator	Baseline	Target/deadline	Data sources
<b>Good transport conditions</b>	Internal and external connectivity of the region, including travel time.	The amount of the TEN-T core and comprehensive network elements’ meeting the criteria as set out in the TEN-T Regulation.	Completion of the TEN-T core and comprehensive network in the Baltic Sea region according to CEF and TEN-T timetables and their links to Russia and Belarus as defined under the framework of NDPTL and involving EaP regional transport network.	TEN-T implementation reports.  TENtec portal.
<b>Reliable energy markets</b>	State of Market Conditions and Interconnection of Baltic States’ energy markets with the rest of the EU.	Baltic Energy Market Interconnection Plan and its schedule.	Full and environmentally sustainable interconnection of the gas and electricity markets according to BEMIP schedule.	BEMIP.  National ministries.
<b>Connecting people in the region</b>	Number of organisations and people participating in programmes of cultural, educational, scientific exchange and cooperation.	Number of organisations participating in <i>Framework Programme, Cultural Programme, Youth in Action and Marie Curie Action Programmes</i> in 2009 = 43 452.  Number of people participating in <i>Lifelong Learning</i> programme in 2009 = 148 117.  Total in 2009 = 191,569.	Influencing a 20% increase in the number of participants (people or organisations) in such programmes, by 2020 = 229,000.	COM data.  European territorial cooperation programmes’ reports where relevant.

## **Increase Prosperity**

The Baltic Sea region (BSR) includes some of the most successful and innovative economies in the world, and regions that are fast catching up with the European average.

The BSR is the dominant foreign trade area for the smaller economies, like Estonia and Lithuania (share of the BSR in total trade over 50%). For the three Nordic countries, the share of BSR trade is 37% for Sweden and 44% for Denmark. The figures for Poland are close, with a share of BSR trade of 35% in total trade. Only in Germany is the share of BSR trade significantly lower, due to the volume of German trade. It is interesting that the biggest three trading countries in the BSR (Germany, Poland and Sweden) have a smaller share of trade with BSR compared to total trade.

To increase the prosperity of the BSR, the EUSBSR includes actions to promote entrepreneurship, innovation, trade and digitally driven growth. This will improve business opportunities and make the internal market work better on the ground, without exhausting the resource base or the eco-systems on which they depend.

The competitiveness of the region is also closely related to a high education level. To maintain and boost the region's competitiveness, we need to increase cooperation between educational institutions on all levels and increase the mobility of pupils, students and teachers within the region. At the same time, it is essential to improve cooperation between educational institutions and companies. To stay competitive, businesses in the region must be able to deliver high quality products and services, which ask for more business-oriented education and thus closer exchanges between the two sectors. High quality of education also requires exploiting the learning opportunities provided by the use of modern ICT.

It is crucial to ensure equal participation of women and men in entrepreneurship, innovation, trade, education and in the workforce in general, in order to make full use of the human resources potential to boost growth and prosperity.

The Europe 2020 Strategy has a strong potential of being implemented in the BSR, including smart, sustainable and inclusive growth. This will not only strengthen regional prosperity, but it will contribute to the EU as a whole. The social dimension of the EUSBSR is also strong. Increased prosperity requires a well-functioning labor market that promotes geographical and professional mobility.

Together with sustainable growth and resource efficiency, risk prevention and management, as well as climate adaptation and mitigation are a truly horizontal issue and mitigation strategy is closely interlinked with the prosperity and competitiveness of the region. Adaptation, risk prevention and

management actions are necessary in order to meet challenges related to climate change and build the resilience of the region to natural and man-made disaster risks. Failure now may have devastating economic impacts in the future, but also adverse consequences for the environmental and social development of the region that could have been reduced, if the disasters are prevented or managed more effectively. Mitigation actions will also have a positive impact on prosperity, particularly actions gearing towards an energy-efficient, clean fuels future will generate jobs and prevent the waste of resources and money.

	PA Nutri	PA Hazards	PA Bio	PA Agri	PA Ship	PA Safe	PA Secure	PA Transport	PA Energy	PA Tourism	PA Culture	PA Crime	PA Market	PA Innovation	PA SME	PA Health	PA Education	HA Spatial	HA Sustainable	HA Involve
<b>Objective 3: Increase Prosperity</b>																				
Single market					✓			✓	✓				✓						✓	
Europe 2020	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓
Global competitiveness				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓
Climate change	✓	✓	✓	✓	✓			✓	✓					✓	✓			✓	✓	✓
✓ Dark check - the PA or HA primarily addresses this sub-objective ✓ Light check - the PA also addresses these sub-objectives, though not as directly																				

### ***Sub-objective: EUSBSR as a frontrunner for deepening and fulfilling the single market***

In the BSR there are still legal and administrative obstacles which negatively affect trade in goods and services between the Member States and with neighbouring countries. The markets in the BSR are relatively small, with the exception of Germany, and therefore they are heavily dependent on trade in the region to maintain their competitiveness. To increase the prosperity of the region, it is therefore imperative to fully implement the internal market and to lower the unjustified trade barriers to the neighbouring countries.

The BSR is the dominant foreign trade area for all countries concerned except Germany. The level of trade between countries is increasing, but slower than would be expected, which is a sign that market integration is not progressing as it should. It has proven to be especially difficult for SMEs to benefit optimally from the internal market and successfully expand their activities to their neighbouring countries. This puts a brake on in particular those SMEs that are growing and therefore need bigger 'domestic markets' to be able to expand.

To foster good trade relations with third countries, it is important to reduce administrative, non-tariff barriers to trade and cross-border movement of goods, especially between the EU and Russia. This requires improving customs procedures and infrastructure. It is also important to strengthen international tax cooperation, improve conditions to trade and investment, and to reinforce efforts to combat cross-border tax fraud and evasion.

Better integration is needed if the region is to maintain and improve its position as a prosperous region. The consultation and analysis carried out to prepare the 2010 Single Market Review have shown that, in many areas and sectors of the Single Market, the legal framework does not yet function as well as it should. To strengthen trade links within the region by reducing unjustified barriers is a cost-efficient way of revitalising the economy. It is also important for the region to fully implement the recommendations from the Small Business Act, thus reducing the administrative burden for smaller companies.

***Sub-objective: EUSBSR contributing to the implementation of Europe 2020 Strategy***

The EUSBSR needs to be placed firmly within the Europe 2020 agenda and current EU policy developments. With this in mind, there is a renewed focus on the objectives of Europe 2020 Strategy of smart, sustainable and inclusive growth. There is a new, targeted policy context with a call for thematic concentration in line with the objectives to increase prosperity in the BSR. The Europe 2020 Strategy's flagship initiative 'The Roadmap to a Resource Efficient Europe' recognises that marine resources are a key component of our natural capital and provide economic opportunities in a wide range of sectors such as minerals extraction, pharmaceuticals, biotechnology and energy. Pursuing these in a sustainable manner is essential for the marine environment to continue to provide its key ecosystem services like the natural regulatory functions that help combat climate change or slow coastal erosion. Marine and maritime sectors (as highlighted in the Commission Communication on Blue Growth)<sup>19</sup> create opportunities for sustainable growth, competitiveness and jobs that should be further explored in order to harvest the region's potential. Promoting horizontal priority for rural development 'Fostering knowledge transfer and innovation' at the level of the macro-region may result with Community added value.

The BSR cooperation also reinforces other EU policies, such as climate change policies, resource efficiency or the new approach to European research and innovation, Horizon 2020. Current work shows that the EUSBSR adds a new cooperative and practical element to progress.

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<sup>19</sup> Commission Communication on Blue Growth opportunities for marine and maritime sustainable growth of 13 September 2012 (COM(2012) 494 final).

Deeper dialogue between the Commission, the Member States concerned, Chambers of Commerce associations and Confederation of Industries will facilitate the Strategy's focus on ensuring an integrated industrial policy for the globalisation era. This can make a big difference to the region. In line with the Europe 2020 Strategy's flagship initiative 'An industrial policy for the globalisation era' and the Small Business Act, the Strategy is working to support SME's by improving their access to finance, creating a more favourable regulatory environment, and more generally by helping them adapt to the challenges posed by globalisation. There should be a focus on needed to supporting key sectors such as environmental technologies, where the region is strong, but where a closer interplay between policy and market development is lacking.

In line with the Europe 2020 Strategy's flagship initiative 'A resource efficient Europe' regional efforts should be taken to implement this approach, using less raw material and reducing waste through recycling and turning waste from one process into raw material in another industrial process. All subsidies, including on fisheries, that could be environmentally harmful should be phased out.

In line with the Europe 2020 Strategy's flagship initiative 'An agenda for new skills and jobs', a deeper social dialogue between trade unions, employers and governments on the future challenges for the labour market, such as those posed by demographic changes, is an important way forward to increase labour productivity and decrease structural differences within the region. Changes to demographic patterns also highlight the importance of continuously addressing the macro-regional dimension of social inclusion and public health.

Promoting a pan-Baltic Sea Region Innovation Union will require concerted efforts to align available resources through a programmatic approach. Increased resources need to be allocated to research and innovation in order to meet the Europe 2020 Strategy's goal of general R&D expenditure. The Member States concerned need to develop and deepen their cooperation to gear up the region to face the key challenges of the future: resource efficiency and the protection of the environment, health, energy, innovative and sustainable use of marine resources, sustainable transports and digital business and service. Several Innovation Partnerships could be of importance for the region, such as the Innovation Partnership on Water and on Agricultural Productivity and Sustainability, on raw materials. Full use should be made of the opportunities created by the new Horizon 2020 framework.

A strategic process needs to be defined to identify synergies, creating a critical mass of competences in key areas and create synergies between initiatives for the region to improve its innovative capacity in key market areas. This has to happen both at the policy and business level, thus achieving better mobility, improving regional coherence and sustainable economic growth. Regions must attract



innovative companies and establish efficient innovation support services to increase their innovation capacity in the long term. Such a holistic approach will depend heavily on effective partnerships between governmental bodies (both national and regional) and business, industry, and civil society groups who will in some cases take a leading role in applying the ideas encapsulated by Europe 2020 Strategy.

A digital single market is hugely important to the economies in the BSR and to its global position as an innovative region. As front-runners in many areas of the digital economy, the region has much to gain from the 'Digital Agenda for Europe' flagship initiative of the Europe 2020 Strategy and the measures of Single Market Act to create growth and jobs in Europe. The region has the potential to achieve practical results by identifying and removing barriers to a growing digital economy, including barriers to trade online (ecommerce). Any attempts to unlock the growth and innovation potential of digital services and content must be supported and enabled by fast reliable communications networks which are the prerequisite for digitally driven growth. Consequently, it is pivotal for BSR members to implement national broadband plans that contribute to the broadband targets set in the flagship initiative 'Digital Agenda for Europe'.

***Sub-objective: Improved global competitiveness of the Baltic Sea Region***

The process of globalisation can result both in increased competition and collaboration between countries and regions regarding investments in production, knowledge, and innovation. At business level, the development of knowledge-intensive products and services is crucial if companies are to be competitive in the global market. At policy level, countries, and particularly regions, must develop efficient innovation strategies and systems to boost entrepreneurial dynamism and intensive links between top-level knowledge institutions, private investors, incubators and related business services. To do this in the whole Baltic Sea region presents particular challenges, but is needed if the region is to prosper.

If the BSR is to create a vibrant innovation environment, being composed of relatively small countries and markets, it is vital to increase cooperation in key economic areas. This should be reflected in the way the Strategy operates and coordinates with other EU and national policy initiatives and in business initiatives to boost the region's global competitiveness.

Institutional barriers substantially restrict the activities of SMEs in the BSR. If development in the region is to be based on those enterprises it is therefore necessary to lift restrictions hampering them as swiftly as possible. The first priority is to create an institutional framework that sets consistent rules governing the functioning of entrepreneurship (in practice those rules are frequently too restrictive or

complex). The quality of the institutional and legal framework in which enterprises operate in the BSR differs much between individual states.

In the BSR, the general conditions for growth need to be strengthened, in particular in rural areas, which are often lagging behind compared to urban areas. To enhance the competitiveness of agriculture and forestry as well as encouragement of diversification should be prioritised in order to improve the quality of life in rural areas. There should be more and better support for entrepreneurship and SME development, not least for SME Net development at local/regional levels, and strengthened cooperation between business support institutions. The level of trade and investments in the region could be increased through better cooperation between trade and investment bodies and by developing support measures aimed at further economic integration. The same applies to the service sector. Tourism contributes already significantly to the BSR's economy. In 2011, there were 66 million international arrivals to the region, which means 7% of the world market share for tourism with a growth of 7.1%. Next to the accessibility of the region and the sustainable use of the cultural and nature heritage, the development of a globally competitive and sustainable tourism offer also depends on the close cooperation with the ICT and health sector. In addition, the crisis may change the focus of enterprises to seize the business opportunities of the future in 'green businesses', including those for marine and maritime sectors. To secure the long-term prosperity of the BSR, entrepreneurship needs to be included in all levels of education.

To achieve high productivity, high levels of innovation and sustainable economic growth, the BSR also needs to increase labor market inclusion and integration. High levels of employment, good quality jobs, and low levels of social exclusion are vital for BSR-based companies to stay competitive.

ICT, more specifically digital services, content and applications transform value chains in all sectors of the economy, drive innovation and give rise to substantial gains in competitiveness and efficiency. This engine of growth relies crucially on the ubiquitous availability of fast and reliable network connectivity. Therefore, the implementation of the 'Digital Agenda for Europe', including its objectives and measures for fast and ultra-fast internet, will be a critical factor for the BSR.

Companies based in the BSR have a considerable global market share in shipping, and the maritime sector, which provides service to shipping companies, plays an important role in the region in terms of employment and innovation. To improve or maintain this position, there needs to be a greater focus on the growth potential, sustainability, and entrepreneurship in the maritime sector of BSR countries. Furthermore, know-how from traditional maritime industries could be used to emerging maritime sectors.

Culture can also be considered as a strategic factor contributing to BSR development in several aspects: as a factor of the region's development and as a factor for developing and building society's identity, both at national and transnational level. Culture and creative industries generate GDP and help increase prosperity, thus serving as development multipliers.

Employment has been growing due to investments in culture and creative industries, affecting in particular the SMEs sector. Employment growth results in higher household incomes, which in turn translates into increased demand. Culture and creative industries therefore have a positive impact on sustainable economic growth.

The horizontal action on the promotion of regional identity aims to support cooperation to jointly promote the region internally and on the global markets.

The interaction of tourism, culture and regional identity activities will encourage partners working in these areas to better cooperate to make the BSR homogenous enough to be considered outside and inside its territory as an identifiable region, the overall goal being to boost its competitiveness.

***Sub-objective: Climate change adaptation, risk prevention and management***

The BSR countries are all concerned by vulnerability to climate change with potential impacts on human security, the environment and competitiveness. There are a lot of valuable experiences of mitigation and adaptation to climate change in this region. Therefore, there is much to gain from exchanging experiences and cooperation on specific projects. The Baltic Sea is a specific eco-region, and the impacts of climate change can be expected to be specific too. It is thus important for local, national and transnational actors to cooperate on adaption and mitigation, as well as on risk prevention and management including sharing 'best practices' that are proven to be economically, social and environmentally sustainable. Sharing their learning and – where possible and useful – pooling resources is also important to enhance cooperation.

This can concerns 'soft' (e.g. revision of territorial planning strategies and risk management plans, risk assessment, assessment of disaster risk management capacities) and structural engineering prevention and risk management measures (i.e. flood defences, rehabilitation of buildings).

The impacts of climate change on the BSR ecosystem can be particularly severe due to its location, the cold climate and the vulnerability of the natural environment. Major changes are expected to affect the hydrology and biology of the region. Some sectors are particularly vulnerable, such as agriculture, forestry, fisheries, tourism and critical infrastructure. Special attention should be given to urban planning and increased eutrophication. The development of a macro-regional adaptation strategy will

strengthen efforts to understand, address and cope with regional impact of climate change in a region with similar geographical and climatological conditions.

Although the likely impacts of climate change are difficult to predict with certainty, it is clear that the Baltic Sea is warming up faster than any other sea in the world. Air temperatures will increase, and the pattern and volume of precipitation will change in many parts of the region. This will increase run-off, which will in turn result in increased nutrient inputs to the sea. Also important from an adaptation perspective, the occurrence of extreme phenomena such as floods and droughts will increase. This will have a major influence on disaster management and long-term planning in the BSR. Macro-regional strategies should also address cross border spill over effects of specific disasters (including earthquakes, industrial accidents and other not climate related hazards), and promote strengthened cooperation in prevention, preparedness and response in the management of common risks. Promoting the wide use of wood, such as in the construction industry, if sustainably managed, is climate-smart and contributes to a sustainable society.

Through scientific frameworks like BONUS, the understanding and development of necessary responses to climate change and geophysical forcing in the region should be further developed.

*Targets and indicators for the objective 'Increase Prosperity'*

Sub-objectives		Indicator	Baseline	Target/deadline	Data sources
<b>EUSBSR as frontrunner for deepening and fulfilling the Single Market</b>		Volume of intra-regional trade in goods.	3 year average for the BSS region in 2008 = <b>416,9 billion Euros.</b>	Influencing an increase in the intra-regional trade in goods in the BSS region of 15% by 2020.	Eurostat annual data available with 2 year time lag (NUTS2).  <i>(Trade in goods figures are based on imports + exports of goods between BSS countries only, the baseline is the average of the 2007-08-09 totals).</i>
		Volume of cross-border services.	3 year average for the BSS region in 2008 = <b>43,473.1 billion Euros.</b>	Influencing an increase in the intra-regional trade in services in the BSS region of 15% by 2020.	Eurostat annual data available with 2 year time lag (NUTS2)  <i>(Trade in services figures are based on imports + exports of services between BSS countries only).</i>
<b>EUSBSR contributing to the implementation of Europe 2020 Strategy</b>		Employment Rate (people aged 20-64) as a % of the total BSS region population.	Average for the BSS region in 2008 = <b>70%</b> of the people aged 20-64.	Influencing a higher average for the BSS region by 2020 = <b>75%</b> of the people aged 20-64.	Eurostat annual data available with 2 year time lag (NUTS2).
		Employment Rate (people aged 20-64) as a % of the total BSS region population.	Average for the best performing 10% of the total population of the BSS region in 2010 = <b>79.53%</b>	Positive influence on diminishing the difference in an average Employment Rate between the best and worst	Eurostat annual data available with 2 year time lag (NUTS2) <i>(The Index is</i>

Improved global competitiveness of the Baltic Sea Region	region population.	Average for the worst performing 10% of the total population of the BSS region in 2010 = <b>61.21%</b> .	performing 10% of the total population of the BSS region by 2020.	<i>based on 'million EUR/person employed'. The average Index for the BSS region can be compared with the EU27 average Index = 100).</i>
	General Expenditure on R&D.	Average for the BSS region in 2008 = <b>2.16%</b> of GDP.	Influencing a higher average for the BSS region by 2020 = <b>3%</b> of GDP.	Eurostat annual data available with 2 year time lag (NUTS2).
	General Expenditure on R&D	Average for the best performing 10% of the total population of the BSS region in 2008 = <b>4.55%</b> .  Average for the worst performing 10% of the total population of the BSS region in 2008 = <b>0.2%</b> .	Positive influence on diminishing the difference in the General Expenditure on R&D between the best and worst performing 10% of the total population of the BSS region by 2020.	Eurostat annual data available with 2 year time lag (NUTS2).
	GDP growth	Average GDP growth for the BSS region in 2007-2008 = <b>1.4%</b> .  Average GDP growth for the EU in 2007-2008 = <b>1.75%</b> .	Influencing a higher average GDP growth across the BSS region by 2020.	Eurostat annual data available with 2 year time lag.
	GDP (in PPS)	4 Member States with highest GDP average GDP 120.1 % of EU average (2007-2010), remaining constant.  4 Member States with lowest GDP average GDP 59.2% of EU average (2007-2010), in decline.	Positive influence on diminishing the difference in an average GDP between the Member States of the BSS region with the highest and lowest GDP by 2020.	Eurostat annual data available with 2 year time lag.

Human Index.	Development	Average for the BSS region in 2008 = 44.8.	Influencing an increase of the Human Development Index of 25% for the BSS region by 2020.	UN Human Development index.  <i>(The Index is based on 'life expectancy in good health', 'net adjusted household income per head' and 'high and low educational attainment for the population aged 25-64'. The average Index for the BSS region can be compared with the EU27 average index – 62).</i>
Human Index.	Development	Average for the best performing 10% of the total population of the BSS region in 2008 = <b>86.41%</b> average for the worst performing 10% of the total population of the BSS region in 2008 = <b>21.05%.</b>	Positive influence on diminishing the difference in the Human Development Index between the best and worst performing 10% of the total population of the BSS region by 2020.	UN Human Development index.
Labour Index.	Productivity	Average for the BSS region in 2008 = <b>77.8%.</b>	Influencing an increase of the Labour Productivity Index by 20% across the BSS region by 2020.	Eurostat annual data available with 2 year time lag (NUTS2) <i>(The Index is based on 'million EUR/person employed'. The EU27 average Index = 100).</i>
Labour Index.	Productivity	Average for the best performing 10% of the total population of the BSS region in 2008 = <b>150.1%</b> Average for the worst performing 10% of the total population of the BSS region in 2008 =	Positive influence on diminishing the difference in the Labour Productivity Index between the best and worst performing 10% of the total population of the BSS region by 2020.	Eurostat annual data available with 2 year time lag (NUTS2) <i>(The Index is based on 'million EUR/person employed'. The EU27 average</i>

		28.6%		Index = 100).	
Climate change adaptation	Integrated coastal protection plan and programme, including providing for effects of increased runoff and changes in marine environment.	None in 2011.	Regional strategy in 2013.		European Commission, DG Clima, national ministries, OPs' annual reports.
			Adoption of an integrated coastal protection plan and programme by 2020.		



## PRIORITY AREAS

### **PA Agri – Reinforcing sustainability of agriculture, forestry and fisheries**

*Coordinated by: Finland, Lithuania, Sweden*

Agriculture, forestry, and fisheries are important to the economy and sustainable development of the Baltic Sea region. Keeping these sectors profitable and competitive is a key factor in securing the future sustainable development of the region. Many advantages could be gained from increased cooperation.

More coordination and awareness of best practice could help in addressing the environmental and competitiveness challenges in the Baltic Sea region, in particular best practices of cross-sectoral and integrated approaches to rural development. This would also contribute to economic development and help provide new opportunities, such as renewable energy production, combating climate change and eutrophication as well as enhancing of biodiversity. There is a need for continued cooperation and the sharing of experiences and best practices between stakeholders at all levels.

It is important to enhance the competitiveness of agriculture and rural areas, improve quality of life and encourage diversification. Agriculture and rural areas also provide ecosystem services for society as a whole and their ability to do this should be secured. This includes encouraging closer cooperation between the different actors in the public, non-governmental and private sectors. Actions to enhance and promoting the development of sustainable agricultural practices in the region should be closely linked to other EUSBSR priority areas. For example, priority area ‘Nutri’ is important for priority area ‘Agri’, as is the HELCOM Agriculture and Environment Forum. Areas of cooperation with priority areas ‘Nutri’ and ‘Bio’ could include meeting the challenges of eutrophication, climate change and biodiversity.

The Baltic Sea region is to a large extent a forest-dominated region. The forestry sector is important for regional development and plays an important role in maintaining sustainable employment in rural areas. The Baltic Sea region is a leading forestry centre in the EU. The growing importance of different forest ecosystem services is leading to greater demands on the forestry sector, reinforced by recent EU policies and instruments, including the 20-20-20 targets for renewable energy, water directive, NATURA2000 network. There is a need for more research and cooperation on a more integrated approach to utilising wood and other forestry related products and to enhance the competitiveness of forestry sector.

Fisheries have a long tradition in the Baltic Sea. The area can therefore serve as a model for the development of alternative management set-ups and instruments in support of the Common Fisheries Policy (CFP) reform process such as a more regionalised management approach. The Baltic Sea has a low number of commercially exploited stocks and rather clean, single species fisheries of which about 90% are within the EU and with only one external partner. It is therefore a suitable candidate for an ecosystem-based management approach and can set a good example for specific actions to be taken, such as improved selectivity in fishing gear to contribute to the elimination of discards.

Aquaculture has been slow to develop in the Baltic Sea region. This has not been due to a poor market situation or unfavourable natural conditions, but rather the difficulty of reconciling environmental policies with a viable aquaculture economy. As a result, the economic performance of the aquaculture industry has weakened. Furthermore, because of the eutrophication of the Baltic Sea, any aquaculture activity requires novel, cost-effective and environmentally efficient technologies to remain viable. There is a clear need for better and more coherent governance and management to facilitate the development of responsible and sustainable aquaculture in the Baltic Sea region.

In the context of the initiatives taken by the Standing Committee on Agricultural Research (SCAR), a working group has been created with the mandate to better coordinate national research work on developing sustainable agriculture, forestry and fisheries in the Baltic Sea region.

The rural areas in the north of the region are some of the most sparsely populated areas in the EU. At the same time other rural or coastal areas are relatively densely populated and some of these regions face pressure from urbanisation. Consequently, the needs of and challenges for these specific areas and their respective agriculture, forestry and fisheries sectors vary. Nevertheless, there are many common problems such as competitiveness, environmental challenges and the de-population of rural areas.

Many of the challenges for agriculture concern nutrients, biodiversity and climate change. There is a need to use resources in a more sustainable way, which means recycling nutrients more and using renewable energy. It is also important to improve agricultural practices for the protection of biodiversity and eco-system services, for example by restoring wetlands. The problem of excess manure produced through intensive animal husbandry needs to be solved. In recent years, cooperation projects on agri-environmental measures have been developed in the Baltic Sea region, with a capacity-building and investment potential to contribute substantially to nutrient reduction.

Within the forestry sector, the countries in the region differ in terms of ownership structures and property right regimes. As a result, there is a need for an appropriate mix of policy instruments to effectively tackle pending challenges, such as conflicting demands on different ecosystem services,

fragmentation of forest estates and ensuing lack of cooperation between landowners, and a lack of knowledge of how to adapt forest management to tackle climate change and promote biodiversity. There are already cross-border projects where stakeholders at all levels exchange best practices on sustainable forest management, also incorporating the latest research findings. These projects, as well as new initiatives, will contribute to improving the profitability of sustainable forest management in the Baltic Sea region, with a particular focus on North-West Russia.

In July 2011, the Commission presented its proposals for the reform of the EU common fisheries policy. Europe's fisheries policy is in urgent need of reform. Vessels are catching more fish than can be safely reproduced, thus exhausting individual fish stocks and threatening the marine ecosystem. The fishing industry is experiencing smaller catches and facing an uncertain future. By bringing fish stocks back to sustainable levels, the new Common Fisheries Policy aims to provide EU citizens with a stable, secure and healthy food supply for the long term. It seeks to bring new prosperity to the fishing sector, end dependence on subsidies and create new opportunities for jobs and growth in coastal areas. At the same time, it fosters the industry's accountability for good stewardship of the seas.

Contrary to global trends, aquaculture production in the EU territory of the Baltic Sea catchment area stagnated or even slightly declined during the last decade. A constantly increasing shortfall in global seafood supply has created great demand for aquaculture to fill the gap between declining fisheries output and increasing demand for seafood. However, this opportunity has not been seized in the Baltic Sea region.

### **Targets and indicators**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinators. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

Sub-objectives	Indicator	Baseline	Target/deadline	Data sources
<b>Improved manure utilisation and efficiency</b>	Investments on bioenergy plants utilizing manure of farm animals and recycling nutrients.	TBC	Minimum of 5 new or upgraded biogas plants operational in the Baltic Sea region in 2020.	Data bases of e.g. structural fund and rural development programmes of the 8 Member States.
<b>Added value through cooperation within Baltic fisheries and aquaculture</b>	State of Baltic Sea fish stocks and level of aquaculture production. Activities of BALTFISH are result oriented and effective.	ICES reports on Baltic Sea fish stocks in 2011 and statistics on aquaculture production in 2011.	Baltic Sea fish stocks at MSY level from 2015 onwards and increase in aquaculture production and aquaculture sustainability compared to level in 2011. GES is reached by 2020.	ICES annual advice on the state of Baltic Sea fish stocks. Multiple sources for data on level of aquaculture production. Reporting on activities of BALTFISH, MSFD, CFP.
<b>Synergies from cooperation between the Rural Development Programmes</b>	Cooperation and social dialogue between Baltic Sea region member states' institutions and broader number of public, social, non-governmental partners.	There is no tradition to systematically organise regional meetings and initiatives which unify different actors participating in Rural Development Programmes.	Organisation of joint meetings (at least one per year) in order to deepen the cooperation in rural development programmes. Deadline: end of 2020; Progress review by the end of 2014.	Reporting on activities of the action 'Enhance the combined effects of the rural development programmes'; Reporting without additional indicators, that means whether on the basis of a few existing EAFRD-indicators or a qualitative description.

### *Actions and flagship projects*

#### **Action: Develop sustainable strategies for wood**

To be completed within the framework of Sustainable Forest Management (SFM) and Research and Development programmes in order to develop a common Baltic Sea region approach. Forestry research undertaken by the Nordic Council of Ministers should be exploited. The strategies would be placed in the broader context of national forestry programmes or similar and/or national renewable energy plans that balance the supply of wood raw material to forest-based industries, renewable energy development, nature conservation strategies and wood mobilisation.

### *Flagship projects*

#### ➤ ***Sustainable forest management in the Baltic Sea region – EFINORD.***

The EFINORD flagship project acts as an umbrella for forestry related projects within the EUSBSR. EFINORD focuses on sustainable forest management and reflects regional issues, primarily biomass production and ecosystem services, which are high on the agenda for forest owners, the forestry industry, and society at large. (Lead: NCM/SNS; Ministry of Agriculture and Forestry/Finland, EFINORD. Deadline for progress review: 31 December 2014).

The EFINORD flagship offers an umbrella for forestry and SFM-related activities in the EUSBSR. The following activities are under the EFINORD umbrella: *Improving market communication of wood products' environmental values* (Lead: Finland/Finnish Forest Research Institute); *Forestry and water protection* (Lead: Sweden/Swedish Forest Agency); application for deeper cooperation in 2013; *Sustainable Forest Management in Kaliningrad* (Lead: Sweden/Swedish Forest Agency); *Baltic landscape* (Lead: Sweden/Swedish University of Agricultural Sciences); running until 2014; *Creating a Nordic-Baltic information service for forests and forestry* (Lead: Nordic Forest Research Cooperation Committee (SNS) & North European Regional Office of the European Forest Institute (EFINORD)); running 2010–2013; *Management and conservation of forest tree genetic resources in the Baltic Sea region under changing climate conditions* (Lead: Nordic Centre of Advanced Research in Forest Genetics and Tree Breeding (GeneCAR)); Sub-project 2: *Cooperation in breeding of Norway spruce* (Lead: NordGen Forest); *Hardwoods are good* (Lead: Sweden/Swedish Forest Agency); running 2010–2013; *Dieback of spruce stands in the Baltic Sea region – evaluation of stress factors, resistance of stands and management alternatives* (Lead: Latvia/Latvian State Forest Research Institute (SILAVA); Deadline: 31 December 2014; no funding so far).

#### **Action: Enhance the combined effects of the rural development programmes**

This action is to be completed by improving cooperation between the actors in different institutions, and in the public, non-governmental and private sectors in the Baltic Sea region and should lead to more targeted measures. Programmes could be linked when they deal with similar problems. This aim should be reached through social dialogue and cooperation. In addition, there should be a streamlining of the rural development measures in the national rural development programmes, including joint initiatives. There is a need to develop cooperation measures, with more emphasis on common innovation across borders.

### *Flagship projects*

- ***Sustainable rural development.*** Projects must be developed that bring together people in the region working on sustainable rural development and employment, such as supporting the

environment for innovation, youth, rural tourism, agriculture and forestry. New practices using an integrated approach should be developed. A project called 'Sustainable Rural Development through youth, innovation and entrepreneurship' is currently funded by the Swedish Institute. This project will draw on practical experiences to identify models and methods to enhance youth involvement in community development and to create an innovation friendly environment in the rural areas. Lead: Poland/Ministry of Agriculture and Rural Development and Sweden/National Rural Network. Deadline for progress review: August 2015.

**Action: Develop strategies for a sustainable use of and breeding with forest, animal, and plant genetic resources**

This action should have a specific focus on resources considered to have a positive effect on hindering soil erosion, on minimizing the use of acidifying substances, on carbon capture and storage and finally on the conservation of genetic diversity. By creating networks within the Baltic Sea region, the aim is to strengthen and develop cooperation in the area by exchanging information, building competence and providing input to policy-making. Furthermore project-based networks will be developed within different topics. The following are some examples: plant genetic resources for agriculture in changing climate, including pre-breeding, forestry, carbon capture and storage and adaptation to climate change, animal genetic resources, pollution and sustainable breeding programme, education on genetic resources. Actions and experience of the Nordic Council of Ministers should be exploited for further cooperation and development.

*Flagship projects*

- ***Network of institutions for the management and conservation of plant genetic resources*** (PGR) in the Baltic Sea region under changing climate conditions. The aim is to secure sustainable conservation and use of plant genetic resources relevant for food and agriculture. To accomplish this, networks of institutions within the region are already established to exchange and develop knowledge within the field. This will be expanded to include long-term cooperation for practical cost-efficient solutions in the management of genetic resources and thereby strengthen food security in the region. The first objective is to implement the common European database for plant genetic resources (AEGIS) promoting the utilisation of the PGR in the region for breeding and research. This could serve as a model of regional collaboration to other European countries. (Cross-cutting theme B: Climate change). Lead: NordGen. Deadline: to be determined.

**Action: Animal health and disease control**

Action to promote animal health and disease control should be reinforced, also in light of the potential impact of climate change on the spread of diseases. Actions and experience of the Nordic Council of

Ministers should be exploited for further cooperation and development, including the Nordic-Baltic cooperation in this field.

*Flagship projects*

- ***Reinforcement of animal health and disease control.*** In the Nordic-Baltic region veterinary contingency planning has been on the common agenda for some years and that experience can be used in a future cooperation in the whole Baltic Sea region. One example is simulation exercises that are considered as a very valuable tool for testing the contingency plans established for the control and eradication of rapid spreading animal diseases. The efforts made to facilitate training in the Nordic-Baltic region in the use of risk analysis and creation of networks for sharing experiences should be explored. In the event of an animal disease outbreak, the Baltic Sea region will be working on the intension to provide, within their resource capabilities, skilled and competent personnel to respond to the animal disease situation in the affected country. It is anticipated that the outcome of the project will be adopted in strategies and activities. This will strengthen the regions' capacity to address global trends and to meet requirements in the context of a common market. Actions and experience of the Nordic Council of Ministers should therefore be exploited for further cooperation and development, including the Nordic-Baltic cooperation in this field. Lead: Nordic Council of Ministers. Deadline for progress review: to be determined.

**Action: Develop and improve coordination and cooperation among Member States and stakeholders on fisheries management in the Baltic Sea**

Promote the regionalisation of the Common Fisheries Policy within BALTFISH to develop detailed technical measures for implementing multi-annual fisheries management plans and to develop regional solutions to horizontal problems such as discards and control and inspection.

*Flagship projects*

- ***Develop and improve coordination and cooperation among Member States and stakeholders*** on fisheries management in the Baltic Sea. A forum called BALTFISH has been established to enhance collaboration among Baltic Sea Member States for the regionalisation of fisheries management. The forum will collaborate with relevant Baltic Sea organisations including the Baltic Sea Regional Advisory Council (BSRAC), the International Council for the Exploration of the Sea (ICES) and the Helsinki Commission (HELCOM) and other regional stakeholders in fisheries management. Lead: Sweden/Ministry of Rural Affairs. Deadline for progress review: 30 June 2013.
- ***Eradicating discards.*** The aim is to promote and facilitate the eradicating of discards in the Baltic Sea, beginning with a focus on cod and now comprising species in the Baltic Sea on a

broader scale. Within the framework of BALTFISH, the flagship project has brought together stakeholders, Member States, and the EU Commission in order to define and discuss how to implement a discard ban in the Baltic Sea. Joint pilot projects to support the operation of a ban could include gear modifications or measures such as temporal closures which would contribute to viable solutions to avoiding unwanted catches and juvenile fish. The details on implementing a discard ban from 1 January 2014 will be established in a regionalised approach, and the project will continue to facilitate and monitor the process. Lead: Denmark/Ministry of Food, Agriculture and Fisheries. Deadline for progress review: 1 July 2013.

- ***Ensure sustainable fishing.*** The activity focuses on ensuring the timely adoption and effective implementation of the proposed EU management plan for Baltic salmon. The activity is carried out in cooperation with public authorities and stakeholders concerned and takes into account the recommendations of the HELCOM Baltic Sea Action Plan, best practices and scientific knowledge including scientific assessments by the ICES and the Scientific, Technical and Economic Committee for Fisheries (STECF). Lead: Sweden/Swedish Agency for Marine and Water Management. Deadline for progress review: July 2013.
- ***Aquabest.*** This project seeks to find solutions for the development of sustainable aquaculture in the Baltic Sea region. The aim of the project is to demonstrate that aquaculture in the Baltic Sea region has the potential to become a nutrient-neutral food production system. Aquabest will collaborate closely with the AQUAFIMA project, which deals with integrated fisheries management and aquaculture. Lead: Finland/Finnish Game and Fisheries Research Institute. Deadline for progress review: March 2014.

#### **Action: Enhance the combined effects of the European Maritime and Fisheries Fund (EMFF) programmes**

This action is to be completed through better cooperation and should lead to more targeted measures. Programmes could be linked when they deal with similar problems.

##### *Flagship projects*

Develop and improve coordination and cooperation among Member States and stakeholders, see above.

#### **Action: Recycling of nutrients**

A more efficient use and recirculation of nutrients in plant and animal production and reduced losses of nutrients to the Baltic Sea are needed to enhance sustainable agriculture in the Baltic Sea region. New practices and technologies should be developed using an integrated approach, particularly in order to reduce losses of nutrients from the large quantities of manure produced in intensive rearing of



cattle, poultry and pigs. Larger and more clustered livestock farms require more effective methods to storage, process and distribute manure. Manure can be utilised for biogas production, giving the multiple benefit of producing renewable energy and acting as an improved fertiliser. Slurry can be processed chemically or mechanically in order to separate nitrogen and phosphorus rich components (liquid/fibre parts). Separation allows nutrients to be circulated efficiently, enables nitrogen and phosphorous to be dosed according to crops' needs and reduces the risk of overdosing. The recycling of phosphorus is imperative as this is a finite natural resource. At the same time, the phosphorus load in waters caused by agriculture leads to eutrophication. To this end, there is a need for interdisciplinary research, and advice, while recognising economic, social and political constraints.

#### *Flagship projects*

- ***Baltic Forum for Innovative Technologies for Sustainable Manure Management, BALTIC MANURE***, is turning the perception of manure from an environmental problem into an opportunity for business innovation. The project develops and utilises the high potential and know-how on innovative solutions for manure management, such as the production of renewable energy and organic fertilisers. Lead: MTT Agrifood Research Finland and Agro Business Park, Denmark. Deadline for finalisation: 16 December 2013.
- ***Recycling of phosphorus***. Considering the global scarcity of phosphorus and the need to feed a growing population, recycling of phosphorus to achieve sustainable use of this valuable resource is an urgent matter. To meet this aim, the large organic phosphorus pools in the Baltic Sea region such as manure, sewage sludge, carcass meal and bone meal have to be utilised in such a way as to recover the nutrient phosphorus completely and in a plant available form. In addition, recycled fertiliser products must contain neither organic xenobiotics, nor pathogens which might enter the food chain. Elaborate concepts for recycling these residues combined with advanced, site-specific fertilisation strategies have the potential to make the Baltic Sea region the first self-sustaining region in the world in terms of mineral phosphorus fertiliser input. Lead: Germany/Julius Kühn Institute together with Baltic MANURE. Deadline for finalisation: to be determined. The project will start in 2013.

## **PA Bio – Preserving natural zones and biodiversity, including fisheries**

*Coordinated by: Germany*

Biodiversity in the Baltic Sea is threatened by overfishing, by-catches and incidental catches of non-target species, invasive alien species, the destruction of habitats by human activities (such as dredging and construction along shores and migratory obstacles in waterways), eutrophication and contaminants. Climate change, thought to reduce the salinity and increase the temperature of the Baltic Sea, is also affecting aquatic biodiversity. Hence, the impact of and vulnerability to climate change is of increasing importance. Emerging pressures such as marine litter and underwater noise also play a role.

Fishing has a direct impact on the composition and diversity of fish communities in the Baltic Sea. Overfishing has resulted in the decline of numerous fish species such as salmon, eel and the extinction of the Baltic sturgeon. MSY is not reached for many species. Fishery also affects other non-targeted marine species, such as seabirds and marine mammals through by-catch mortality, and competition for food. Mobile bottom contacting fishing gears affect benthic habitats and species through by-catch, direct mortality and the alteration of the physical structure of the sea floor, re-suspension of nutrients and hazardous substances.

To respond to these diverse threats, actions have to be twofold: to minimise the adverse effects of human activities and to establish a network of well-managed ‘Marine Protected Areas’.

It is important that those HELCOM Contracting Parties, that are also EU MSs at the same time, carefully fulfil the obligations and implementation needs of the relevant EU legislation. In particular, the EU Biodiversity Strategy to 2020, the CFP, the EU Marine Strategy Framework Directive, the Birds and Habitats Directives, should be the key tools to ensure that environment protection and preservation aspects are integrated into all relevant priority areas of this Strategy.

Efforts should also be given to envisage how environmental aspects could be more taken into account by the Common Fisheries Policy. On an overall level, this priority area aims to give political support to the timely implementation of the Biodiversity and Nature Conservation Segment of the HELCOM BSAP.

The BONUS Joint Baltic Sea Research and Development Programme<sup>20</sup> is a natural ally in the work to protect biodiversity and prevent pollution.

### Targets and indicators

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinator. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

Indicator	Baseline	Target/Deadline	Data Sources
Number of Baltic Sea Protected Areas (BSPAs) with management plans in place of the total number of BSPAs, including integration of fisheries management measures in management plans.	In February 2010, <sup>21</sup> 34 out of 159 (approx. 21%) had management measures in force.	To develop and apply management plans and/or measures for already existing BSPAs by 2015 Every new BSPA designation should be followed by the establishment of a management plan and/or measures within five years.	Existing HELCOM database HELCOM BSEP 124B.
Implement Habitat restoration measures.	Status of restoration plans for migratory fish in 2010. <sup>22</sup>	All restoration plans have put in place and implemented by 2020.	Inventory and classification <sup>23</sup> <a href="#">HELCOM BSEP 126 A.</a>
The active conservation of endangered/threatened wild salmon river populations and native Baltic Sea salmon populations in potential salmon rivers.	22 'red' salmon populations according to MSY traffic lights in 2009 <sup>24</sup> (original salmon	The active conservation of at least ten endangered/threatened wild salmon river populations and reintroduction of native Baltic Sea salmon in at least four potential salmon rivers by 2013 (BSAP) Abundance of salmon population: the assessment of GES is based on the smolt production in the rivers of wild salmon stocks. The rivers' potential smolt	<a href="#">HELCOM BSEP 126 A</a> SALAR II work (proposed follow-up of SALAR project) Coreset Indicator on salmon abundance.

<sup>20</sup> Decision 862/2010/EU of the European Parliament and of the Council on the participation of the Union in a Joint Baltic Sea Research and Development Programme (BONUS) published in the Official Journal on 30.9.2010 (OJ L 256).

<sup>21</sup> Towards an ecologically coherent network of well-managed Marine Protected Areas – Implementation report on the status and ecological coherence of the HELCOM BSPA network (2010), BSEP 124B: <http://www.helcom.fi/stc/files/Publications/Proceedings/bsep124B.pdf>.

<sup>22</sup> Salmon and Sea Trout Populations and Rivers in the Baltic Sea – HELCOM assessment of salmon (*Salmo salar*) and sea trout (*Salmo trutta*) populations and habitats in rivers flowing to the Baltic Sea [BSEP 126 A, country-wise reports](#).

<sup>23</sup> Ibid.

<sup>24</sup> List of original salmon populations with low or impaired reproduction (traffic light lists; see above - [BSEP 126 A](#), p. 57 and [country-wise reports](#)).

	populations that should be prioritised for conservation).	production capacity (PSPC) has been estimated and the target (so-called GES boundary) is to reach 80% of the PSPC by 2015.	
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### *Actions and flagship projects*

#### **Action: Implement the HELCOM Baltic Sea Action Plan, in particular the Sections on Biodiversity and Nature Conservation, and on maritime traffic**

These specific sections on biodiversity and nature conservation, and on maritime traffic, which address the introduction of alien species via ships' ballast water, sediments and hulls are closely related to the implementation and development of several EU policies, including the Common Fisheries Policy (where the Commission is responsible for taking the necessary policy initiatives), as well as to the implementation of the EU Biodiversity Strategy to 2020.

#### *Flagship projects*

- **Create marine protected areas.** The Birds<sup>25</sup> and Habitats directives<sup>26</sup> (Natura2000 network), and the HELCOM BSPAs (Baltic Sea Protected Areas) and the MSFD and the EU Biodiversity Strategy to 2020 call for Member States to complete the designation of a network of marine protected areas in the Baltic Sea. To be truly efficient these areas need to be ecologically coherent and representative and have adopted and implemented management plans that correspond to the threats the species or habitats they are created to protect. The designation of the marine protected areas network in the Baltic Sea should also be taken into account in the context of maritime spatial planning and ICZM which can contribute to facilitating the coordination of human activities in the marine areas. It also needs to be coordinate with measures under the Common Fisheries Policy. Lead: Finland. Deadline for progress review: 2015 for existing BSPAs and within five years for newly designated BSPAs.

#### **Action: Reduce the negative effects of fishing on the Baltic ecosystem**

The MSFD objective that populations of all commercially exploited fish and shellfish are within safe biological limits exhibiting a population age and size distribution that is indicative of a healthy stock, together with the objective to reach MSY by 2015, should be respected in order to achieve good environmental status in the Baltic by 2020. Further assessment of the environmentally negative impacts of fishing activities including unsustainable fishing practices is needed with the aim as a first step to consider the exclusion of the use of certain techniques in marine protected areas to achieve

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<sup>25</sup> Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds.

<sup>26</sup> Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora.

their conservation objectives. Member States need to implement regulations and measures taken at EU level to minimise the impact of fishing activities on marine ecosystems, such as the Pingers regulation<sup>27</sup> and certain technical measures. In addition, Member States can adopt national measures to minimise the effect of fishing on marine ecosystems within their territorial waters and for fishing vessels flying their flag in line with, or more stringent than the existing EU legislation. This should be especially stressed for the protection of the critically endangered Baltic harbour porpoise population. Also in the context of the ASCOBANS (Agreement on the Conservation of Small Cetaceans of the Baltic, North East Atlantic, Irish and North Seas). The HELCOM Fisheries and Environment Forum, involving fisheries and environment authorities, provides a platform for proposing, sharing and implementing new solutions on sustainable fisheries and nature conservation.

#### *Flagship projects*

- ***Restrict the introduction of new alien species by ships*** – principally by enforcing the international Ballast Water Management Convention and by means such as onboard treatment and the installation of ballast water reception facilities in ports with significant traffic flows from and towards waters outside the Baltic Sea. HELCOM countries agreed in the Baltic Sea Action Plan (BSAP) to ratify the Convention ideally by 2010, and by 2013 at the latest. A HELCOM Road Map has been agreed, focusing on ballast water management for inner Baltic voyages. Furthermore, HELCOM/OSPAR<sup>28</sup> and HELCOM/OSPAR/Barcelona Convention guidelines on the voluntary interim application of ballast water exchange standards should be implemented. Actions should build on the new knowledge on the issue arising from ongoing research and should promote further innovative approaches by industry and research institutes. To a large extent, this achievement of these goals depends on the successful implementation of the Ballast Water Convention thus the process of ratification of the legally binding instrument should be supported as much as possible. Lead: HELCOM, Sweden and Germany. Deadline for progress review: 2013.
- ***Establish measures to facilitate the migration and reproduction of migratory fish species***, on the basis of a classification and inventory of rivers with historic and existing migratory fish species such as eel and salmon as agreed in the HELCOM Baltic Sea Action Plan (BSAP). The HELCOM Fisheries and Environment Forum in close cooperation with the International Council for the Exploration of the Sea (ICES) has started with inventory, classification of the historical and existing Baltic rivers with salmon and/or sea trout populations and suggestion of measures for restoration plans and active conservation of such populations ([HELCOM](#)

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<sup>27</sup> Council Regulation (EC) No 812/2004 adopted in April 2004 laying down measures concerning incidental catches of cetaceans in fisheries and amending Regulation (EC) No 88/98.

<sup>28</sup> OSPAR is the organisation established by the Convention for the protection of the marine environment of the North-East Atlantic, to which 15 countries and the European Union are Contracting Parties.

[SALAR Project](#)) resulting in adoption of [HELCOM Recommendation 32-33/1](#). Further continuation of this work is expected in SALAR II (follow-up) project to address specific river restoration cases. [Multiannual plan for the Baltic salmon stock](#), when adopted, is expected to contribute to national restoration activities. National eel management plans were also developed by all HELCOM countries, including Russia and formed the basis for series of joint [HELCOM/ICES workshops](#) on transboundary eel management measures, that are expected to contribute to conservation of eel stocks as a contribution to a co-ordinated Baltic programme to ensure successful eel migrations from the Baltic Sea drainage basin to natural spawning grounds. Under the current European Fisheries Fund (EFF) Operational Programmes, some EU Member States already contribute to this objective by taking action to protect aquatic fauna and flora, in particular to rehabilitate inland waters, including the migration routes. The future European Maritime and Fisheries Fund will better accommodate the objectives of the Integrated Maritime Policy to support cross-cutting priorities such as marine knowledge, maritime spatial planning, integrated coastal zone management, integrated maritime surveillance, the protection of the marine environment and of biodiversity, and the adaptation to the adverse effects of climate change on coastal areas. Lead: HELCOM. Deadline for progress review: 2016.

- ***Managing Fisheries in Baltic Marine Protected Areas (BALTFIMPA)***. The main objective of the BALTFIMPA project is to assist, on a regional level, the HELCOM Contracting States to comply with their obligations to fulfil conservation objectives of marine protected areas in the Baltic Sea by managing fisheries, when applicable. BALTFIMPA will thus focus on marine protected areas (Baltic Sea Protected Areas and Natura2000), analyse possible conflicts between fisheries and conservation objectives in MPAs, including protected species, and identify fisheries management measures accordingly. This will be accomplished by studying the impact of fisheries and then finding new solutions to mitigate it. Solutions can range from improved management of fisheries regulations to development of new types of fishing gear that are more sustainable for the environment. These solutions then need to be promoted and disseminated to all relevant stakeholders. Lead: HELCOM. Deadline for progress review: March 2013 (Inception Phase to be completed).

## **PA Crime – Fighting cross-border crime**

*Coordinated by: Finland and Lithuania*

The criminal dynamics of the Baltic Sea region are influenced by the region's position between supply countries for cigarettes and synthetic drugs precursors, and destination countries for cigarettes, synthetic drugs, cocaine and hashish, and to a lesser extent heroin. Trafficking in human beings is also an issue. The BSR presents attractive opportunities to organised crime groups from both the EU and neighbouring countries.

An important feature of the region is the long external borders. These often separate two very different types of legislation and make cross-border law enforcement cooperation lengthy and cumbersome. So the border can also facilitate certain organised crime groups and markets. Especially mobile criminal groups, concentrated in 'hit and run' type crimes, regularly operate in the northern part of the area. A further facilitator for trade fraud in this region is the large volume of transport across the borders and other vulnerable aspects of the logistics sector.

The EU should promote and support the development of regional approaches and cooperation to combat organised crime, particularly in border regions. The further refinement of cross-border co-operation structures in the BSR should contribute greatly to addressing the 'security deficits' in the area. Europol regional support can also help and back up the desired regional law enforcement operational cooperation.

The priority area operates within the framework of the Baltic Sea Task Force on Organised and Crime and its Operational Committee (BSTF OPC). This cooperation platform is an interim structure for dealing with cross-border crime in the Baltic Sea region. Its mandate has been extended by the Heads of Governments of the Baltic Sea States until 31 December 2016. The scheme has been in operation for 14 years and has proved to be necessary. The developments over recent years have made BSTF OPC more and more instrumental in initiating and coordinating operational activities such as joint analysis and investigations. The active participation of Russia in this cooperation gives even more confidence in the importance of this framework.

Another important, especially in sea area, law enforcement cooperation platform in the BSR is the Baltic Sea Region Border Control Cooperation (BSRBCC). It was established in 1996 and with all the

EU Member States from the region, as well as from Russia, Norway and Iceland (observer), it has since made steady contributions in the entire field of combating cross-border criminality. It is also involved in environmental protection as well. This cooperation has developed in all Member States National Coordination Centers (NCC), which are connected 24/7. Moreover, the BSRBCC is the frame for carrying out operations at sea and along the coastline, and for further education and regular meetings, including Frontex active participation.

The BSTF OPC also has a mandate from the Crossfire Network for targeting smuggling of firearms into and between countries in the BSR. The network was established in 2008 during the OPC meeting in Sweden; its aim is to exchange information on the smuggling of firearms, with a particular focus on pistols, revolvers, submachine guns and assault rifles. The network also includes Europol, the European Firearms Experts Network, Interpol, Southeast European Law Enforcement Centre (SELEC), the World Customs Organisation (WCO) and the WCO Regional Intelligence Liaison Offices in Europe (Cologne, Moscow, Warsaw).

For development of trade and for trade facilitation and for fast, secure and safe EU external trade, the EUSBSR 2012 calls for the full use of the new cohesion policy proposals, notably to advance cross-border infrastructure and at external borders, support modernisation of EU customs infrastructure, equipment, systems and well as administrative capacity building. This physical and administrative capacity building as well reduces cross-border crime.

To specifically target human trafficking via preventive and protective activities, the Heads of Governments of the eleven countries belonging to Council of the Baltic Sea States have established two expert groups composed of national experts representing all the member countries:

- the Task Force against Trafficking in Human Beings (CBSS TF-THB); its current mandate runs until end of June 2014;
- the Expert Group for Co-operation on Children at Risk (EGCC); its current mandate runs until end of June 2013.

### **Targets and indicators**

The operational objectives/sub-objectives, indicators, baselines and targets/deadlines will be finally set and collected after the first operations have been fulfilled and closed. The objective is to successfully complete joint investigations (e.g. drug seizures, confiscation of criminal gain in the form of money, as stolen cars, etc.). As all the operations are new and were initiated on the basis of the Baltic Operational Crime Assessment (BOCTA) scheme, which identifies the most common areas of criminal activity in the BSR, the baseline is zero and the target can be set at the start of each operational activity.



A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinators. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

Objective/sub-objectives	Indicator	Baseline	Target/deadline	Data sources
Better cooperation	Level of cooperation and support.	Situation in 2009, BSTF OPC as interim solution.	Permanent common joint analysis and investigations and law enforcement cooperation platform/31.12.2016.	BOCTA.
Better cooperation	Number of joint operations, investigations and activities/year.	3 on-going operations/investigations/activities 2012.	5 operations/investigations/activities by end-2013.	BSTF OPC Secretariat.
Better cooperation to prevent trafficking in human beings for forced labour and to protection of the victims	National and regional partnerships.  Knowledge of the mechanisms that facilitate trafficking in human beings for labour exploitation in the Baltic Sea region.	ADSTRINGO project baseline research.	Use of enhanced national and regional partnership and improved knowledge (manifested in preventive activities by June 2014).	ADSTRINGO project reports.  CBSS TF-THB reports.  National reports and statistics.

**BSTF OPC and BSRBCC** work as an umbrella for on-going and future activities to prevent and investigate cross-border crimes in the BSR.

### *Actions and flagship projects*

#### **Action: Implementation of the BSTF OPC Regional Strategy 2010–2014**

The Baltic Sea Task Force (BSTF), currently under Norwegian chairmanship (2013–2014), sees its mission in supporting the participating countries, their governments and law enforcement agencies in delivering a coordinated overview and initiating joint activities to meet both the operational and

political needs in terms of preventing and combating organised crime in the BSR. The major goals of the BSTF are as follows:

- Strengthening the BSTF and Europol alignment;
- Facilitating operational cooperation to combat organised crime in the BSR;
- Further development of cooperation with external partners;
- Development of Russia involvement in operational activities within the EU and Europol frameworks, based on regional needs.

#### *Potential flagship projects*

➤ ***To consider the creation of a joint BSR law enforcement authorities' cooperation structure.***

The aim of the project is to connect BSTF (joint analysis and investigation) and BSRBCC (sea area intelligence) to create a joint cooperation structure for BSR law enforcement authorities taking as the basis the results of the 'MARSUNO' project,<sup>29</sup> as well as the outcome of DG MARE cooperation project<sup>30</sup> and DG ENTR surveillance projects<sup>31</sup> aiming at establishing permanent information sharing among Member States authorities at EU level as described in priority area 'Safe'. Lead: priority area coordinators. Deadline for progress review: 31 December 2013.

- ***Reduction of production and distribution of drugs in the EU.*** Project aims to combat synthetic drugs in the BSR in line with the EU policy cycle Priority Area D. To analyse the production and import/export of precursors and to find out the illicit laboratories and the export of the produced drugs to the market. Lead: to be determined. Deadline for progress review: 31 December 2013.

#### **Action: Combatting trafficking in human beings**

Human trafficking is a cross-border crime of major global concern that needs to be targeted through a multifaceted approach and regional cooperation. The Baltic Sea region is composed of countries of origin, transit and destination for human trafficking. Prevention is the key tool to efficiently fight this crime. Well-functioning strategies to assist and protect victims of human trafficking also need to be in place.

Labour migration has increased in the past years, resulting in increased cases of labour exploitation and related human trafficking. While efforts to identify victims and provide assistance are a key

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<sup>29</sup> <http://www.marsuno.eu> managed under the EUSBSR priority area 'Safe', coordinated by: Denmark and Finland; the proposed potential flagship project.

<sup>30</sup> Call for proposals MARE/2012/17.

<sup>31</sup> DG ENTR SEC-2013.3.5.3-2 Testing the interoperability of Maritime Surveillance systems – Pre-Operation Validation.

priority, trafficking in human beings is best fought through preventive measures that tackle re-victimisation and revictimisation before it happens. This is to be achieved through national networking and dialogue among the key labour actors as well as awareness-raising among governmental representatives at the regional level. It is essential to enhance the knowledge and understanding of the risk factors and vulnerabilities that facilitate human trafficking, especially when it comes to recruitment practices and the roles of recruitment agencies and employers. Furthermore, there is a need to develop specific guidelines for the key stakeholders on how to prevent exploitation.

With expert representatives from ministries of all BSR States the CBSS TF-THB provides an intergovernmental platform for macro-regional cooperation and a forum for transfer of knowledge and best practices in the fight against human trafficking. Through collaborative projects the CBSS TF-THB aims to strengthen, build upon and improve current policies and preventive and protective work in the region. Those projects include research and analysis, data collection, trainings and facilitation of cooperation among stakeholders at the national level in CBSS Member States. The CBSS TF-THB works against all forms of human trafficking but during the strategic period 2012-2014 its main focus is on actions and activities that can increase the capacity of key players in the region to identify instances of trafficking for labour exploitation and to develop strategies to address labour exploitation.

#### *Flagship projects*

- ***Take preventive measures against trafficking in human beings for labour exploitation through improved knowledge and partnerships, and provide support and protection for victims and groups at risk, by means of transnational actions.*** Lead: Lithuania. Deadline for progress review: 31 December 2013. On 1 July 2012 the European Institute for Crime Prevention and Control, affiliated with the United Nations (HEUNI) in Finland, the Ministry of the Interior in Lithuania, the University of Tartu in Estonia and the CBSS TF-THB commenced a two-year flagship project ‘ADSTRINGO – Addressing trafficking in human beings for labour exploitation through improved partnerships, enhanced diagnostics and intensified organisational approaches’. It will be implemented in Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway and Sweden with the financial support of the Prevention of and Fight against Crime Programme of the European Commission Directorate General for Home Affairs. The Baltic Sea Cooperation Unit of the Swedish Institute is financing separately the CBSS TF-THB for project activities in the Russian Federation and Poland. The two main activities planned in the project are: baseline research on recruitment practices in relation to trafficking in human beings for labour exploitation in both countries of origin and destination and national workshops in each of the participating countries to bring together all relevant stakeholders to discuss cooperation on trafficking for labour exploitation and how to prevent it. As an outcome of both activities, the project also aims to develop guidelines on how to prevent this form of human

trafficking and exploitation. The findings of the research will be presented and discussed on 18 October 2013 at a high-level conference in Vilnius during the Lithuanian Presidency of the EU. The project ends in June 2014.

*Potential flagship projects*

- ***Enhance cooperation and coordination among the BSR Member States to prevent trafficking in human beings in all its forms, and strengthen efforts to protect victims of human trafficking within the framework of the CBSS TF-THB.*** In line with its overall objectives, the CBSS TF-THB will in its strategy for 2012-2014 continue to implement joint projects against human trafficking in the region. The TF-THB is developing a project 'The Nexus between Migration into Precarious Labour Situations and Trafficking for Labour Exploitation within the Baltic Sea Region'. Its purpose is to prevent human trafficking for forced labour exploitation by examining the nexus between trafficking for labour exploitation and migration into precarious labour situations in CBSS Member States. The main activities will include field research on victims of trafficking for labour exploitation and migrants in precarious labour situations and the development of guidelines for key labour players on preventing trafficking for labour exploitation. CBSS TF-THB will also facilitate and promote the coordination and exchange of knowledge and best practices in this field. By means of practical work and project implementation the CBSS TF-THB sets out to ensure the sustainability of earlier projects and to build upon the achievements already made by supporting activities at the national level in all CBSS Member States, at their request. To ensure the longevity of the Handbook for Diplomatic and Consular Personnel on Assistance to Victims of Human Trafficking and its continued distribution as a training tool, the TF-THB aims at developing a web-based training application (eLearning) based on the Handbook and transferring it into dynamic content that can be used for digital training lectures. Another initiative of the TF-THB is to publish a report on the State of the Region – Trafficking in Human Beings with a view to tracking developments and achieving an overview of human trafficking issues in each Member State and the region as a whole, in order to have updated material which can be used by researchers, cooperation partners and stakeholders, and ensure the continuity of data collection and analysis. The CBSS TF-THB furthermore strives to strengthen strategic partnerships and increase cooperation with local, regional and international organisations working against human trafficking in the BSR and to facilitate the transfer of knowledge and experience to partners outside the region by sharing knowledge and providing strategic support.

## **PA Culture – Developing and promoting the common culture and cultural identity**

*Coordinated by: Schleswig-Holstein (Germany) and Poland*

The Baltic Sea region (BSR) has an outstandingly diverse and attractive cultural life and a cultural heritage of great value. To make the most of these assets it is essential to give a higher profile to BSR culture and creativity and to promote the BSR as a common cultural region.

Promoting cultural and creative industries will give the region a positive and attractive image, a feature which plays increasingly crucial role in attracting talented people, entrepreneurs and investors to the region, particularly in the light of the growing number of economic sectors with a high degree of virtual work processes and services.

A coherent framework of cultural cooperation in the BSR as an objective of the EUSBSR should be based on the wide range of inter-governmental and non-governmental bodies which are addressing culture in the region e.g. the cultural network ARS BALTICA, the Monitoring Group on Cultural Heritage in the Baltic Sea States, the CBSS Senior Officials Group for Culture (SOGC), and the Northern Dimension Partnership on Culture (NDPC). Moreover, there are several regional organisations which touch upon cultural issues: the Nordic Council of Ministers, the Baltic Metropolises Network (BaltMet), and the Baltic Sea States Subregional Cooperation (BSSSC). However, their work needs to be better coordinated in order to achieve effectiveness of the EUSBSR and bring an added value for the societies inhabiting the Baltic Sea region. Close collaboration with BaltMet and the Baltic Development Forum (BDF) in their role as horizontal action leader is agreed and necessary in order to use the existing expertise in the most efficient and synergetic way. The project content and the output of the priority area 'Culture' are a relevant element in the identity-building process that has to be communicated through professional branding platforms provided by BaltMet. There are close links to the priority area 'Tourism'.

The creative and cultural sector plays a crucial role in fostering innovation. Strategic investment in culture and in the cultural and creative industries, in particular in SMEs, is vital for strengthening a dynamic creative society in the EU and for attaining the Europe 2020 Strategy objectives. Exchanges of experience and clustering forces and expertise in this sector will help make creative enterprises in the BSR more professional and competitive.

In addition, culture, the arts and the regionally linked cultural heritage are a source of common identity and shared values. Building on these assets will boost to the commitment of the region to the EUSBSR and to territorial cohesion in general. Making the most of these regional characteristics and potential enriches the portfolio of European culture in general. Development strategies should include the cultural and creative industries, as well as cultural aspects in a broad sense, in order to achieve positive spillover effects for the economy and society as a whole. Fostering such an integrated model means contributing to economic development and social cohesion in the BSR.

Recognising culture as a resource for creativity and innovation by integrating the creative and cultural sector in the EUSBSR will enhance its potential for economic growth and employment.

### **Targets and indicators**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinators. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

<b>Objective</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target values/situation</b>	<b>Information sources</b>
Promotion of BSR culture, cultural heritage and creative industries.	Percentage of creative industries of BSR countries GDP and employment rate.	Figures of 2012.	Increase of 10% by 2020.	National statistics and Eurostat.
Creative entrepreneurship within the BSR.	Percentage of new successful creative enterprises.	Figures of 2012.	Increase of 5% by 2020.	National statistics and Eurostat.
Efficient framework of BSR cultural cooperation.	Better cooperation of existing BSR cultural policy bodies. Better cooperation between the existing cultural networks and institutions.	1st joint meeting of SOGC, NDPC, Ars Baltica and the MG Cultural Heritage in May 2012 in Greifswald.	Regular joint meetings of BSR cultural policy bodies.	Compilation by PACs.

### ***Actions and flagship projects***

#### **Action: Joint promotion and presentation of BSR culture and cultural heritage**

The diversity, quality and attractiveness of culture and arts of the BSR and its rich cultural heritage shall be presented in all its differences and complexity. The aim is to strengthen civil society and its

institutions by more art and culture exchange within the BSR. Moreover, this will help promote the BSR as a rich and attractive cultural region.

#### *Flagship projects*

- **Art Line.** This project touches the issue of art in public and digital space. The aim is to create a collaborative network between art institutions and academia in the region, to involve the public in the discourse regarding contemporary art, and to create a common South Baltic identity that is communicated to the public through the project and its resulting artifacts. It involves 14 partners from Sweden, Poland, Germany, Russia and Lithuania. ‘Art Line’ receives financial support from the EU South Baltic Programme. Lead: Blekinge Museum in Karlskrona/Sweden. Deadline: December 2013.
- **Co2olBricks.** The main goal of the project is to identify ways of reducing the energy consumption of historic buildings without damaging their cultural value. The cross-professional partnership of Co2olBricks is developing new strategies for protecting the cultural heritage. The project is necessary as up to now most energy-saving technologies are not applicable to heritage buildings. As brick is a widespread building material in the BSR, the techniques developed and demonstrated in pilot projects are transferable to the whole region in order to safeguard the unique historic architecture of the Baltic Sea region. Lead: Free and Hanseatic City of Hamburg. Deadline: December 2013.

#### *Potential flagship projects*

- **Baltic House.** The aim of the project is to create an opportunity to experience the diversity of the contemporary art in the BSR countries and to make it more accessible to a wider public. The core of the project is a continuous display of contemporary art from BSR countries in a mobile art pavilion. One of the main long-term effects will be to promote BSR culture outside the region and to develop cultural skills within the region. Lead: Baltic Sea Cultural Centre in Gdańsk. Deadline: 2016.
- **Cultural Hansa.** The project aims to link the existing BSR potential in innovation and tradition, creativity and research in a sustainable way. As first project partners the European Capitals of Culture (ECoC) of the region are foreseen in order to save their achievements and to actively use their expertise for future cooperation with, for example, Baltic Sea port and Hanseatic cities of the region. As a multi-sectoral and multilateral network incorporating local authorities, universities, commercial enterprises, existing networks and projects at BSR level and NGOs, the ‘Cultural Hansa’ is meant to be a tool for promoting the innovative and creative strength of the BSR and a catalyst for regional development. Withing the EUSBSR the ‘Cultural Hansa’ could form a link between the priorities of tourism, education and

culture. Lead: ARS BALTICA/Sønderborg Municipality, Denmark. Deadline: to be determined.

### **Action: Cooperation on cultural heritage**

An important objective is to preserve and further develop the cultural heritage of the region and to ensure and promote public interest in and access to these assets. The cultural heritage of the region has a significant economic value for tourism and for the overall attractiveness of the region.

#### *Potential flagship projects*

- ***Baltic Heritage Atlas***. This is a continuation of the ‘Maritime Heritage Atlas of South Baltic’ project created and developed in frame of South Baltic Programme. Originally, the project involved 13 partners from four countries of the South Baltic coast. The range will now be extended to all Baltic Sea countries to connect the whole region, promote its rich heritage and strengthen regional identity. The project, in its second stage, includes numerous promotional and educational activities promoting Baltic heritage within BSR and beyond as well as raising awareness about preservation of Baltic heritage and building regional identity. Lead: Central Maritime Museum in Gdańsk. Deadline: 2015.
- ***Baltic Sea Maritime Museums’ Network***. The aim of the project is to initiate permanent cooperation between Baltic Sea Maritime Museums and to establish the regional network. Cooperation between countries and museums started some twenty years ago, and the time has come to establish permanent cooperation between maritime museums. Project started in 2012 in Gdansk and should be revised after every 3rd year. Lead: Polish Maritime Museum, Gdansk. Deadline: 2015.
- ***The Virtual Academy of Baltic Cultural Heritage Management (AcaBa)***. The concept envisages the creation of a supra-regional umbrella for professionals in BSR cultural heritage affairs. The project aims to develop a network of experts leading up the way to a virtual academy on cultural heritage management, and to build up advanced research and training courses. Lead: Stiftung Schleswig-Holsteinische Landesmuseen/CBSS Monitoring Group on Cultural Heritage in the Baltic Sea States. Deadline: May 2014.

### **Action: Joint promotion and presentation of BSR creative industries**

The creative industries are starting to be seen as one of the major drivers of the economy. They are also gaining importance for regional development. In particular, the BSR is considered to be the world leader in certain creative industries areas. Cooperation among BSR countries’ creative industries; exchange of ideas, know-how and experience will help to share the creative potential across the whole region, which contributes to its faster and more coherent economic development.



### *Potential flagship projects*

- ***Facilitate cooperation of educational institutions and enterprises in the Baltic Sea Region through the Next-level creative hub.*** Located in Riga, the creative hub Tabakas Fabrika provides a multi-disciplinary space where versatile support is available to cultural and creative industries operators. A newly founded creative platform will facilitate interregional exchanges of innovative educational models and best practice in entrepreneurship and will promote cooperation among SMEs and educational institutions in the cultural and creative industries. The goal of the project is also to create institutional support for young creative professionals to start-up their businesses. Tabakas Fabrika will also function as a space for exhibitions, concerts, festivals, screenings, performing arts shows, conferences, seminars and laboratory workshops. Tabakas Fabrika creative hub plans to replicate and develop this initiative in the other countries of the BSR. The actions taken within the hub, in a longer time perspective, are going to result in the higher competitiveness of regional products and services in foreign markets and faster economical development of the region. Cooperation partners: Finland, Sweden, Estonia, Lithuania, Norway, Denmark, Germany, Russia, Poland. Lead: Latvia, Ministry of Culture. Deadline: 2015.
- ***Knowledge, experience and information exchange on creative industries in the Baltic Sea Region.*** The Baltic Sea region will gain from establishing a platform on cultural and creative industries, as these can be an important factor for regional growth. The project will first of all identify issues of common interest and thereafter concentrate on knowledge, experience, information and excellence exchange on an operational level, for example serving as a support for creative start-ups and newly established enterprises. The Nordic Council of Ministers is due to take the lead on the project, with involvement from existing initiatives in the field, such as KreaNord. NDPC is also a relevant player. The project should also be seen in relation to possible spillover-effects from the cultural and creative industries on society as a whole, i.e. in relation to sustainable development. Lead: Nordic Council of Ministers (tbc). Deadline: to be determined.
- ***Building up a network of creative industries in the BSR.*** Lead: NDPC (tbc). Deadline: to be determined.

### **Action: Developing a common BSR cultural identity**

The Baltic Sea region is not a uniform entity with a shared history and culture. It is made up of different political, economic and cultural structures with all their diverse means of expression, and individual and collective memories. The aim is to create a mutual understanding for different political views and ways in the present and for different viewpoints on culture and history in the past. This will help to make people aware of regional traditions and of the need to strengthen and develop the regional cultural identity.

#### *Flagship projects*

- ***The Baltic Sea History Project.*** This project is the first attempt to create a mutual understanding of history and culture in a European region. Academic views and individual perceptions and experiences meet in innovative ways. Within the framework of an intercultural dialogue common regional history, culture and identity are (de)-constructed. With the help of the wikipedia concept, the Baltic Sea History Project breaks down the barriers between (academic) books and the internet. The project receives funding from the EU's Culture Programme and the German Government. Lead: Academia Baltica. Deadline first project phase: June 2014.

#### **Action: Developing an efficient framework for BSR cultural cooperation**

The objective is integration and cooperation between BSR cultural policy bodies, with a view to develop synergies, joining forces and avoiding duplication of its activities. Joined forces of main BSR cultural actors will strengthen cultural cooperation, foster regional development and contribute to social cohesion.

#### *Potential flagship projects*

- ***Cultural share point.*** Improved communication and collaboration between the existing cultural networks and institutions. The goal of the project is to strengthen cultural cooperation to make it more efficient through a regular exchange of practices and information. Within this project there will be regular meetings of all major cultural BSR players and other BSR bodies involved in cultural affairs. The meetings will allow advanced exchange of information on their achievements and future plans. Furthermore, the project will also enhance mutual support in communication with the public and promote key projects and initiatives. Integration and cooperation between the main bodies of BSR cultural policy should be fostered, e.g. by promoting back-to-back meetings (with joint sessions). In the longer time perspective, *Cultural Share Point* project would create a platform for more effective and efficient cooperation between BSR bodies. Lead: Poland's Ministry of Culture and National Heritage/ARS BALTICA. Deadline: to be determined.
- ***Baltic Sea Region cooperation with a focus on culture as a part of sustainable development.*** The objective of the project is to include a broader perspective of culture contributing to societal development in future BSR cooperation and to produce practical proposals for cooperation. The project will have a high impact on the cultural cooperation in the region in order to think long termed sustainable development. The project will be carried out in cooperation with the coordinators of the priority area 'Culture', Schleswig-Holstein and Poland, involving partners in the whole region. A mapping and workshop in the first quarter

of 2013 will build the basis for a concrete cooperation project including a structure of partners, organization and financing mechanisms. The long term aim is to develop knowledge on cultural capacities to societal development in order to concretize how culture can contribute to improve economic and social life. Developing indicators and actions on culture as the fourth pillar of sustainable development are possible concrete outcomes. Lead: Nordic Council of Ministers. Deadline: to be determined.

## **PA Education – Developing innovative education and youth**

*Coordinated by: Hamburg (Germany) and Norden Association (in Sweden)*

In the Baltic Sea Region (BSR), the quality of life is linked to high education levels (for example, the region has the best results in the EU on reading literacy, upper secondary completion rate and public investment in education), and open societies. Education and youth policies in the BSR should help boost the quality of education and young people's living conditions, with the overall aim of imparting values, building a personality, and fostering active citizenship. This can be done through cooperation and exchange in order to learn from each other, in the context of the Open Method of Coordination, while respecting the full educational responsibilities of the Member States.

Increased prosperity presupposes access to good education and training for all, an effective and inclusive welfare system and a well-functioning labour market supporting geographical, professional and socio-economic mobility.

Smart and inclusive growth is aided by education that encourages people to learn, study and update their skills and competences. The EUSBSR shall contribute to the educational benchmarks of the Europe 2020 Strategy by:

- reducing school drop-outs rates below 10%, and
- reaching at least 40% of 30–34 years old with third level education

through transnational and/or cross-border cooperation.

Furthermore, the EUSBSR shall contribute to 'Education and Training 2020' (ET2020), the strategic framework for European cooperation in education and training, with its four strategic objectives:

- making lifelong learning and mobility a reality,
- improving the quality and efficiency of education and training,
- promoting equality, social cohesion and active citizenship,
- enhancing creativity and innovation, including entrepreneurship, at all levels of education and training.

With regard to the renewed framework for European cooperation in the youth field adopted in 2009 the two interrelated objectives are the:

- creation of more and equal opportunities in education and the labour market,

- promotion of active citizenship, social inclusion and solidarity.

The renewed framework outlines eight fields of action in which cross-sectoral initiatives to support young people should be taken:

- education and training,
- employment and entrepreneurship,
- health and well-being,
- participation,
- voluntary activities,
- social inclusion,
- youth and the world,
- creativity and culture.

Europe 2020 Strategy, ‘Education and Training 2020’ and the EU Youth Strategy, presented above, constitute the prerequisites for this priority area.

There is a clear linkage between giving young people the chance to develop cross-border relations and to learn more about their neighbours, and popular commitment to Baltic Sea cooperation. This will also boost labour mobility and stimulate cross-border business development.

The demographic changes are having an impact on our societies. The first large cohorts of the baby-boom generation will shortly start to retire leading to a decline in the working-age population. The main challenges are the lack of services in certain areas and the outflow of young educated people. Under-utilisation of student and professional exchanges leads to many opportunities remaining unused, due to lack of contact and awareness.

Opportunities and challenges in the BSR should be addressed together. The wealth of the region is contingent on its human capital, and a well educated population is a critical factor for sustainable economic development of businesses and societies. The young generation is the key stakeholder for driving the change towards growth and innovation in our region.

Activities under priority area ‘Education’, when relevant will be closely coordinated with activities under other priority areas, in particular ‘Innovation’ and ‘SME’.

### **Targets and indicators**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinators. The still missing

targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

- Volume of transnational cooperation on education, youth and labour mobility within BSR, i.e. cooperation between universities, schools, VET institutions offering adult learning or non-learning, labour offices and youth.
  - a. Number of cooperation schemes lasting two or more years.
  - b. Number of young people involved in learning and/or mobility activities within the BSR.
- Increase the attractiveness of our region in regards for students and apprentices from third countries.
  - a. Number of students and apprentices from third countries.

### ***Actions and flagship projects***

#### **Action: Develop new methods for training entrepreneurship and innovation**

More of our graduates from all levels of our education systems need to be prepared for starting and developing businesses. Growth in our economies is increasingly dependent on the capability to develop new businesses and to quickly adjust to market changes. Our SMEs need a well-educated workforce able to contribute to growth and increased competitiveness on the market. Most of the countries in the region are small, and the domestic market is too small; hence the BSR should be looked upon as an extended domestic market. In most countries in our region the neighbouring countries are already the biggest trading partners. Graduates from vocational education and training (VET) are often an untapped resource in terms of entrepreneurship.

#### ***Flagship projects***

- ***Baltic Training Programme (BTP).*** BTP supports the internationalisation of vocational education and training (VET) as well as entrepreneurship and the internationalisation of business. The flagship is a cluster of three projects: two test platforms, in different geographical areas of the BSR, and one dissemination project. One project, covering Estonia, Latvia and the eastern part of Sweden, was completed in July 2012. The two test platforms are: Nordpraktik, covering the northern parts of Norway, Sweden and Finland (Lead: Norden Association Norrbotten, Sweden. Deadline for finalisation: March 2014), and the South Baltic Training Programme (SBTP), covering the northern parts of Poland and Germany, Lithuania, Denmark (Zealand) and the southern part of Sweden (Lead: NetPort Karlshamn, Sweden. Deadline for finalisation December 2014). The third project, HansaVET, is a capacity building project offering training to 330 teachers in Estonia, Latvia, Lithuania and Sweden in using

coaching to help students develop individual business projects and to match-make these business projects formulated by VET students with companies abroad (Lead: State Education Development Agency, Latvia. Deadline for finalisation: October 2013). Another capacity building project built on the results of the three test platforms, HansaECVET, is planned for 2013–2015. The results of these five projects will be embedded in a BSR-wide project to build a common market for VET using ECVET as a tool.

**Action: To meet the challenge of demographic changes and to combat youth unemployment**

The BSR is facing an increasing lack of skilled workers. In some countries more than 20% of the jobs cannot be occupied due to a lack of qualified personnel. At the same time, these countries have more and more unemployed young people. The dual vocational and educational training system combining academic education and vocational training, already in place in countries like Denmark, Finland and Germany proved successful and can serve as a model to other regions.

*Flagship projects*

- **Quick IGA.** Equal opportunities for women and men in the labour market need to be improved in every respect. This is also in the interest of SMEs, which represent 99% of businesses in the BSR and provide up to 70% of all jobs. Already today, their growth is severely limited by the steadily growing lack of skilled workers. By getting more women into the labour market, particularly in leading positions, innovation will be strengthened. All three goals of this project – strengthening innovation, promotion of SMEs and in particular female entrepreneurship – are explicit objectives of the EUSBSR. Lead: Hanseatic Parliament, Germany. Deadline for finalisation; February 2014.

**Action: Making lifelong learning and mobility a reality within the BSR** for pupils in general education, VET students, and students at universities and under adult learning schemes. Support for pupils, students, teachers and trainers to find information on possible financing of mobility, support in matchmaking with partners abroad and practical information on such things as travel, insurance and accommodation.

*Potential flagship projects*

- **BSR Mobility Database.** A database and other ICT instruments for delivering information on mobility.
- **Baltic Summer job programme,** offering summer jobs, a place to stay and a leisure programme to students in the 20–25 age range. The leisure programme offers a wide range of activities focusing on getting familiar with the history, culture and languages of the BSR.

**Action: Enhance cooperation – on a voluntary basis – between the regional universities of the BSR,** so that they coordinate their activities (research areas, exchange of students/professors/researchers, cooperation with business) in order to establish the BSR as a region of sustainable development. This cooperation should implement political decisions taken to support education for sustainable development. Cooperation between business and universities should be enhanced for all aspects of sustainability.

*Flagship projects*

- **Baltic University Programme** is the largest university network in the BSR. The focus is on sustainable regional development, through cooperation in education, research and applied projects. Ongoing activities will be accompanied by PhD projects and development of new courses such as Maritime Spatial Planning. These actions will be accompanied by competence development for academic teachers. Lead: Baltic University Programme (Uppsala University) in coordination with Lithuania (Vilnius University). Deadline for finalisation: to be determined.

*Potential flagship projects*

- **BUP-GreenLab.** Universities are critical social multipliers in terms of sustainable production and consumption patterns, and are important players in their communities, as employers, purchasers and service users. Universities are also enterprises where the proper use of resources saves money, and safeguards reputations. *BUP-GreenLab* brings together cities and universities and serves as a catalytic meeting place for urban green innovation to show the benefits of having a university campus within the city borders, in support of the implementation of the triple-helix model.

*BUP-GreenLab* adds to the creation of demand for and capacity to integrate green innovations in the daily functions of both universities and cities, with a view to strengthening international cooperation between universities and cities in the BSR, doing peer reviews on sustainability for universities and cities in the BSR, demonstrating models for green/sustainable campuses – campus for urban innovation – and boosting capacity for implementing and developing green innovations and technology.

*BUP-GreenLab* is presented as a living test-bed for cutting-edge solutions: it meets the following challenges in the BSR: 1) enhanced cooperation between universities and cities in the field of environmentally friendly management practices, 2) enhances exchange of expertise and good practice within the region, 3) to developing capacity to implement innovations for a greener society, taking into account differences in the various parts of the BSR.



**Action: Closer integration and cooperation of youth policy structures using the ‘Structured dialogue’ as an influential instrument for involving young people in decision-making,** for example by organising round tables with politicians on local, regional and national levels, in order to

- improve the knowledge base of local structures and players,
- establish sustainable structures for cooperation between municipalities for promoting professionals and youth exchanges in the BSR.

*Potential flagship projects*

- **Baltic Sea Youth Forum.** To establish a Youth Forum built on experience from the HELCOM Youth Forum but covering a wider range of policy areas. Later on, the Youth Forum will organise workshops on regional and local levels within BSR in order to involve wider groups of young people in the discussion on the future of BSR.
- **Value-based leadership for young leaders in the volunteer sector.** Participants explore their own values and how these are represented in their leadership. Principles that underpin the training programme include learning by doing, leadership as self-recognition, and diversity as a leadership question. The course consists of four weekends, exercises to be completed at home, and a mentor programme with a manager from the private or public sector.

**Action: Closer integration and cooperation of youth policy structures,** focusing on the local level in the Member States. Besides improving trans-local cooperation, there is a need to:

- improve the knowledge base of local structures and players,
- establish sustainable structures for cooperation between municipalities for promoting professionals and youth exchanges in the BSR.

*Potential flagship projects*

- **Network the local youth policy structures.** The aim is to foster partnerships between different players involved in delivering support to young people in transition, including employment services, education providers, youth workers, social services and young people themselves. Stronger cooperation on the ground can be beneficial in offering tailor-made approaches, especially to young people with more complex life situations or who are hard to reach by conventional methods.

Promoting experiences of local and national actors in youth policy and youth work contributes to the objectives of the EUSBSR. Youth cooperation can be understood as a means for dealing with issues such as climate change, environment, home, and an attractive living environment in the BSR. To ensure this, a common knowledge base of existing stakeholders, structures and experience of regional cross-border cooperation, needs to be built. This mapping process must be aligned with the local stakeholders’ work on youth-related issues and their visibility.

### **Action: Social inclusion**

This aims at including and strengthening the social dimension of the EUSBSR through combating early school-leaving and drop-outs by fostering social dialogue and cooperation on social development in the BSR.

#### *Flagship projects*

- ***Baltic Sea Labour Forum***. The project aims to promote social dialogue, tripartite structures and cooperation as crucial elements of sustainable growth and social development in the BSR. It will work on common labour market issues in the BSR, based on joint transnational strategies. In particular, demographic changes and migration processes will be taken into account. Lead: Coordinated by the CBSS secretariat. Deadline: to be determined.

#### *Potential flagship projects*

- ***Learning for Life and Work in School – LLWS Baltic***. The project aims to strengthen transnational cooperation between players in the Baltic Sea region in the field of education, with a view to preventing early school leaving and developing support for vulnerable groups of students/youth. The project will thus contribute to achieving the relevant targets in the EUSBSR and the EU's overall strategy Europe 2020 Strategy.

On-going and completed projects will be identified and validated in order to gather a critical mass of project experiences/good practices that can influence and improve systems and policies in the Member States concerned. A mutual learning among actors representing government agencies, schools, public sector organizations and NGOs will be sought, and a continuous accumulation of knowledge in this area will be achieved. Relevant EU programmes will be used and further developed to support the project aims.

The project was initiated by the Baltic Sea Network of the managing authorities of the ESF, including Sweden, the Aland Islands, Finland, Estonia, Latvia, Lithuania, Poland and the Land of Hamburg. SALAR (Swedish Association for Local and Regional Authorities) will be the coordinator of the future flagship project, LLWS Baltic. The project will align funding and will bring together good practice and projects on the topic of early school-leaving. This will give a boost to the social dimension of the EUSBSR.

## **PA Energy – Improving the access to, and the efficiency and security of the energy markets**

*Coordinated by: Denmark, Latvia*

According to the Commission Communication and Presidency Conclusions on the Energy Roadmap 2050, the core elements in developing a low-carbon 2050 energy system are energy infrastructure, renewable sources of energy, energy efficiency, and security of supply at affordable prices. These aspects are also the cornerstones of long term-energy policy planning in the Baltic Sea region. With a view to promoting regional development and prosperity, there is an urgent need to end the energy isolation of some Member States in the region, to foster market integration, and to support energy efficiency and sustainable energy sources throughout the macro-region.

The European Council, meeting in February 2011, set targets for completing the internal energy market by 2014 and for ending the isolation of all the EU Member States by 2015. Isolated energy markets conflict with the EU vision of an integrated and competitive energy market. To reach this ambitious target energy market isolation of the Baltic Sea region is an urgent matter to be solved.

In the Baltic Sea region, the Baltic Energy Market Interconnection Plan has identified the key energy infrastructure that is necessary for a well-functioning energy market (e.g. electricity, gas, oil). Cooperation is initiated on energy issues under the Baltic Sea Region Energy Cooperation initiative (BASREC)<sup>32</sup>, giving special attention to renewables and energy efficiency issues. Levels of market functioning and competition in certain Member States are not sufficient to provide the right incentives for investments. This creates higher risks in terms of energy security and higher prices. In particular, the three Baltic States (Estonia, Latvia and Lithuania) have not been properly integrated into the wider energy networks of the rest of the EU. The only power connection is the Estlink between Finland and Estonia. However the second connection – Estlink 2 – between Finland and Estonia will ensure better connectivity. Also the cable between Sweden and Lithuania (NordBalt) and the new link between Lithuania and Poland (LitPol Link I) should improve better connectivity with the Nordic and Continental European electricity markets by the end of 2015. Decisions on gas interconnections and the regional LNG terminal are still pending which hamper proper gas integration or other ways to diversify gas supply in the Baltic States (although a LNG terminal currently under development in

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<sup>32</sup> BASREC (initiated in 1999) includes the Governments of Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, Russia and Sweden. The European Commission is represented by DG Transport and Energy. The participation in this work also involves the Council of Baltic Sea States (CBSS) and the Nordic Council of Ministers (NCM).

Lithuania will be operational by the end of 2014 to meet a part of its gas needs). Because of this, the Baltic States are practically isolated in the field of gas supply, and thus forming an 'energy island' in the EU.

The fragmented structure of electricity markets and power systems lead to the following problems: (a) low market liquidity; (b) few incentives or opportunities for infrastructure investment especially in renewable energy sources, and c) high dependence on electricity imports from non-European Economic Area countries. There is also a lack of cooperation on natural gas issues, mainly due to the lack of gas interconnections with the rest of the region. Such situation means lack of cross-border trade and low market liquidity, higher prices, and less diversified energy sources.

All EU/European Economic Area countries in the region should be part of the internal market for electricity and gas. However, the electricity markets are still at widely differing stages of liberalisation. It is this, linked to infrastructure gaps, that has impeded the physical integration of the three Baltic States. Further physical integration of the grids in the region is needed to bring benefits in overall efficiency, and to improve security of energy supply through increased diversification, including renewable resources. The security of energy supply should also be promoted by other means, such as energy efficiency, and indeed efforts to reduce energy demand overall.

Promoting energy efficiency and utilising sustainable energy sources are the main means of attaining climate, energy and economic targets and of fostering sustainable growth. Market integration of renewable energy sources still remains a challenge. Proper infrastructure (energy market) is needed to reach the renewable energy target. This is a challenge that requires close involvement and support from all Member States concerned. Support schemes and cooperation mechanisms are further aspects where cooperative actions are needed from the states of the Baltic Sea region.

Also, climate change mitigation needs to be considered in the development of energy markets. There might be a need to adapt to change in terms of when and how much energy is needed in response to climate change. Promoting the widespread use of wood, such as in the construction industry, is climate-smart and contributes to a sustainable society.

### **Targets and indicators**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinators. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

Objective/sub-objective	Indicator	Baseline	Target/deadline	Data sources
<b>Reliable energy markets</b>	State of Market Conditions and Interconnection of Baltic States' energy markets with the rest of the EU.	The Baltic States are currently only interconnected with third countries with regards to gas and only interconnected with Finland with regards to electricity.	Full and environmentally sustainable interconnection of gas and electricity markets according to BEMIP schedule.	BEMIP National ministries.
	Level of the promotion and use of energy from renewable sources, underlying the energy efficiency issue.	2012 level of promotion and use of energy from renewable sources indicated in the progress reports of each Member State (submitted according to the RES Directive).	Increased use of renewable energies and better market integration of RES to achieve Europe 2020 Strategy targets.	National ministries.
	Level of energy savings.  Level of the implementation of Energy Efficiency Directive.	Level of energy savings in the progress reports of each Member State (submitted in the context of National Reform plan).	Europe 2020 Strategy target: to increase energy efficiency to save 20% of EU energy consumption by 2020.  Implementation deadline – 18 months.	National ministries.
	Sharing best practices of regional cooperation of BEMIP with EU Eastern Partnership countries.	BEMIP and EaP Energy Security Platform.	To see an increase in the exchange of best practices and experience on identifying and implementing regional projects of multilateral (common) interest, organizing seminars and bilateral consultations for sharing the experience between BEMIP and EaP countries by end 2013.	BEMIP progress reports EaP Energy Security Platform Work Program.

### *Actions and flagship projects*

#### **Action: Towards a well-functioning energy market**

Establish an integrated and well-functioning market for energy by implementing the Baltic Energy Market Interconnection Plan (BEMIP) which, in addition to infrastructure projects, includes specific

steps to achieve the desired integrated and functioning internal market for energy, identifying missing infrastructures in electricity and gas, and providing for coordination among all actors concerned. This should include better coordination of national energy strategies, and measures to promote diversity of supply and better functioning of the energy market.

*Flagship projects*

- ***Monitor the implementation of the Baltic Energy Market Interconnection Plan (BEMIP)*** correspondingly with the actions of the High-Level Group of the BEMIP. In particular, give priority to ‘connecting the Baltic States to the energy networks of the region’. The need to monitor BEMIP progress arises not only from the Baltic Energy Market Interconnection Plan by its own, but also from the framework of the EUSBSR. The monitoring function is a matter for the High-Level Group of the BEMIP, which has agreed also to act as EUSBSR HLG. The aim of this project is therefore improved coordination between the strategic goals of the EUSBSR and the BEMIP. EU Member States concerned (Lithuania) has organised conferences on the regional level (November 25 2009 and September 14 2012 in Vilnius) to promote and assess the BEMIP implementation. The Commission and the Member States concerned have developed the BEMIP which identifies key missing infrastructures in electricity and gas, lists necessary actions (including financing), and provides coordination mechanisms to bring together Member States, market players and different financing sources. Innovative interconnector solutions involving ‘plugging in’ offshore renewable energy production installations, are being considered. Projects listed under the TEN-E guidelines could be co-financed by the TEN-E instruments. In addition, the European Economic Recovery Plan provides for substantial additional financial support to infrastructure projects in the region. Lead: Lithuania. Deadline: progress report scheduled for July 2013.
- ***Sharing best practices of regional cooperation of BEMIP with EU Eastern Partnership countries.*** The main deliverables since the beginning of the BEMIP initiative were presented at the 7th meeting of Eastern Partnership – Energy Security Platform on 18 June 2012. As there is interest from all parties concerned, the initiative to share best practices of BEMIP as an example of regional integration to the Eastern Partnership countries should be further continued. Transfer of know-how on regional cooperation and on the legal framework establishment for a well-functioning energy market may be implemented through seminars and bilateral consultations. Lead: Lithuania. Deadline: progress review in connection with the Eastern Partnership Summit to be held in Vilnius, 28-29 November 2013.

- ***Extend the Nordic electricity market model (NORDEL)<sup>33</sup> to the three Baltic States*** by following a step-by-step approach with a fixed timetable for implementation (market integration roadmap) under *the framework of the Baltic Energy Market Interconnection Plan (BEMIP)*. Lead: Latvia. Deadline: 2013.

#### *Potential flagship projects*

- ***Investment in infrastructure in the Baltic Sea Region.*** Infrastructure development in the Baltic Sea region means massive investments in the electricity and gas grid in order to improve security of supply, the functioning of the internal energy markets, and integration of renewable energy sources in the energy supply. At the moment, though, there are a number of obstacles in securing market integration and investment in infrastructure, which have to be investigated. The purpose of the project is to investigate and present proposals on how to overcome these challenges while taking into account the overall sustainability of the investments and the repeated calls for phasing out environmentally harmful subsidies. Lead: Denmark. Deadline: to be determined.

#### **Action: Increase the use of renewable energy sources and promote energy efficiency**

Increased use of renewables, better integration of RES in the market, and promotion of an efficient legal framework can be achieved by exchanging experiences and good practices, extending the use of sustainable biomass, solar energy and wind power (e.g. the Nordwind II project supported by the Nordic Council of Minister's, and Krieger's Flak), and especially by research in demonstration and deployment of on and offshore wind and other marine renewable energy technologies. The Krieger's Flak Combined Grid Solution project is planned to be commissioned together with the Danish OWF of 600 MW in 2018. The region has high-level expertise in maritime technologies. The Energy Efficiency Directive sets out energy efficiency obligation schemes in all Member States with the aim of yielding an annual energy reduction of 1.5%. This will enquire an exchange of best practices and experience among Member States in the region.

#### *Flagship projects*

- ***Enhanced market integration of RES and best practice sharing.*** One of the best ways of achieving the goals of this action is to share best practices on national approaches to renewable energy support schemes. The project is concerned with greater consistency in

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<sup>33</sup> NORDEL was the collaboration organisation of the Transmission System Operators (TSOs) of Denmark, Finland, Iceland, Norway and Sweden. Their mission was to promote the establishment of a seamless Nordic electricity market. NORDEL was rounded up 1 July 2009 and all operational tasks were transformed to ENTSO-E.

national approaches and with making renewable energy support schemes in the region more effective. Lead: Latvia. Deadline: to be determined.

- **Promote measures to develop the usage of sustainable biofuels.** The European Commission and Member States are convinced that future increases in renewable energy use in the transport sector should be achieved by biofuels, produced sustainably and efficiently. The project aims to promote the production and usage of biofuels which meet the sustainability criteria by demonstrating solutions, sharing experiences and promoting cooperation (e.g. future common projects). Lead: Latvia. Deadline: to be determined.
- **Demonstration of coordinated offshore wind farm connection solutions,** e.g. at Krieger's Flak (Denmark, Germany). The Krieger's Flak Combined Grid Solution project is a joint Danish-German project managed by the two Transmission System Operators 50Hertz Transmission, Germany and Energinet.dk, Denmark. Lead: Denmark. Deadline: 2018.
- **Promoting energy efficiency measures.** The next challenge for delivering on the Energy Efficiency Directive will be the implementation process. For instance, one of the legally binding measures set out in the Directive is the introduction of national energy efficiency obligation schemes in all Member States with the aim of yielding an annual final energy reduction of 1.5%. The project aims to ensure efficient and successful implementation of Article 6 of the Energy Efficiency Directive by exchanging best practices and experience of the Member States Energy Efficiency Obligations. Lead: Latvia. Deadline: 2015.

#### *Potential flagship projects*

- **Exploration of cooperation mechanisms.** The Renewable Energy Directive (2009/28/EC) sets binding targets for the share of renewable energy sources in energy consumption in the EU Member States. The overall EU target is a 20% share of renewable energy sources that is further allocated to the countries with national targets varying from 10% to 49%. The Directive includes mechanisms that enable Member States to cooperate in order to reach their targets cost-efficiently. The European Commission wishes to increase the use of these mechanisms and has in a recent study underlined that the earlier these cooperation mechanisms are used, the larger the potential efficiencies will be. The Nordic Council of Minister's working group on renewable energy is currently exploring the issue in a Nordic context. One way to proceed could thus be to broaden the focus to the Baltic area, exploring the possibility of a cooperation mechanism both within the area and with countries outside the Baltic area. Part of the work should also be to develop the institutional and regulatory framework for the use of statistical transfer of renewable energy, which is one of the cooperation mechanisms. Lead: Sweden (tbc). Deadline: to be determined.



## **PA Hazards – Reducing the use and impact of hazardous substances**

*Coordinated by: Sweden*

<http://www.swedishepa.se/In-English/Start/EU-and-international-cooperation/Swedish-EPAs-work-in-the-EU/The-Baltic-Sea-Strategy/Priority-area-3/>

In the Baltic Sea region, hazardous substances, including organic contaminants, metals, pharmaceuticals and sunken chemical weapons, continue to be a risk for the environment and for human health. Environmental concentrations of some hazardous substances, such as lead and polychlorinated biphenyls (PCBs), are considerably lower today than 40 years ago. However, the number of chemicals to which humans are exposed and that are released into the environment, has increased substantially. There is a lack of knowledge of their combined effects and diffuse sources. This priority area therefore focuses on both preventive measures and on how to reduce the effects of hazardous substances already released into the environment.

Due to their persistence and bioaccumulative properties, many hazardous substances remain in the environment for a very long time and may accumulate in the food chain where they can cause adverse effects, including toxicity and health and reproductive problems, especially in top predators. This may also have negative consequences on human health, as, for example, some Baltic Sea fish contain dioxin levels exceeding the EU maximum allowable levels for food. Hazardous chemicals continue to reach the water environment, and new environmental problems emerge, for example the release of perfluorinated substances and pharmaceutical products. Many hotspots in the Baltic Sea area have been remediated and the relative contribution of chemical substances from diffuse sources is increasing.

The predominant vector for hazardous chemicals, such as mercury, cadmium and dioxins, to the Baltic Sea region is the atmosphere. Mercury concentrations in some fish exceed the level safe for human consumption, and the daily human intake of cadmium from food is so high in parts of the Baltic Sea region that there is a risk of kidney lesions and of bone damage. Long-range transport of contaminants has to be addressed on the EU and international level.

Furthermore, the extent of organic and inorganic contaminants and heavy metals, released from chemical and conventional munitions sunk in the Baltic Sea, is not quantified. The effects of chemical

warfare agents and their breakdown products on the ecosystem need to be understood to monitor the situation effectively.

Natural platforms for cooperation for this priority area include HELCOM.

### Targets and indicators

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinator. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

Targets and indicators for priority area 'Hazard' have been developed in line with existing and developing targets and indicators in the HELCOM Baltic Sea Action Plan and the EU Marine Strategy Framework Directive.

Objective/Sub-objective	Indicator	Baseline	Target/deadline	Data source
Concentrations of hazardous substances close to natural levels, and zero level of man-made substances.	Trends in environmental concentrations of priority substances (HELCOM).	Current situation in 2010 (MSFD, WFD).	Decreasing trends and/or concentrations below levels of EU Environmental Quality Standards or other relevant thresholds used by HELCOM.  GES by 2020.	HELCOM BSAP, EU MSFD, WFD.
All fish safe to eat.	Levels of hazardous substances in Baltic Sea fish.	Current situation in 2010	Below EU maximum levels in muscle meat of fish- GES by 2020.	HELCOM BSAP, EU MSFD.
Healthy wildlife.	Healthy populations of predatory birds.  Healthy seal populations.  Healthy fish populations.	Current situation in 2010	Targets agreed on by HELCOM 2013.  GES by 2020.	HELCOM BSAP, EU MSFD.

## *Actions and flagship projects*

### **Action: Preventive actions**

For example, promoting voluntary substitution of hazardous substances and raising awareness.

#### *Flagship projects*

- ***Reduce the use of Substances of Very High Concern (SVHC) in the Baltic Sea region.*** The project aims at bringing forward substances relevant for the environment in the Baltic Sea region, such as the recommendations on hazardous substances made through the HELCOM Baltic Sea Action Plan (BSAP) to the REACH candidate list. Selected substances will be assessed to see if they fulfil the REACH SVHC criteria, i.e. chemicals whose use will most likely be severely restricted in the future. The SIN-List is a database of 356 chemicals and chemical groups that fulfil the REACH SVHC criteria. Lead: The International Chemical Secretariat. Deadline for progress review: December 2013.
- ***Make the Baltic Sea region a lead in sustainable management for pharmaceuticals.*** The aim is to increase knowledge among Baltic Sea states about good practices concerning the use and management of medicinal products by establishing a network with the focus on sustainable development. Good practices and experience will be exchanged between people with knowledge of medical products, health and environmental aspects within the region. Focal points should be established in all Baltic Sea region member states in order to increase knowledge and to provide a platform for further discussions towards the goal of sustainable development. Lead: Swedish Medical Products Agency. Deadline for progress review: December 2013.

### **Action: Remediation and mitigation**

For example, remediative actions in polluted areas and mitigation of emissions from point and diffuse sources.

#### *Flagship projects*

- ***Assess the need to clean up chemical weapons.*** Assess the need to clean up contaminated wrecks and chemical weapons where it is required to protect sensitive marine ecosystems, taking into account completed and ongoing work carried out by HELCOM. Since November 2011 an 'HELCOM-Muni' expert group has been updating the report on chemical munitions dumped in the Baltic Sea. The updated report is expected to be available in 2013. Activities should encompass identification of the current priority threats and establishment of the costs

and benefits of any possible action under agreed research programmes. This should build on existing knowledge and mapping in the Baltic Sea. The development of major offshore infrastructure projects should also take into account the location of underwater chemical weapon dumping sites. Lead: Chief Inspectorate of Environmental Protection, Poland, with the involvement of all nine contracting HELCOM partners. Deadline for progress review: December 2013.

- **CHEMSEA** (sub-project to ‘Asses the need to clean up chemical weapons’). Chemical Munitions Search & Assessment. The aim of this project is to assess the environmental risk related to dumped chemical munitions, by updating the maps of Gotland Deep Dumping ground and the munitions dispersed on the Baltic Seafloor, assessing the risk for benthic biota and fish and modelling the dispersion of contaminated sediments. Another major task is to create administrative tools to manage the dump sites, and to update and merge national guidelines and regulations on dumped munitions. Lead: Institute of Oceanology PAS, Sopot, Poland, with the involvement of 10 Institutions from Finland, Germany, Lithuania, Poland and Sweden. Deadline: June 2014.

#### **Action: Implementation of regulatory frameworks and conventions**

Facilitating the implementation of relevant regulatory frameworks, including full implementation of key EU directives and regulations relating to chemicals. This should focus in particular on actions included in the EU Water and Marine Strategy Framework Directives (WFD, MSFD), and on implementation of international conventions, such as the HELCOM Baltic Sea Action Plan (BSAP) and the Stockholm Convention on POPs. Enforcement is important, for example the enforcement of compliance with Regulation (EC) 782/2003 which transposes the Antifouling Convention by the International Maritime Organization (IMO) into EU law.

#### *Flagship projects*

- **Development of HELCOM core set indicators.** Indicators for hazardous substances and biodiversity are to be developed to support regular assessments of whether HELCOMs strategic goals and ecological objectives have been reached, and whether implementation of the Baltic Sea Action Plan has been successful. The indicators should be fully in line with good ecological status (GES) as defined in the EU Marine Strategy Framework Directive, and the ensuing guidelines or criteria. The project will ensure the necessary cooperation and coordination, and the marine region-wide harmonisation needed to set Baltic Sea-specific targets for GES related to hazardous substances and biodiversity. Lead: HELCOM secretariat. Deadline: 30 June 2013. However, the HELCOM work on core indicators, particularly on shared/common databases, coordinated monitoring programmes and web-based delivery of

indicators and assessment products will continue after 2013. Especially the needs to set monitoring and assess the state of pharmaceuticals before 2020 are among the priorities.

**Action: Research and innovative management**

Support continued research on hazardous substances of specific concern to the Baltic Sea, as there is a need to enhance the knowledge base, in particular on the interactive and cumulative effects of these hazardous substances. Joint research is important to identify sources of the substances in or near the region, estimate emissions, and develop a common understanding, tools and guidance documents.

*Flagship projects*

➤ ***Innovative Management of Hazardous Substances in the Baltic Sea Region (InnoMaHaz).***

The aim of this project is to apply the knowledge gained under the Control of hazardous substances in the Baltic Sea region (COHIBA) project that mapped sources and evaluated cost-efficient measures to address set of emerging hazardous substances, such as pharmaceuticals. In addition to the established measures evaluated in COHIBA, innovative measures will be analysed in terms of cost-efficiency and ease of implementation. This analysis will target selected fields, which have been identified in COHIBA as potential gaps, including the import of products such as textiles, the use of flame retardants in the building sector or new urban infrastructure concepts for waste, waste water and urban run-off. Relevant stakeholders, for instance, SMEs in the Baltic Sea states, will be involved in the project. With these activities, InnoMaHaz will contribute to an innovation network for the management of hazardous substances in the Baltic Sea region. Lead: Germany (Fraunhofer Institute). Deadline for progress review: December 2013.

## **PA Health – Improving and promoting people’s health, including its social aspects**

*Coordinated by: Northern Dimension Partnership in Public Health and Social Well-being*

<http://ndphs.org/>

The prosperity of the macro-region is based on its human capital; consequently a healthy population is a critical factor behind sustainable economic development of enterprises and societies. Improving people’s health and social well-being is particularly important in the context of the ageing society and the growing threat posed by non-communicable diseases, two of the greatest macro-regional challenges in the 21st century.

Unless counteracted, a decline in the working-age population and a higher number of people with chronic non-communicable diseases will put immense pressure on national budgets and will lead to a loss of productivity in the decades to come. By investing in health improvement and promotion, the economic gain will be two-fold: (i) healthy people are more likely to stay in the labour market longer and remain productive, and (ii) reduced spending on treating ill health.

Currently the Baltic Sea region is an area of considerable disparities in health and social conditions. It features places where social and economic problems cause high levels of mortality due to non-communicable diseases, violence, alcohol and drug abuse and the spread of infectious diseases. Social exclusion and poverty are not unheard-of problems either. Further, the growing cross-border movement of people needs to be paralleled by actions addressing inequalities in health status and in the level of health protection.

Consequently, this priority area focuses on improving and promoting the health of people in the Baltic Sea region, including social aspects of health, as an important precondition for ensuring sustainable and healthy societies enjoying economic growth, and for containing future health and social care-related costs. It is also a precondition for labour market inclusion.

Thus far, the EUSBSR has been instrumental in fostering macro-regional cooperation in health and making it more integrated and inclusive. In particular, by providing a common reference point, it has contributed to increased cooperation and a better division of labour among the existing networks.

The Baltic Sea region countries lose human capital within the range of 9000–3000 years per 100000 inhabitants. Considering that some 80 million people live in the Baltic Sea region, it can be estimated that at least EUR 66 billion are lost every year due to premature loss of life by preventable causes. Thus, by reducing preventable mortality by 10%, the annual gain would be at least EUR 6-7 billion, excluding the expenses caused by morbidity, invalidity and human suffering. Changing the trend would give a strong boost to economic development which would in turn allow for more investments to go to other sectors, including education, culture and the environment.

The main challenges are demographic changes, the lack of services in certain areas and the big regional differences in health issues (in terms of access to and quality of health services, as well as disparities in morbidity and mortality related to alcohol, drugs and tobacco, communicable diseases such as HIV/AIDS and tuberculosis). Another challenge is the impact of climate change and other environmental factors such as air pollution and hazardous substances, on health conditions, due to its impact on infrastructure and the increased risk of infectious diseases by contaminated water or infections transmitted by insects.

Recent challenges – such as the increasing burden of chronic non-communicable diseases, growing costs of overall health care coupled with the rapidly growing market for new medical technologies and more informed patients – are putting heavier pressure on health care systems and leading to calls for the rationalisation of these systems.

As to the individual risk factors, the harmful use of alcohol is the third leading risk factor for diseases and premature deaths globally. The WHO's European Region has the highest per capita consumption, and the Baltic Sea region has in addition a high prevalence of excessive drinking. Further, tobacco use continues to be the leading global cause of preventable death. Drug use is relatively stable, but signs of stability with some of the more established drugs are offset by new threats, developments in the synthetic drugs market, the rapid appearance of new substances and widespread polydrug use.

Finally, the continuous spread of HIV, tuberculosis and associated infections continues to pose serious challenges in the macro-region. The deteriorating infectious disease situation of risk groups, migrants and other vulnerable populations is a particular concern. At the same time, the capacity of the health care systems is insufficient to respond to the burden of HIV, tuberculosis and associated infections; the monitoring and provision of epidemiological information is unsatisfactory. Existing policies and practices do not fully support the prevention of the spread of HIV and associated infections such as resistant tuberculosis. Last but not least, the complexity of the HIV-AIDS-tuberculosis situation – including the connection to the harmful use of alcohol and drugs – needs to be properly addressed by new approaches.

There is awareness that inequalities regarding access and quality of services vary a lot among – but also within – BSR/ND countries, but the extent of this needs to be assessed. Generally speaking, baseline data are hugely lacking within the health and social sector in the BSR/ND countries and there is a need to identify the inequalities among different communities by sex, ethnicity, age, social classes, level of formation, etc.

### **Targets and indicators**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinator. A limited number of indicators that translate what the main objectives of the priority area about will be defined. They will be accompanied with relevant targets and deadlines, baseline and statistics/information sources.

### ***Actions and flagship projects***

#### **Action: Contain the spread of HIV/AIDS and tuberculosis**

Through partnerships and international collaboration in prompt and quality care for all, focusing on tuberculosis/HIV co-infection and ensuring early diagnosis of HIV infections, providing access to treatment and strengthening interventions to reduce vulnerability, especially for Injecting Drug Users (IDU), prisoners, etc.

#### ***Flagship projects***

The NDPHS Expert Group on HIV/AIDS and Associated Infections will plan a comprehensive flagship project on Strengthened prevention and reduction of impacts of HIV, AIDS & AI (TB, hepatitis B & C, syphilis, gonorrhea) among key populations at risk in the Baltic Sea region.

#### **Action: Fight health inequalities through the improvement of primary healthcare**

By assessing differences in the accessibility and quality of primary health care in the macro-region, by reviewing the situation of patients and health professionals, including their deployment, mobility and training and by promoting e-health technology as a means of closing gaps in healthcare access and quality. Action also needs to be taken to enhance border health management by developing effective and efficient primary health care, with particular attention to cross-border disease prevention, health promotion and control of communicable diseases.

#### ***Flagship projects***

- **PrimCareIT.** Counteracting brain drain and professional isolation of health professionals in remote primary health care through tele-consultation and tele-mentoring to strengthen social



conditions in remote parts of the Baltic Sea region. The Interreg IV B project 'PrimCareIT' aims at raising the attractiveness of remote primary health care for medical professionals by using tele-consultation and tele-mentoring, including social media. Information and communication technologies have a strong potential for reducing professional isolation and providing opportunities for professional networking, continuing medical education and career development for younger and experienced doctors and health workers in remote areas. 'PrimCareIT' has been developed under the umbrella of 'eHealth for Regions' network and it complements and reuses outputs from the flagship projects 'ImPrim' and 'ICT for Health'. Lead: South Ostrobothnia Health Care District (SOHCD), Seinäjoki Finland. Deadline for finalisation: March 2014.

**Action: Prevent lifestyle-related non-communicable diseases and ensure good social and work environments**

By developing comprehensive policies and activities throughout the entire macro-region aimed at preventing and reducing the negative consequences of alcohol and drug use to the society, and particularly among children, youth, women of child-bearing age and pregnant women. Actions will contribute to the implementation of the Global Strategy to reduce the harmful use of alcohol, Framework Convention on Tobacco Control, the UN 2011 Declaration on Prevention and Control of Non-communicable Diseases, the regional strategy and action plan for the prevention and control of NCDs and Health 2020, and the 'Northern Dimension Partnership in Public Health and Social Well-being (NDPHS) Strategy on Health at Work'.<sup>34</sup>

*Flagship projects*

- ***Alcohol and drug prevention among youth.*** Project aims to reduce hazardous and harmful alcohol use and alcohol and substance use in general among young people. Lead: Northern Dimension Partnership in Public Health and Social Well-being (NDPHS) and its Partner Countries. Deadline: October 2013.

*Potential flagship projects*

- ***Promotion of physical activity and healthy food among schoolchildren (ages 7-15).*** Project aimed at improved long-term health among school-age children by reducing selected essential non-communicable disease risk factors (overweight, obesity and sedentary lifestyle). Lead: Northern Dimension Partnership in Public Health and Social Well-being (NDPHS) and its Partner Countries. Deadline for progress review: to be determined.

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<sup>34</sup> The NDPHS Strategy on Health at Work aims to help ensure good social and work environments and prevent lifestyle-related non-communicable diseases using the workplace as an effective arena for promoting a healthy lifestyle.

- ***Effective and efficient implementation of national non-communicable disease prevention strategies.*** Project aimed at tackling the non-communicable disease epidemic and to support BSR/ND countries to efficiently implement non-communicable disease prevention strategies. Lead: Northern Dimension Partnership in Public Health and Social Well-being (NDPHS) and its Partner Countries. Deadline for progress review: to be determined.
- ***Implementation and further development of a standardized, comparative methodology for population survey of drinking habits and alcohol related harm in BSR/ND countries.*** Project aiming at implementation and further development of the Standardized Measurement of Alcohol Related Troubles (SMART) methodology in the BSR/ND countries for a more informed and evidence based policy making in the field of reduction of the harmful use of alcohol. Project will also assist the BSR/ND countries to develop common approaches to alcohol data gathering in order to enable EU-wide monitoring and cross-country comparison. Lead: Northern Dimension Partnership in Public Health and Social Well-being (NDPHS) and its Partner Countries. Deadline for progress review: to be determined.

***Note:***

The practice of teaching health education in formal and non-formal education should be examined, in cooperation with priority area coordinator(s) of ‘Education’.

Cooperation with other priority areas will also be reinforced. For example, the existing flagship project ‘ScanBalt Health Region’ will be developed as a pilot cross-PA flagship project between priority areas ‘Innovation’, ‘Health’, ‘SME’, ‘Tourism’ (health tourism) and ‘Agri’ (healthy food) with the purpose of connecting innovation with health and the bio economy aiming to maintain and improve overall BSR competitiveness.

Cooperation platforms and/or dialogues will be promoted, in order to facilitate exchanges of ideas and practices with other partners involved in health issues (e.g. Nordic Council of Ministers, Baltic Region healthy cities association, city of Umea, etc.).

## **PA Innovation – Exploiting the full potential of the region in research and innovation**

*Coordinated by: Sweden and Poland*

The greatest added value will be achieved if priority is given to sectors where the BSR is or has the potential to become particularly strong. The potential for growth and new jobs should be explored in many sectors, including the marine and maritime sector, and in particular technologies for marine energy and blue biotechnology. To further explore regional strengths, the cluster approach might be appropriate. Furthermore, by applying the smart specialisation concept, combining strengths, competences, R&D and players in the whole BSR in a smart way, there are good opportunities for the BSR to become a globally leading innovation player in several specific fields. This will make the BSR attractive as a partner for cooperation with other strong innovative regions in the world and it will support companies in the BSR to increase their global competitiveness. For SMEs in particular, BSR as a home market will be an important step in becoming active on the global market.

The division between more established R&D institutions on the northern and western shores vs. newly established or reformed institutions on the eastern and south-eastern shores of the Baltic Sea is still very present, despite recent high growth in the eastern parts. This is also reflected in the latest Innovation Union Scoreboard 2011. The BSR includes some of the innovation top-performers in Europe, and others that are lagging behind. To draw the full benefits from the regions innovation potential, a more coherent approach is needed, based on cooperation and trust.

Such a focus on innovation has the added advantage of developing the BSR's economy away from a traditional high-footprint industrial focus towards more sustainable profit-making sectors.

It is also important to make full use of the opportunities to cooperate within the framework of the European Research Area (ERA).

This priority area is closely linked to priority area 'SME'.

### **Targets and indicators**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinators. The still missing

targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

Objective/ subobjective	Indicator	Baseline	Target/deadline	Data sources
Improved global competitiveness of the Baltic Sea region, through a) increased innovation capacity/performance.	Innovation capacity/performance for each EUBSR country.	Innovation Scoreboard 2010 (data from 2009) BSR Innovation monitor 2012 (FORA).	2016: SE, FI, DK, DE to keep the ranking as being among the top 4 countries in EU 2016: PL, ES, LT, LE; increased ranking number within EU by in average 4 units 2020: SE, FI, DK, DE to keep the ranking as being among the top 4 countries in EU 2020: PL, ES, LT, LE increased ranking number within EU by in average 7 units compared to 2010 The target will also be appraised against the improvement of innovation performance in absolute terms.	Innovation Union Scoreboard BSR Innovation Monitor (FORA).
b) A global competitive position in research and innovation and on global markets has been achieved, by BSR actors in cooperation, within a number of areas with an expected high market volume.	The globally attractiveness of innovation milieus within BSR (measured as a) number, per 3-year period, of cooperations with actors outside BSR; b) investments, per 3-year period, from outside BSR into innovation milieus within BSR; c) number of high competence people from outside BSR moving to strong innovation milieus within BSR).	Baseline 2009.	Numbers of cooperations 2016; + 20% 2020; + 40%.  Investments into BSR; 2016; + 15% 2020; + 30%  Number of high competence people moving into BSR; 2016, + 20% 2020, + 40%.	Questionnaire, sent each 3-4 year to strong innovation milieus within BSR as listed by national innovation agencies.
EUBSR contributing to the implementation of Europe 2020, specially smart specialization and smart, inclusive and sustainable growth through long term transnational cooperation on research and innovation within BSR, focussing areas with large future market-	Volume ( - number and - aggregated size/budgets) of long term (3 years or more) transnational cooperation on research and innovation within BSR (with actors from 3 or more countries).	Baseline 2009.	Number of trans-national cooperations; 2013; + 25% 2016; + 100% 2020; + 150%. Aggregated size of transnational cooperations; 2013; + 25% 2016; +100% 2020; +150%.	Funding programs and bodies on EU, national and regional level.

potentials, including marine resources.				
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### *Actions and flagship projects*

#### **Action: Establish a common Baltic Sea region innovation strategy**

To be based on the results of all the flagship projects and address the following four challenges: (a) reduce existing innovation barriers, including the harmonisation of different legal and regulatory environments for Foreign Direct Investment (FDI), particularly for further developing the demand-side approaches to innovation; (b) facilitate trans-national cooperation for the development and commercial exploitation of joint research projects; (c) utilise together the high-level human capital in the region and promote the mobility of researchers; and cooperation between students and companies; (d) jointly develop new and better innovation support instruments, including Intellectual Property Rights (IPR) support. This work will build upon similar efforts undertaken under the PRO-INNO Europe initiative.

#### *Flagship projects*

- **BSR Stars.** A Programme for Research & Innovation, Clusters and SME networks in the BSR. The objective of BSR Stars is to create a number of world-leading innovation hubs in the BSR by fostering R&I and business-driven transnational collaboration between companies, strong R&I milieus, clusters and SME networks, in order to strengthen economic growth in the whole BSR. BSR Stars will mobilize transnational cooperation between competences and actors in the BSR in order to successfully address some of the grand societal challenges with expected large global market potentials. BSR Stars will, together with the ‘Demola’ network, develop a common open platform where students and universities can develop new products and services together with companies. The platform will be an enabler for novel cross-border university-business cooperation to create real solutions to existing problems and challenges in the BSR. BSR Stars will establish ‘a new BSR brand’, building on ‘smartness’, research, innovation and cooperation, leading to capacity building, stronger international competitiveness, increase in foreign investments and world-class players in some strategic areas. The successively improve BSR competitiveness and innovation through transnational cooperation requires mobilising and aligning funding from European, national and regional programmes. The BSR Stars programme will also include the development of a ‘Baltic Sea Region’ method for better exploiting the potential of innovative SMEs by connecting SME networks (mainly) initiated at local/regional levels. An additional objective is to ‘*develop a regional foresight programme*’, which will help identify desirable directions of cooperation in R&D and innovation. BSR Stars will, in cooperation with the Nordic Council of Ministers, initiate ‘BSR Innovation Express’ – a joint call to improve the internationalisation of clusters

and the SME network. This will enable cluster organisations and companies to access support for networking, business match-making and market research activities etc. Lead: Sweden and Lithuania. Deadline for progress review: 2015 and 2020.

➤ ***Create Funding models for transnational Innovation and Research in the Baltic Sea Region.***

The purpose is to strengthen BSR innovation capacity by developing financial concepts and models that can use relevant EU programmes, such as Horizon 2020 and the Structural Funds, in a way that contributes to the aligning of funding. The aim is to promote transnational and transregional innovation and research as a way of increasing the international competitiveness of the BSR and thereby achieving the necessary commitment to fund activities such as transregional collaboration on open innovation systems, clusters and SME networks. This will be achieved by creating a Baltic Sea region network of regions and players that uses tested and successful financial models and develops new ones. The network will coordinate its work with other flagship projects in the priority area, the Commission and relevant national players. It will seek to improve the coordination and alignment of existing and future funding (2014 onwards) for research, development and innovation at the EU, national and regional levels, as well as private funding. Lead: Region Skåne. Deadline for progress review: 2014.

➤ ***The Baltic Ring; establish an infrastructure for free movement of knowledge in the Baltic Sea Area.*** The purpose is to establish an infrastructure for the free movement of knowledge through high-capacity networks and by developing eScience, with a view to interconnecting the research and education communities of the countries around the Baltic Sea. The costs associated with this network for communication are covered by the ordinary national principles for network cooperation. The additional costs of a complete ring fall mainly within the Baltic States and, if it is willing to join, Russia. The proposed technological, scientific and educational efforts are expected to have an immediate, short-term and long-term impact on industry and society in terms of visibility, technological advances and competence development. The project is planned to be completed within five years. Lead: Nordic Council of Ministers. Deadline for finalisation: 2017.

➤ ***ScanBalt Health Region: cross-sectoral and transnational projects for innovation in health and in life sciences.*** The promotion of public health on a high level and the exploitation of modern life sciences are prerequisites for the BSR to become a globally competitive and prosperous macro-region. Furthermore the demographic challenges can only be met in an open innovation market across all sectors of science, technology and social wellbeing. The purpose of ScanBalt Health Region is to (1) bundle regional competences within life sciences and health; (2) elaborate, align and integrate smart innovation and development strategies which meet the needs and demands of both metropolitan and rural regions; (3) establish and promote a professional, trans-regional, service based collaboration platform (ScanBalt IBIS = International Business Innovation Support); (4) connect the interests for collaboration and interaction

between priority areas in the EUSBSR Action plan within ‘Health’, ‘Innovation’, ‘SME’, ‘Bio’, ‘Agri’ and ‘Tourism’. Finally, ScanBalt Health Region is a platform for enhancing the branding and visibility of the BSR in order to attract and retain human, financial and industrial resources. ScanBalt Health Region is to be regarded as a model for a knowledge-based health and bioeconomy leading to high added-value jobs based on a shared and bottom-up developed strategy. Lead: BioCon Valley® GmbH Greifswald (Germany), Lithuanian Biotechnology Association (Lithuania) and ScanBalt fmba (Denmark, BSR). Deadline for progress review: annually.

- ***Setting up a Baltic Science Link.*** Research infrastructure is important for a region to be at the forefront of research and innovation. The BSR has several important existing infrastructure installations (the high-energy PETRA-III storage ring at the German Synchrotron Research Centre in Hamburg; the European X-Ray Laser project XFEL in Schleswig-Holstein; the MAXIV, Synchrotron Radiation Research, Nuclear Physics and Accelerator Physics lab and the European Spallation Source (ESS) in Lund.<sup>35</sup> This infrastructure should be used to strengthen the scientific capability and competitiveness as well as the attractiveness of the region. This could be done by building a strong network between universities, research institutes and industries in the region, i.e. the Baltic Science Link. Already strong research fields in the region, life sciences, material technologies, would form the core of these scientific clusters. Lead: Sweden: Swedish Research Council. Deadline for progress review: 2015.
- ***SUBMARINER Network – Actions and Initiatives for Sustainable and Innovative Uses of Baltic Marine Resources.*** The project is a transnational umbrella for activities focusing on sustainable and innovative uses of Baltic marine resources. Based on the SUBMARINER compendium (published in autumn 2012), it promotes new uses and technologies that should be valued for their commercial appeal and for their potentially significant contribution to solving environmental problems. SUBMARINER Network implementation is based on the roadmap (to be published in 2013), which recommends what needs to be done at the BSR level in order to realise the Europe 2020 Strategy aims in general and its maritime pillar in particular. Lead: Ministry of Economic Affairs of the Land Schleswig-Holstein/Germany; Co-leaders: Swedish Agency for Marine and Water Management and the Maritime Institute in Gdańsk/Poland. Deadline: 2020.

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<sup>35</sup> A joint project for the European research area. ESS Scandinavia is a consortium working to ensure ESS will be built in Lund. The consortium consists of all the universities and colleges in the Öresund region, a number of other leading universities and research institutes in Scandinavia as well as Region Skåne, Lund Municipality, Copenhagen Capacity and the Öresund Committee.

## **PA Internal Market – Removing hindrances to the internal market**

*Coordinated by: Estonia*

Due to the small markets in the BSR, it is essential that appropriate measures be taken to upgrade the business environment. A policy framework conducive to investors and a dynamic business environment offer the best options for sustaining high levels of development in the west, and increasing levels in the eastern part of the Baltic Sea rim. The current economic crisis makes it especially important to stimulate further integration of the markets in the BSR.

It is also important to support and facilitate the development of legitimate trade and economic cooperation, to combat customs fraud and to enhance the security and safety of the supply chain in trade with third countries. This requires, inter alia, a package of measures to strengthen cooperation between customs authorities of the EU Member States with Russia and other neighbouring countries, and to remove procedural, staffing and infrastructural bottlenecks. Promotion of the principles of good governance is needed to ensure fair and efficient tax systems. This plays an essential role in ensuring a level playing field for economic relations, trade and investment.

The poor trade relations established by SMEs in the BSR can be explained by administrative burdens imposed by national legislation, implementation of EU directives in an insufficient or non-transparent way, limited competition in network industries due to unjustified barriers for market entrants, strongly regulated labour markets, and weak tax incentives. As a result there is often a lack of competition, which translates as relatively high price levels.

Citizens and businesses do not always seize the many opportunities the Single Market has to offer because the rules are not being transposed, applied or enforced properly, or in the same way, in all Member States. As shown in the latest Internal Market Scoreboard,<sup>36</sup> although Member States may have become much better in transposing Internal Market legislation, but there are still problems with its correct application, with a high number of reported open infringement cases. Furthermore, citizens and businesses still do not have sufficient information to use and enforce in practice their Single Market rights.<sup>37</sup> An even greater effort should therefore be made to translate and distribute material that in explains these clearly to the different target groups.

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<sup>36</sup> [http://ec.europa.eu/internal\\_market/score/docs/score18\\_en.pdf](http://ec.europa.eu/internal_market/score/docs/score18_en.pdf).

<sup>37</sup> According to 2006 Eurobarometers, [http://ec.europa.eu/internal\\_market/strategy/index\\_en.htm#061204](http://ec.europa.eu/internal_market/strategy/index_en.htm#061204).



Traded goods going outside the EU are experiencing serious difficulties due to problems in the control procedures, and delays are usually long at the EU border with Russia. Until recently, long queues of lorries formed regularly at crossing points from Finland, Estonia and Latvia. The main reason was the growth of EU-Russia trade, complemented by inefficient procedures and inadequate infrastructure on the Russian side. Although the congestion has decreased, enhanced EU-Russia customs cooperation is important in ensuring trade facilitation, while protecting citizens and combating fraud.

Today, goods aboard vessels which leave the customs territory of the EU are normally assumed to be non-Union goods, unless the status of Union goods can be satisfactorily demonstrated on arrival. This applies irrespective of whether the goods have come from a European country which is not a member of the EU, from another third country, or come from elsewhere in the EU but have left the customs territory en route. The same presumption that they are non-Union goods applies to any goods on any type of means of transport which leaves the customs territory of the EU.

Facilitations have already been introduced for maritime transport (e.g. the presumption of Union status for goods transported on authorised regular shipping services), but it is still considered by the industry that vessels travelling between EU ports still encounter a significant number of complex procedures which put intra-EU shipping at a disadvantage in comparison to other transport modes, because geographically they may have to leave the customs territory of the EU even though on an intra-EU voyage.

That is particular manifest in the Baltic Sea region where, for instance, 90% of Union goods moved to or from Finland are transported by sea.

In order to establish a true internal market for Union goods carried by ships in intra-EU trade, the Commission included in the Single Market Act II ‘Together for new growth’ (COM(2012)573 final of 3.10.2012) a key action 2 aiming at establishing a true Single Market for maritime transport by no longer subjecting EU goods transported between EU seaports to the same administrative and customs formalities that apply to goods arriving from third country ports.

That action will take the form of a ‘Blue Belt’ package with legislative and non-legislative initiatives to be presented in the second quarter of 2013.

Targeting further simplifications of administrative procedures, especially customs procedures, the focus of discussions should be laid on solving this problem of so called ‘infected vessels’.

## Targets and indicators

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinator. The still missing targets and deadline, baseline, and statistics/information sources related to the above indicators will be defined.

Sub-objectives	Indicator	Baseline	Target/deadline	Data sources
Better information about rights and responsibilities following from the Service Directive and Goods Package among citizens and entrepreneurs.	Availability of Information on PCPs and PSCs for citizens and entrepreneurs in embassies and Chambers of Commerce.	Year 2009, no relevant information available in embassies and Chambers of Commerce in the Baltic Sea region.	Relevant information on PSCs and PCPs available in all embassies' and Chambers of Commerce's websites in the Baltic Sea area.  Deadline TBC.	Swedish National Board of Trade.
Interoperability of cross-border e-services within the Baltic Sea region.	Number of BSR countries and intensity of using interoperable cross-border e-services applications.	Year 2009, no interoperable applications.	Active usage of cross-border e-services applications in all 8 BSR countries.	TBC.

## Actions and flagship projects

### Action: Open up the public sector to competition

Increase productivity in traditionally state and municipal services by gradually further opening for free competition in such areas as waste management, recreational activities, postal services, related logistics and the broader communications sector, supply of local energy etc. to secure full access to the respective markets in the BSR.

#### Flagship projects

- **RECO Baltic 21 Tech.** Harmonised approach to public procurement in the BSR through waste management. Waste management is a matter of central concern to Baltic Sea countries, where there are significant disparities: whereas in Germany or Sweden around 3% of household waste goes to disposal, the figure in Poland is over 90%. Insufficient transnational actions in the field of waste management clearly hamper the development of this area in the BSR. The project aims to address this problem by fostering sustainable waste management (WM) in the BSR. The aim is to strengthen the capacity of Baltic Sea countries to improve their waste

performance and meet the various EU directives. RB21T is also expected to create innovative business opportunities in the Clean-Tech industry. Operationally, RB21T will establish a transnational and cross-sectoral platform for exchange of expertise in waste management in the BSR, which will increase its competitiveness. RB21T will directly target and assist 30 decision makers on the local/regional and national level about to realise a waste management investment, drawing on the latest research and Best Available Technologies (BAT). Lead: Germany and Sweden. Deadline: December 2013.

**Action: Remove remaining unjustified barriers to the cross-border provision of services**

Timely and consistent implementation and application of the Services Directive and other relevant directives, especially those affecting SMEs and those aiming at the liberalisation of service markets (e.g. the Third Postal Directive which sets a deadline for full market opening by 31 December 2010 for the majority of Member States). Besides requiring Member States to take concrete legislative measures, the Directive asks them to put in place a variety of practical measures such as Points of Single Contact for service providers, electronic procedures and administrative cooperation. It also introduces innovative tools, such as the review of national legislation and the process of mutual evaluation. Close cooperation between the bodies responsible in each Member State for implementing the Services Directive has been established over the past two years within the ‘Nordic-Baltic cooperation group’. This cooperation could be further enhanced through exchanges of good practices, including for setting up the Points of Single Contact, and through engaging business associations in the process.

*Flagship projects*

- **Cross-border e-services in the Baltic Sea region.** The Digital Agenda for Europe (DAE) and the Single Market Act II (SMA II) have both defined as a key element the need to overcome barriers in the digital world and thus act as a driver for growth. It is not enough to have very good e-solutions developed within Member States if they are useful only for their own citizens. It can even be seen as discriminatory and contradicts with the logic of an increasingly mobile world. A fully functioning Digital Single Market in 2015 will require that all persons (including legal persons) to be able to operate in the digital space across borders. In addition to the ongoing study by the European Commission on the barriers to cross-border services in the EU (analysis of the needs for cross-border services and assessment of the organisational, legal, technical and semantic barriers<sup>38</sup>) and the ongoing and upcoming EU-wide Large-Scale Projects (STORK II, eSens and etc.) there is a need for bilateral discussion between neighbouring Member States to select priority areas where cross-border services give the most

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<sup>38</sup> <http://ted.europa.eu/udl?uri=TED:NOTICE:27849-2012:TEXT:EN:HTML&tabId=1>.

value, based on their current socio-economic situation and ongoing relations between countries. The goal of the current flagship project is to foster the introduction of new cross-border services in the BSR. Tasks of the project are to facilitate discussions between Member States in the Baltic Sea region to understand the needs for cross-border services from specific neighbouring Member States points of view, analyse the possibilities to implement cross-border services using existing infrastructure or by expanding local solutions across borders, share experiences about solutions for cross-border services and select areas where additional resources are required for overcoming existing barriers. Lead: Estonia. Deadline for progress review: December 2013.

**Action: Make the EU internal market work on the ground for the Baltic Sea Region**

Enhanced cooperation between national authorities in managing the Single Market. Improved and increased administrative cooperation between national authorities in the BSR on the implementation of Single Market Directives should be developed, with the 'Nordic-Baltic cooperation group' for the Services Directive serving as an inspiration. National authorities are also encouraged to cooperate within the BSR on the provision of training in single market law to national civil servants and court officials; and on the provision of information to citizens and businesses about their rights and opportunities in the Internal Market. Such close cooperation on Single Market issues between the authorities of the BSR should be developed in the context of and in line with the *Commission's Recommendation on Partnerships*, which was adopted in June 2009.

*Flagship projects*

- **Remove remaining single market unjustified barriers** by strengthening the practical cooperation between the responsible authorities. The project divided between 2 leaders, and initially consisting of 5 areas, embracing 3 modules:

1) Identification of the internal market unjustified barriers to trade between the countries of the region. Lead: Poland.<sup>39</sup> The general objective to be achieved under the project should be to collect extensive information on the unjustified barriers on the internal market which hinder the free movement of persons, goods, services and capital between the countries of the region. The study paper of the barriers will be based, *inter alia*, on the analysis of the SOLVIT cases.

2) Exchange of best practices on the practical functioning of Product Contact Points and Points of Single Contact. Lead: Sweden.<sup>40</sup> The project aims to provide a platform for exchanges of experience on establishing, financing and developing the contact points in the

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<sup>39</sup> Willing to participate: DK, EE, SE, FI – focusing on certain sectors.

<sup>40</sup> Willing to participate: DK, EE, DE – only as regards PCP.

Baltic Sea region. Several network meetings have been held. It was pointed out that there are significant differences between Member States as regards on how national product contact points satisfy the requirements in the Regulation 764/2008.

3) Networking on general internal market issues – general competence of the participants, depending on countries' interests and engagement.

Lead: Poland and Sweden. Deadline for progress review: 2015.

- ***Encourage sharing of competences between accreditation bodies.*** Cooperation between accreditation bodies could be a cost-effective way of sharing competence and offering a wide range of accreditation services to companies, without having all the facilities in each Member State. Lead: Sweden – Swedish Board for Accreditation and Conformity Assessment. Deadline for progress review: 2015.

## **PA Nutri – Reducing nutrient inputs to the sea to acceptable levels**

*Coordinated by: Finland and Poland*

<http://groupspaces.com/eusbsr-nutrient-inputs/>

Of the many environmental challenges facing the Baltic Sea, the most serious and difficult to tackle with conventional approaches is the continuing eutrophication, which is caused by excessive nutrient inputs. Nitrogen and phosphorous loads to the Baltic Sea have increased several folds over the last century, reaching the Sea through agricultural run-off and leaching inadequately treated sewage and through airborne emissions from traffic and combustion processes.

The effects of eutrophication are particularly acute in the southern and eastern parts of the Baltic Sea. The impacts of eutrophication include oxygen depletion, reduced water clarity, an increase in filamentous algae, summer blooms of cyanobacteria (blue green algae) and negative effects on the benthic community.

The latest decades' large-scale investments in waste-water treatment plants and key decisions on cleaner shipping have had an important impact on decreasing the nutrient load. However, to save the sea, further and continued action is needed,<sup>41</sup> especially in the agricultural sector, on which progress in nutrient loads reduction greatly depends now. Full implementation of the relevant EU legislation is necessary in restoring the ecosystem status of the sea. This legislation includes the Water Framework Directive,<sup>42</sup> Nitrates Directive,<sup>43</sup> Urban Waste Water Directive,<sup>44</sup> Industrial Emissions Directive<sup>45</sup>, as well as the Marine Strategy Framework Directive.<sup>46</sup> In addition, reinforcement of some measures adopted under these Directives has become apparent and must take place without further delay. In particular it is worth noting that the Nitrates Directive is insufficiently implemented both as regards

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<sup>41</sup> Bo G. Gustafsson et al. 2012, Reconstructing the Development of Baltic Sea Eutrophication 1850–2006, *Ambio* 41:534–548.

<sup>42</sup> Directive 2000/60/EC of the European Parliament and Council of 23 October 2000 establishing a framework for Community action in the field of water policy.

<sup>43</sup> Council Directive 91/676/1991 of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources.

<sup>44</sup> Council Directive 91/271/EEC of 21 May 1991 concerning urban waste-water treatment.

<sup>45</sup> Council Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control).

<sup>46</sup> Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy.

Nitrates Vulnerable Zone designation and Action Programmes. Also, the measures agreed upon in the Baltic Sea Action Plan (BSAP) of the Helsinki Commission (HELCOM), going beyond the requirements of EU legislation, must be implemented, which is currently at varying stages in the different countries concerned.

Cooperation should be promoted with a broad range of stakeholders, including other priority areas and actors in non-EU Member States in the region, in order to take advantage of the cross-cutting nature of the EUSBSR, to reach the objectives of the MSFD and other relevant legislation and to ensure stakeholders' commitment to the reduction of nutrient emissions into the sea. As agriculture is the most important source of diffuse nutrient loads into the Baltic Sea, priority area 'Agri' is a particularly important stakeholder for priority area 'Nutri'. Cooperation between the two priority areas is facilitated *inter alia* under the Agriculture and Environment Forum of HELCOM.

The main problems can be summarised as follows:

- Continued and increasing nutrient loads into the Baltic Sea:
  - insufficient recycling of nutrients;
  - insufficient nutrient removal in urban waste water treatment plants;
  - structural changes in agricultural production, including centralisation of domestic animal farms and oversupply of manure in some areas;
  - difficulties in achieving rapid results due to for instance the complex cycle of nutrients, especially phosphorus, the long time lag between implementing the measure and observing an effect in the water, and the slow turnover of the water in the sea;
  - increases in run-off and thus eutrophication and other impacts due to climate change.
- Challenges in cooperation across the macro-region:
  - varying levels of commitment to implement the BSAP;
  - lack of clear support at the highest political level;
  - conflicting policy targets of environmental and agricultural policies;
  - differing views on country-wide nutrient reduction requirements;
  - low awareness of costs-efficiency of nutrient load-reducing measures;
  - low awareness of costs and benefits of reaching the objectives of BSAP;
  - difficulties in monitoring nutrient loads from diffuse sources;
  - difficulties with providing HELCOM with accurate data due to lack of institutional capacity in some countries;
  - challenges in coordinating efforts with third countries.

## Targets and indicators

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinators. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

Sub-objective	Indicator	Baseline	Target	Data sources
Clear water in the sea.	Nutrient (P, N) inputs (tons).	Nutrient (P, N) input into the Baltic Sea (HELCOM BSAP baseline 1997 – 2003 average, reviewed 2013) - per sub-region - per country - point sources - diffuse sources - airborne Nitrogen.	Total nutrient reduction by 2016 as agreed in BSAP 2007 and revised by HELCOM in 2013.	HELCOM data (PLC-water, PLC-air/EMEP).  Annual HELCOM Core pressure indicator for eutrophication (after 2013).
Clear water in the sea; rich and healthy wildlife.	Sea-area (km <sup>2</sup> , %) in good ecosystem status by eutrophication descriptors of EU Marine Strategy Directive.	Initial assessments as required by MSFD.	Whole Baltic Sea area in good ecological status by 2020.	Country reports 2012, 2018.  Jointly – HELCOM Core indicators.

*N.B.* All Member States have to comply with the objectives under relevant EU legislation (MSFD, WFD, UWWTD, NiD, EEA, JRC). However, the cooperation process under this priority area will facilitate the achievement of the targets above.

## Actions and flagship projects

### Action: Improving waste water treatment

Promote cost-efficient nutrient removal and sustainable sludge handling in urban waste-water treatment plants and in small-scale waste-water treatment. Focusing on municipal waste water continues to be beneficial for two reasons: there is significant potential to reduce nutrient loads by proper treatment of waste water and by reducing occasional and seasonal bypasses; and improving waste-water treatment is still a cost-efficient mean to reduce nutrient loads.



#### *Flagship projects*

- **PRESTO.** The project aims to significantly reduce the nutrient load to the Baltic Sea through education programmes for the operating staff, designers and academic trainers involved in waste-water treatment as well as technical studies and investments in selected Belarusian waste-water treatment plants (Baranovichi, Grodno, Molodechno and Vitebsk). Lead: Union of the Baltic Cities, Commission on Environment. Deadline: March 2014.

#### **Action: Managing nutrients more efficiently**

Promote measures and practices which support nutrient recycling and reduce nutrient losses from farming, fisheries, forestry, and waste-water treatment sludge. Additional Rural Development measures could be used to advance nutrient recycling, reduce nutrient run-off and leaching, reduce erosion and increase the retention capacity in the landscape. Intensively used agricultural land and areas with high domestic animal density should be focused on first. This action will contribute to full implementation of and reinforce measures adopted under the Nitrates Directive. It will also promote the full implementation by farmers of these measures, by increasing support through extension services and better controls.

#### *Flagship projects*

- **Putting best agricultural practices into work – the Baltic Deal.** The challenge of farm nutrient run-off and leakage eventually entering the Baltic Sea is recognised by the farming community. The Baltic Deal was initiated by five farmers' federations as a voluntary sector response. Lead: Latvian Rural Advisory and Training Centre and Federation of Swedish Farmers. Deadline: end-2013.

#### **Action: Facilitate cross-sectoral policy-oriented dialogue**

Facilitate cross-sectoral policy-oriented dialogue among all sectors with an impact on eutrophication to develop an integrated approach to reducing nutrient loads to the sea. Supporting communication between actors can help align the different perceptions of eutrophication and find new ways for the integrated management of nutrient fluxes. For example, currently the consumption side is rarely addressed when discussing nutrient loads from agriculture, even though changes in consumption could result in remarkable reductions in nutrient loads. Enhancing cross-sectoral dialogue requires co-operation with other priority areas, e.g. with priority area 'Agri' regarding agro-environmental dialogue. Possible platforms for such dialogue include the HELCOM Agriculture and Environment Forum and the annual conference 'A Greener Agriculture for a Bluer Baltic Sea'. Also, the Baltic Impulse Cluster initiative of the EU Baltic Sea Region Programme will bring together inputs from

various projects on eutrophication. In addition to international and national dialogue, local and e.g. river-basin level cooperation, such as water users' partnerships, is encouraged.

#### *Flagship projects*

Stakeholders are encouraged to develop flagship project ideas under the theme 'Agriculture and Environment Policy'. Possibilities for organising common roundtable discussions and/or workshops for agricultural producers and policy-makers will be investigated, for instance in cooperation with agricultural exhibitions in different countries in the region. Cooperation possibilities for joint events with the HELCOM Agriculture and Environment Forum as well as priority are 'Agri' will likewise be investigated.

#### **Action: Investigate cost-efficient nutrient reduction mechanisms**

Study and cooperate in developing new sustainable innovative and socio-economic means for cost-efficient nutrient reductions. These tools could include new mechanisms to allocate the cost of nutrient reduction to the Baltic Sea region countries in a fair and efficient way (e.g. through emission trading) as well as restorative techniques to improve the environmental status of the Baltic Sea, provided these techniques pass sustainability and risk assessment procedures.

#### *Flagship projects*

To progress work on this action, discussion will be held with stakeholders, for instance in the priority area steering committee, with the aim of examining possibilities for targeted events and new flagship projects.

#### **Action: Cooperate with non-EU Member States**

Cooperate with non-EU Member States, particularly Russia and Belarus, through HELCOM and the Northern Dimension Environmental Partnership.

#### *Flagship projects*

- **PRESTO** (see action 'Improving waste water treatment').
- ***Assessment of regional nutrient pollution load and identification of priority projects to reduce nutrient inputs from Belarus to the Baltic Sea.*** The project identifies priority investments and builds local capacity in the reduction of nutrient inputs to the Baltic Sea in the context of the Northern Dimension Environmental Partnership, with particular focus on agriculture, municipal waste-water and industry, including the production and use of detergents containing phosphorus. Lead: NEFCO. Deadline: 2013.

#### **Action: Improve nutrient load data**

Support efforts to improve the completeness and reliability of nutrient load data as a basis for monitoring success in reducing nutrient loads. Data collection processes are currently insufficient, which precludes a full understanding of the eutrophication situation in the Baltic Sea. HELCOM works to ensure that nutrient pollution assessments are harmonised across the region.

#### *Flagship projects*

Opportunities to launch a flagship project in cooperation with HELCOM to support Baltic Sea-wide compilation and assessment of nutrient pollution load data with additional measures to improve its quality, completeness and consistency, including preparatory work for harmonising reporting to HELCOM on relevant EU directives will be investigated.

**Priority area on Maritime Safety and Security**

**PA Safe – To become a leading region in maritime safety and security**

*Coordinated by: Denmark and Finland*

<http://pa13.dma.dk>

The Baltic Sea region is heavily dependent on shipping for internal trade as well as for imports and exports. Consequently, the Baltic Sea is one of the most heavily trafficked seas in the world. The volume of shipping in the region has been growing in recent years and represents up to 15% of the world's cargo traffic. This traffic is expected to increase further in the years to come.

Moreover, due to its strategic position, the Baltic Sea region is a natural route for oil transport, in particular from Russia. The amount of oil transported through the Baltic Sea is considerable. Between 2000 and 2007, oil shipments via the Great Belt of Denmark more than doubled to reach 171 mt. Despite the financial crisis, the traffic has remained at a high level, and amounted to 167 mt in 2011.<sup>47</sup> As regards oil shipments in the Gulf of Finland, the amount was some 160 mt in 2010 compared to 80 mt in 2000.<sup>48</sup> The growth in oil transport is expected to continue for some time.

While there is a trend towards larger tankers, the number of laden tankers is also growing. In 2005, approximately 2706 tankers passed the Great Belt. By 2011, this number had grown to 5672 tankers<sup>49</sup>. There is also an increasing trend towards transport of liquefied natural gas (LNG) by LNG carriers.

The waters of the Baltic Sea are, however, not the easiest to navigate. The sea is generally quite shallow and the entrance to the sea is limited to the curved and narrow straits of Denmark and the Kiel Canal, which is the world's busiest artificial waterway. During winter, ice-covered waters cause difficult navigation conditions that affect the safety and reliability of maritime transport. At the same time, the sea is environmentally fragile due to its semi-closed waters and densely populated shores. If anything goes wrong, it is essential to have well-functioning search and rescue services and oil spill response capacity in place to save human lives and reduce marine pollution.

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<sup>47</sup> Source: HELCOM.

<sup>48</sup> Source: Finnish Environment Institute/VTT Technical Research Centre of Finland.

<sup>49</sup> Source: HELCOM.

A high level of maritime safety and security contributes to the overall objectives of the EUSBSR to clean the sea and to increase prosperity, and can be obtained partly through strengthened regional cooperation. The vision is that the Baltic Sea should become a leading region in maritime safety and security.

The current high level and expected growth in vessel traffic increases the risk that there will be more accidents in the future unless improved maritime safety and security procedures are set in place. At the core of the required procedural improvements are traffic management and traffic control measures involving the monitoring of ship movements, with the aim of preventing the development of dangerous situations.

Maritime surveillance data collected by different maritime authorities often serve a specific purpose for an individual sector. Better information sharing between sectors and across borders is therefore needed. It would result in more efficient use of resources as well as improved safety, increased environmental protection and security at sea, better protection of EU sea borders and more efficient accident response. Under International Maritime Organization (IMO) regulations, search and rescue services are organised by the Member States individually, which may result in overlaps in planning, limited capacity sharing, insufficiently coordinated surveillance and a lack of agreed standards and terminology in operational and educational areas.

It is in the interest of all countries bordering the Baltic Sea to reduce the risk of maritime accidents and marine pollution, including hazardous spills. More efficient and more compatible surveillance, monitoring and routing systems, in particular at the level of sea basins, as outlined in the EU Integrated Maritime Policy, would significantly improve maritime safety and security.

Furthermore, the human factor is a complex multi-dimensional issue affecting the well-being of people at sea and having direct implications for maritime safety and security and for the marine environment. Addressing this issue, partly through improved training, could reduce the number of shipping accidents in the Baltic Sea region.

There is already a platform for regional cooperation on maritime safety and security within the HELCOM cooperation, based on the Helsinki Convention<sup>50</sup>, which addresses a wide range of issues pertaining to the safety of navigation and oil spill response preparedness in the Baltic Sea region. According to the Convention, HELCOM's role includes acting as a platform for harmonised regional

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<sup>50</sup> The Helsinki Convention is signed and ratified by Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Sweden, the Russian Federation and the European Union.

implementation of IMO regulations. Also other regional fora have activities at practical or at policy level. Naturally, existing forms of cooperation need to be taken into account in order to identify gaps and create synergies and avoid duplicating efforts in the region.

### Targets and indicators

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinators. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

Objective/ sub-objective	Indicator	Baseline	Target/deadline	Data sources
Policy objective: Reduction in the number of maritime accidents.	Number of maritime accidents.	2009 (average between 2009 – 2012 of the number of accidents in a period of 3-5 years).	Measurable reduction/decreasing trend in the number of maritime accidents per 1000 ships by 2020.	<a href="#">HELCOM annual statistics.</a>
Cooperative objective 1: Improved long-term planning.	Development and usage of joint, regional scenario for maritime safety and security.	Baseline/target year: 2011 (year of decision to undertake joint regional scenario).	Regular update of the scenario from 2013 onwards.	<a href="#">Scenarios for the development of maritime safety and security in the Baltic Sea region published by the priority area coordinators in 2012.</a>
Cooperative objective 2: Increased cross-border and cross-sector cooperation and information sharing among maritime authorities and other relevant stakeholders to improve maritime safety and security.	Implementation of the flagship projects results and recommendations.	Situation in 2009, before the projects/EUSBSR started.	By 2020 the creation of 1) a Common Information Sharing Environment (CISE) among maritime authorities and coast guard functions; 2) a permanent regional cooperation framework for coastguard functions, 3) a Baltic Sea region e-Navigation Forum of experts.	TBC.

### Actions and flagship projects

### Policy discussions and alignment of policies

The following actions of the priority area on maritime safety and security are important if the vision of the Baltic Sea region as a leading region in terms of maritime safety and security is to be realised. The actions are to be pursued through the ongoing policy dialogue in the priority area as well as through the flagship projects. In addition to those projects mentioned below, the priority area coordinators will regularly consider proposals for new flagship projects that have a high macro-regional impact, contribute to fulfilling the objectives of the EUSBSR and are related to the implementation of one or more priority area actions.

The actions are in line with a number of other international and EU policies, including, but not limited to:

- the work of the International Maritime Organization (IMO);
- the Integrated Maritime Policy of the European Union;
- the work of the Helsinki Commission, in particular its Baltic Sea Action Plan adopted in 2007;
- the activities of other regional fora, such as the Council of the Baltic Sea States (CBSS), the Baltic Sea Parliamentary Conference, the Baltic Sea Hydrographic Commission;
- the work of the International Association of Aids to Navigation and Lighthouse Authorities (IALA) regarding the development of e-Navigation etc.

The work of the priority area serves to reinforce and supplement these policies at the regional level, while avoiding duplication of efforts.

Cross-cutting activities supporting all actions of the priority area:

*Flagship projects*

- ***To create a centre for knowledge and innovation in the field of maritime safety and security.***  
The project aims to increase knowledge transfer between different groups of stakeholders in the field of maritime safety and security. The ambition is to make better use of the results and recommendations of completed, ongoing and upcoming projects in the field, and thereby stimulate innovation and entrepreneurship, and to create new ideas and products in the Baltic Sea region. This will be done by facilitating long-term cooperation between different groups of stakeholders and projects in the field of maritime safety and security (Baltic Maritime Science Park project). Lead: Blekinge Region, Sweden and Blekinge Institute of Technology.  
Deadline: 31 December 2014.

**Action: Create a common maritime management system and monitoring, information and intelligence sharing environment for the Baltic Sea, in compliance with developments at EU level**  
Create an integrated network of reporting and surveillance systems for all maritime activities, such as maritime safety, maritime security, protection of the marine environment, fisheries control, customs,

border control and law enforcement, while respecting relevant data protection requirements. In addition, identify any gaps and inconsistencies in fields where cooperation between civil and military entities exist, or could be developed in the future. The network should build on existing and future system integration initiatives and pilots, taking into account developments at EU level.

Implementation of the recommendations on improved information sharing between maritime authorities from the successfully completed Maritime Surveillance North and Baltic Sea Maritime Functionalities projects will contribute to the establishment of permanent information sharing among Member States' authorities at EU level. This is further developed through Directorate-General for Maritime Affairs and Fisheries (DG MARE) cooperation and the Directorate-General for Enterprise and Industry (DG ENTR) surveillance projects. Member States are encouraged to participate actively in the implementation and follow-up of these projects. This would i.a. create basis for further cooperation projects under the priority area 'Crime'.

*Flagship projects should be developed to implement this action. Proposals for new projects are particularly welcome in these fields:*

- **testing best practices for cooperation** between policy, customs, border control, maritime search and rescue authorities in the Baltic Sea states. This includes establishing a common definition of sectoral risk analysis in order to promote the allocation of operational resources.

**Action: Improve the coordination of systems relating to ships' routing and monitoring of the vessel traffic and consider establishing new systems**

Further improve coordination and information-sharing mechanisms between existing systems to ensure their effective interoperability. Coastal states should jointly consider whether new measures (routing/traffic separation schemes/mandatory reporting systems) should be introduced. Decisions on these measures should be based on the analysis of the risks and effectiveness of the measures based on a formal safety assessment and research projects. Jointly utilise improved satellite navigation systems, such as Galileo, to support maritime positioning and navigation, especially for Automatic Identification Systems (AIS), Vessel Traffic Service (VTS), hazardous-cargo monitoring, for port approaches, ports and restricted waters and for search and rescue safety systems.

*Flagship projects*

- ***Speed up re-surveying of major shipping routes and ports***, as agreed in HELCOM, in order to ensure that the safety of navigation is not put at risk through inadequate source information.  
Lead: HELCOM in cooperation with the International Hydrographic Organisation via its Baltic Sea Hydrographic Commission. Deadline for progress review: 2013.



- ***Development of shipping routes and e-Navigation in the Baltic Sea.*** The project aims to make a concrete contribution to efficient, safe and environmentally friendly maritime transport. This will be done through the development, demonstration and dissemination of innovative e-Navigational services to the shipping industry, which can lay the groundwork for future international deployment. Another main activity under this flagship project will be to undertake a quality assurance of hydrographic data for the major navigational areas in the Swedish and Finnish waters of the Baltic Sea, which, together with other pilot actions, will help enhance the safety of navigation and optimisation of shipping routes. (Motorways and electronic navigation by intelligence at sea (MONALISA) project, which has a budget of 22.4 million EUR and is 50% co-financed by the Trans-European Transport Network (TEN-T) programme. Lead: Swedish Maritime Administration. Deadline: 31 December 2013.

**Action: Jointly apply surveillance tools**

Joint surveillance tools should include coastal radars, Automatic Identification System (AIS), Vessel Monitoring Systems (VMS), Long Range Identification and Tracking of Ships (LRIT), earth observation satellites and maritime patrol, in the Baltic Sea region. Member States in the region and the European Maritime Safety Agency will continue to cooperate on tracing illegal discharges by ships.<sup>51</sup> There should be further dialogue between the relevant authorities, including the armed forces, to investigate the possibility of operating jointly national assets at regional level.

*Flagship projects may be developed to implement this action.*

**Action: Winter navigation**

Improve the safety, efficiency and environmental sustainability of winter navigation through enhanced cooperation between relevant authorities, transport operators and research institutes. Examples of strategic areas of cooperation: development of methods for conducting Formal Safety Assessments; optimisation of the infrastructure for winter navigation including icebreaking resources; ensuring the necessary icebreaking capacity and developing intelligent transport systems (ITS) solutions for winter navigation.

*Flagship projects*

- ***Ensure Safe and Efficient Winter Navigation in the Baltic Sea region.*** The project aims to improve the efficiency, safety and environmental performance of winter navigation in the Baltic Sea. It aims to meet current and future challenges by ensuring appropriate icebreaking

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<sup>51</sup> In the framework of HELCOM Response and the CleanSeaNet initiative, in accordance with directive 2005/35.

resources for the Baltic Sea region and developing cooperative actions to improve the functionality of the winter navigation system. Winter Navigation Motorways of the Sea (WINMOS) project. Lead: Swedish Maritime Administration. Deadline: 31 December 2014.

**Action: Ensure that vessels, in particular those transporting polluting (such as oil) and dangerous goods are up to the highest maritime safety standards, in the context of potential safety requirements for the transport of new types of propulsion fuels.**

*Flagship projects*

- ***Minimising the risk of transportation of dangerous goods by sea.*** Oil transportation in the Baltic Sea poses a transnational risk to the marine environment. Maritime oil transportation is also vulnerable to security threats. In order to effectively compare different management options for safety systems, a detailed assessment of the current state of the system is needed. In addition, risk assessments based on realistic traffic growth scenarios, accident probabilities and their likely consequences are essential to evaluate the options. ('Minimising risks of maritime oil transport by holistic safety strategies' (MIMIC) is an international project which is led by Finland and co-financed by the European Territorial Cooperation IV A Central Baltic Programme). Lead: Kotka Maritime Research Centre, Finland. Deadline for progress review: December 2013.

*Potential flagship projects*

- ***Conduct a formal risk assessment for liquefied natural gas (LNG) carriers and port infrastructure (possibly including bunker and cargo operations) in the Baltic Sea area.*** Maritime transportation of LNG for energy consumption has become an increasingly important market, also for the Baltic Sea region. Experience with accidents relating to LNG ships and LNG terminals is very limited. There is a need for a formal risk assessment (FSA) of this type of maritime transportation within the Baltic Sea region. The purpose is to identify any preventive measures and regulations in relation to safety and security. The FSA should involve both government and industry stakeholders and have scope to develop model procedures, contingency plans, guidelines and legislative incentives. Lead: to be determined. Project makers are encouraged to submit proposals for action in this field of work under this priority area.

**Action: Ensure that crews serving onboard vessels are well trained, i.a. in the framework of EU efforts on quality shipping and in the light of the third EU maritime safety package adopted in 2009.** Most accidents happen due to human error, a factor that can be counteracted partly through increasing the competence of seafarers.

*Flagship projects*

- ***Develop a plan to reduce the number of accidents in fisheries.*** This could be achieved by improving the way information on accidents is gathered and analysed, enhanced training and awareness programmes, the sharing of best practices or the development of specific measures to increase the safety of fishermen. Lead: Baltic Sea Regional Advisory Council. Deadline for progress review: 2014.

More flagship projects may be developed to implement this action.

## **PA Secure – Protection from emergencies and accidents on land**

*Coordinated by: Sweden and the Council of the Baltic Sea States (CBSS) Secretariat*

<http://www.cbss.org/Civil-Security-and-the-Human-Dimension/priority-area-14>

The core issue for this priority area is civil protection cooperation in a macro-regional and cross-border context where: a) countries are linked to each other through geographic proximity, functional interdependencies or other mechanisms; b) assistance capacity is needed; or c) joint approaches and cross-border learning processes would clearly bring added value.

A macro-regional civil protection strategy should be based on an all-hazard approach and include the whole cycle of civil protection, i.e. prevention, preparedness, response and restoration. It should focus on hazards and emergencies, build on the cooperation within the EU Civil Protection Mechanism and take into account EU cooperation in the area of prevention, including the European Commission's communication 'A Community approach on the prevention of natural and man-made disasters' and follow up Council Conclusions on risk prevention and risk assessment.

Climate change is expected to increase the likelihood of extreme weather events occurring at a shorter interval in the future. Other emergencies with cross-border effects could result from natural and technological disasters, acts of terrorism including chemical, biological, radiological and nuclear terrorism, and technological, radiological or environmental accidents as well as health threats from communicable and non-communicable diseases. Emergencies and major hazards notwithstanding the Baltic Sea region also bear great cost in the form of everyday accidents that cause mortality, morbidity and disability. Within the region, there are huge disparities in mortality caused by everyday accidents depending on the country, region, vulnerable group and environment. Injuries caused by everyday accidents do not 'just happen', rather, something in the behavioural cultures, physical environments or health systems affect considerably the number of injuries and their consequences and thus they are preventable.

More efficient mutual assistance and continued Baltic Sea cooperation on prevention, preparedness and response in the field of civil protection can contribute to improving the capabilities of the Member States to address cross-border hazards or emergencies in the region as well as improving the safety of their citizens in local communities. It is also important to mobilise all the forces of the societies to raise awareness of the public for instance an initiative such as APELL (Awareness and Preparedness

for Emergencies at the Local Level) that together with other similar bottom-up processes, this should be fully applied to the Baltic Sea region. This experience could also serve as a model for capacity building in other macro-regions.

Work in this priority area is to be transparent, open, and build on existing achievements of civil protection cooperation in the Baltic Sea region. In that spirit, the CBSS Civil Protection Expert Network provides expert knowledge. Taking into account recommendations of the CBSS Civil Protection Network, an international and representative Advisory Group has been established, in order to provide support and guidance to the priority area coordinator. This group is open ‘to other partners, including representatives of third countries, willing to contribute to the work of the Advisory Group’. In addition, the coordinators of this priority area will seek cooperation with those of other priority areas and horizontal actions, notably priority area ‘Safe’ which has many common issues that can be explored as well as priority areas ‘Agri’ and ‘Health’ and horizontal actions ‘Spatial planning’, ‘Neighbours’, ‘Involve’ and ‘Sustainable development’. Other connections will also be made to exchange ideas and best practices between projects from different priority areas.

### **Indicators and targets**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinators. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

<b>Objective/ sub-objective</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target/deadline</b>	<b>Data sources</b>
Tailored macro-regional INTEROPERABILITY between the rescue services in national and cross-border cooperation in the BSR.	Joint training and exercises, explicitly aimed at enhancing interoperability.	Situation in 2012: no targeted training.	Training and exercises launched by 2014.	PAC report on priority area implementation.

INSTITUTIONALIZED cooperation on civil protection in the BSR.	Number of BSR countries participating in macro-regional operational structures.	<p>Situation in 2012:</p> <p>(1) Existing bilateral and trilateral cooperation processes and agreements.</p> <p>(2) Established Nordic cooperation on civil protection (on land and at sea), nuclear safety and maritime safety, including agreements.</p> <p>(3) Functional Council of the Baltic Sea States Civil Protection Network.</p>	<p>Full participation of all BSR countries in a demand driven forum for evaluating macro-regional risks and launching relevant Baltic Sea region-wide projects/by 2020.</p> <p>Clear definition of standard operation procedures when cross-border assistance is requested/by 2014.</p>	PAC report Feasibility study on Institutionalisation of the EUSBSR priority area 14 (EUSBSR Action Plan 2009) to be completed in 1 <sup>st</sup> half of 2013.
BSR – Leader in Civil Protection Cooperation among macro-regions of the EU.	Number of participants in the Baltic Leadership Programme.	Situation in 2012: no programme in place.	Baltic Leadership programme reached representatives in all BSR countries/by 2014.	Priority area coordinator PA Secure The Swedish Institute – Baltic Leadership Programme reports/statistics.

### *Actions and flagship projects*

#### **Action: Develop a joint macro-regional prevention and preparedness approach towards major hazards and emergencies**

Develop methodologies for enhanced cooperation between different local, regional and national agencies with a role in emergency operations relating to major hazards and emergencies, and on how to increase synergies with the EU Civil Protection Mechanism. Cooperation methodologies should be defined broadly and include public awareness actions, contingency planning, disaster scenarios, communication systems and tools, including early warning systems, use of technology, joint exercises and training.

#### *Flagship projects*

- ***Develop risk scenarios based on risk assessments and identify gaps*** for all main hazards in the Baltic Sea region in order to anticipate potential disasters, thus enabling a rapid and effective EU response through the EU Civil Protection Mechanism. Lead: Council of the Baltic Sea States Secretariat. Deadline for progress review: January 2013.
- ***Strengthen training activities and exercises*** in cooperation with the countries of the Baltic Sea region, including on disaster risk prevention and management. Based on the project develop scenarios and identify gaps, and drawing on existing possibilities for funding sources under the Civil Protection Financial Instrument. Lead: Council of the Baltic Sea States Secretariat and/or the Swedish Civil Contingencies Agency (MSB). Deadline for progress review: to be determined.

#### *Proposal from the Commission for a flagship project*

Develop a regional disaster loss database for all main hazards of the Baltic Sea region in order to improve the knowledge base and exchange of information, and inform the decision makers on the main areas for which a common risk assessment method should be developed. Lead: to be determined. Deadline for progress review: to be determined.

#### **Action: Enhance a joint urban safety and prevention approach in the Baltic Sea region**

Many communities in the Baltic Sea region face similar risks. Therefore, raising awareness and enhancing prevention is of outmost importance. In many cases however the best new practices are learned through transnational cooperation. The Baltic Sea region has several transnational networks of cities, regions and other local actors that would be natural networks for developing transnational awareness raising, prevention strategies, urban safety and safe community approaches.

#### *Potential flagship projects*

- ***Applying APELL*** (Awareness and Preparedness for Emergencies at the Local Level) to address everyday accidents in the Baltic Sea region. Lead: Member States and/or inter-governmental body to be determined.<sup>52</sup> Deadline for progress review: to be determined.
- ***Effective learning and exchanging best practices on urban safety through a local city network***. The network fosters urban safety exchanges throughout Baltic Sea region on locally-developed know-how strategies, shares experiences, analyzes functions and activities of municipalities and develops new safety management in the cities more oriented towards the needs of local communities. Lead: Union of the Baltic Cities (UBC) Commission on Local Safety. Deadline for progress review: to be determined.

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<sup>52</sup> Lead will be identified following a workshop in November 2012 organised by the CBSS Secretariat and MSB.

**Action: Foster dialogue and common approaches to civil protection in the Baltic Sea region**

A thorough knowledge and understanding of national and international (including EU) systems and funding possibilities is critical for civil protection actors and other stakeholders in the Baltic Sea region. This is a necessary precondition for the joint organisation of activities that encourage knowledge transfer and information sharing through formal and informal education and training as well as the development of joint procedures and standards. It has the potential to encourage initiatives focusing on new areas and ways of cooperation such as between authorities with different competencies and jurisdictions and public-private partnerships.

*Flagship projects*

- Form a network of key civil protection actors in the Baltic Sea region through the **‘Baltic Leadership Programme’** and equip them with the tools and information needed to manage cross-border collaboration and projects between diverse organisations in an intercultural context. Lead: Swedish Institute. Deadline for progress review: 30 June 2013.



## **Priority Area on Clean Shipping**

### **PA Ship – Becoming a model region for clean shipping**

*Coordinated by: Denmark*

<http://pa4.dma.dk>

In the Baltic Sea region, maritime transport constitutes an important backbone for trade. At any given moment, there are more than 2000 ships operating in the Baltic Sea. Both the number and the size of vessels have been growing in recent years and it currently represents up to 15% of the world's cargo traffic. Moreover, the vessel traffic is predicted to increase further in the years to come.

At the same time, the Baltic Sea is environmentally fragile due to its shallow, semi-closed waters and densely populated shores. Shipping is a very effective mode of transport when measured in emissions per tonnes of cargo; however, maritime transport is a major source of air pollution and greenhouse gas emissions. While being economically inexpensive and environmentally friendly if measured per tonnes of transported goods, shipping can have negative effects on the environment through air emissions, and the illegal and accidental discharge of oil, hazardous substances and other wastes. Another important pressure due to shipping is the introduction of alien organisms via ships' ballast water and hull fouling, which can have very serious negative impacts on the ecologically fragile Baltic Sea and its endemic species.

New technology to reduce emissions from ships' engines is currently being developed, and simultaneously less polluting fuels are being tested. In fact, the Baltic Sea region is home to global champions in shipping and maritime equipment manufacturing.

In 2005, the Baltic Sea was designated by the International Maritime Organization (IMO) as a Particularly Sensitive Sea Area and as the first special SOx Emission Control Area (SECA) with limits on sulphur emissions under the MARPOL Convention<sup>53</sup> (Annex VI). This provides a solid basis for implementing measures to ensure the sustainability of shipping in the Baltic Sea. In view of the essential importance of maritime traffic in the Baltic Sea and the harmful effects on the marine environment, it is necessary for the countries in the Baltic Sea region to act jointly to minimise ship-based pollution, while maximising the positive impact of maritime transport on the region. The rapid designation of a NOx emission control area (NECA) in the Baltic Sea is also key to reducing eutrophication and air pollution

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<sup>53</sup> MARPOL is an International Convention for the Prevention of Pollution from Ships adopted in 1973 and modified by the Protocol of 1978.

and promoting clean shipping in the region. The priority area on ‘clean shipping’, together with the Baltic Marine Environment Protection Commission (HELCOM), acts as a forum for relevant stakeholders to secure the coordination and cooperation on these goals.

Cleaner shipping in the Baltic Sea and a high level of competence in clean shipping technology in the region contributes to reaching the overall objectives of the Strategy to clean the sea and to increase prosperity, and can be achieved in part through strengthened regional cooperation. The vision is that the Baltic Sea should become a model region for clean shipping.

The development of maritime spatial planning in the Baltic Sea region has the potential to enhance measures of clean and safe shipping.

### Targets and indicators

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinator. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

Objective/sub-objective	Indicator	Baseline	Target/deadline	Data sources
Policy objective: Reducing emissions from the shipping in the Baltic Sea, while at the same it is predicted that the intensity of maritime activities will increase.	<b>Indicator:</b> Annual emissions from vessel traffic in the Baltic Sea, based on estimates from the Automatic Identification System, which monitors vessel movement.	Emissions in 2009.	Overall decreasing trend in emissions.	HELCOM annual statistics.
Cooperative objective: Establishment of upgraded reception facilities for sewage in passenger ports of the Baltic Sea through exchange of experiences and best practices, investments and cooperation between shipping	Number of new ports with upgraded reception facilities for sewage.	First and second priority ports for upgrading according to the HELCOM Road Map adopted by the 2010 Ministerial Meeting. <a href="http://www.helcom.fi/stc/files/Moscow2010/PortReceptionFacilities.pdf">http://www.helcom.fi/stc/files/Moscow2010/PortReceptionFacilities.pdf</a>	Port reception facilities are upgraded by 2015 at the latest, the International Maritime Organization is notified accordingly, leading to the enforcement of the ban for untreated sewage discharge under the Baltic Sea Special	HELCOM (Cooperation Platform on port reception facilities).

industry, ports and municipal wastewater treatment plants.			Area of MARPOL Annex IV.	
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### **Policy discussions and alignment of policies**

Whilst it is preferable for international shipping regulations to be adopted at global level within the International Maritime Organization (IMO), the EU will continue to assess whether action is required at EU level or specifically within the Baltic Sea region, depending on how negotiations on several key issues progress. Due to the topic's complexity, dialogue with relevant non-EU actors is considered a priority and it is recognised that 'clean shipping' also entails the enforcement of environmental regulations concerning the sea, including environmental surveillance and emission control systems.

The actions of the priority area on clean shipping are to be pursued through policy dialogue within the priority area and/or in relevant fora and through concrete activities taken by the flagship projects. These actions are in line with a number of international and EU policies, including, but not limited to:

- the work of the International Maritime Organization (IMO) regarding air emissions from ships and clean shipping, and in particular the International Convention for the Prevention of Pollution from Ships (MARPOL) and its annexes;
- the relevant EU environmental legislation;
- the HELCOM Baltic Sea Action Plan adopted in 2007;
- the Integrated Maritime Policy of the EU. Under this policy, turning the Baltic Sea into a model region for 'clean shipping' is an umbrella for a range of measures aimed at reducing the environmental impact of shipping, including innovations in the shipbuilding industry and manufacturing of marine equipment, supply of shore side electricity in ports;
- the work of the priority area serves to reinforce and supplement these policies at the regional level, while avoiding duplication of efforts. Due to its global nature, international rules and standards are usually preferable for shipping industry. While respecting this principle, certain challenges may apply to Baltic Sea region only or can be addressed better or faster at a regional level, from which new forms of cooperation and solutions could be conveyed to the global level.

### ***Actions and flagship projects***

#### **Action: Reduce ship pollution and develop shore-side facilities**

This action aims to reduce ship pollution, entailing measures on board vessels as well as the required infrastructure on land. International cooperation in such fora as the International Maritime Organization (IMO), the EU and HELCOM has led to the introduction of new rules, which help to protect the sea and

further the transition towards clean shipping. The ‘Baltic Sea Action Plan’ (BSAP) adopted by HELCOM on 15 November 2007<sup>54</sup> contains a specific section on maritime activities such as technologies to reduce pollutions in harbours. At the international level in 2008, the MARPOL (Annex VI) introduced stricter conditions for emissions of sulphur dioxide (SO<sub>x</sub>) in the Baltic Sea (the sulphur content of any fuel oil used on board ships within the Baltic Sea – which is a SO<sub>x</sub> Emission Control Area – from 1 July 2010 emissions of SO<sub>x</sub> shall not exceed 1.00% m/m and from 1 January 2015 the limit will be 0.10% m/m). Hence, SO<sub>x</sub> emission will be reduced substantially by 2015.

As regards nitrogen oxide (NO<sub>x</sub>) emissions, the MARPOL (Annex VI) provides for the establishment of marine areas as NO<sub>x</sub> emission control areas (NECA). New rules would require that vessels built in and after 2016 reduce emissions by around 80%. The Baltic Sea countries have already committed themselves in HELCOM to propose to the IMO the designation of the Baltic Sea as a NECA and technical documentation on the Baltic NECA has been finalized. Yet, the final decision on when to submit a proposal to the IMO is still awaited, cf. with the below description of the flagship project entitled Introduce Differentiated Port Dues depending on the Environment Impact on Ships.

Using the fragile condition of the Baltic Sea and the new regulation as a starting point, the action aims to contribute to the transition towards clean shipping by facilitating cooperation, developing new methodologies and technologies and by demonstrating and testing in practise new solutions that reduces shipping pollution in the Baltic Sea region and beyond.

There is a greater scope for reducing pollution from ships. Action to do so could encompass a broad range of initiatives including the type of fuel used for propulsion and auxiliary engines, technical installations onboard to clean exhausts, routines and behaviour on board to reduce fuel consumption, action concerning antifouling and ballast water and hull construction. The establishment of upgraded reception facilities for sewage in passenger ports of the Baltic Sea region is a major challenge, and hence an important objective in the EUSBSR.

The land-based aspects of clean shipping are equally important. When a vessel is at port, it should be possible to switch off the engines and instead receive electricity for its port operations from a clean, land-based source of power. Similarly, ships’ waste is off-loaded in ports, therefore the ability to receive and treat the different types of waste in a responsible manner is key. Building upgraded reception facilities for sewage in Baltic Sea region passenger ports is a major challenge and hence an important objective for the EUSBSR. A lack of availability of low-sulphur bunker oil or other types of less

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<sup>54</sup> [http://www.helcom.fi/BSAP/en\\_GB/intro/](http://www.helcom.fi/BSAP/en_GB/intro/).

polluting fuel, such as liquefied natural gas (LNG) in ports should not be a hindrance to cleaner shipping.

The possibility of regulating port dues depending on the environmental impact of ships and emissions from ships should be addressed, preferably in cooperation with the private sector in order to secure viable business models.

Incentives to opt for the cleanest transport option available are also of importance. There are several ways to offer such incentives including indexing providers of transport according to their environmental impact. Optimising information from land to the vessel regarding its intended route and speed to reach its destination just in time is another example of a land-based activity that could help reduce fuel consumption.

#### *Flagship projects*

Promote measures to reduce emissions from ships and enhance the development of shore-side electricity facilities or for emission treatment in all major ports around the Baltic Sea. Their use should be promoted, including through economic incentives, in order to achieve a level playing field. This flagship project consists of two major activities:

- ***Clean Baltic Sea Shipping – CLEANSHIP.*** The Cleanship project aims to identify solutions to reduce ship emissions in order to achieve a sustainable shipping industry and land transportation links as required by the new IMO regulations. To this end, the project seeks to facilitate the implementation of the HELCOM Baltic Sea Action Plan and is planning to develop a general clean shipping strategy through six pilot projects. A key element in the project is the coordinated implementation of the Baltic Sea Action Plan and joint efforts to develop environmentally friendly infrastructure, such as shore-side electricity, LNG capabilities and waste-water reception facilities in ports. The project will be implemented in cooperation with the private sector on a voluntary basis. Lead: Port of Trelleborg. Deadline: 31 December 2013.
- ***Baltic Sea cooperation for reducing ship and port emissions through knowledge & innovation-based competitiveness – INNOSHIP.*** The Innoship project promotes an innovative transnational approach to mitigating the different needs and interests of the maritime sector and ensuring a level playing field for more sustainable and economically viable management of Baltic Sea resources. The project will provide the needed knowledge and best practices to policy and decision makers in the development and joint implementation of national and transnational policies, strategies and concrete measures to implement the international low emission requirements. Practical models and tools will be designed to estimate the economic implications of the required emission reductions targets and to encourage voluntary measures and economic

incentives for low emission solutions at local, national and the Baltic Sea level.<sup>55</sup> Lead: Baltic Institute of Finland. Deadline: 31 December 2013.

- **Promote measures to collect ship-generated waste** (enhanced application of HELCOM's 'no special-fee' system for port reception facilities especially for oily wastes from machinery spaces, sewage and rubbish). It is important that the main ports implement a uniform and transparent approach. Furthermore, the availability of port reception facilities in the Baltic Sea ports should be further enhanced covering the delivery of all wastes, including sewage. The HELCOM member states have agreed to a Roadmap for the upgrading of port reception facilities for sewage in passenger ports in the Baltic Sea area. This Roadmap should be implemented as soon as possible, preferably by 2013, and at the latest by 2015.<sup>56</sup> The project has been developed in close correlation with the now completed flagship project entitled 'Eliminate the discharge of sewage from ships', see annex. Lead: HELCOM. Deadline: 2015.
- **Introduce Differentiated Port Dues depending on the Environmental Impact on Ships** (enhanced application of HELCOM's 'no special-fee'). The HELCOM 'Baltic Sea Action Plan' (BSAP) contains a specific section on maritime activities promoting for example technologies to reduce air pollution by ships. At the HELCOM Ministerial Meeting in Moscow in May 2010 it was decided to work towards submitting a joint proposal by the Baltic Sea countries to IMO in order to apply for a NOx Emission Control Area status for the Baltic Sea, taking into account the results of the study by HELCOM on economic the impacts of a Baltic Sea NECA and to welcome and support the idea of NECAs in other sea areas, in particular the North Sea. Two submissions by the Baltic Sea countries to the IMO are planned: the NECA submission and the technology overview submission. Both submissions are ready and the final submission of the documents is planned for the IMOs Marine Environment Protection Committee meeting no. 65 (scheduled for July 2013). Lead: HELCOM. Deadline: 2013.
- **Build competences on Liquefied Natural Gas (LNG) installations in the region** (MarTech LNG – Marine Competence, Technology and Knowledge Transfer for LNG in the South Baltic Sea region). The project aims to ensure that knowledge of LNG technology is transferred to the countries in the region that are currently building LNG terminals. It is important to ensure capacity building and to transfer knowledge on the topic to companies in the region, in order to ensure that future operation and maintenance can be done locally. The project addresses the potential supply chain of small-and medium-sized enterprises in the region that have an opportunity to gain competence in LNG technology during the construction of LNG terminals, as well as scientific institutions. The anticipated result is a regional cluster with competence on

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<sup>55</sup> [http://www.baltic.org/projects/bsr\\_innoship/](http://www.baltic.org/projects/bsr_innoship/).

<sup>56</sup> As decided by the HELCOM Moscow Ministerial in 2010, cf. <http://www.helcom.fi/stc/files/Moscow2010/HELCOM%20Moscow%20Ministerial%20Declaration%20FINAL.pdf>.

LNG that can utilize business opportunities offered in the emerging LNG market. Lead: Klaipeda Science and Technology Park, Lithuania. Deadline: December 2014.

- ***Indexing the environmental impact of vessels*** (Clean Shipping Index – real time, quantified insight into the environmental performance of ships). Cargo owners increasingly influence the logistic chains for their goods. The drivers are efficiency and costs, but also reliability and sustainability. In the Clean Shipping Index database ships and ship owners are ranked in accordance with their environmental performance. In order to minimize their corporate environmental footprints, cargo owners may use the information from the Clean Shipping Index during the procurement of sea transport. The project has already close to 50 shipping companies involved and nearly 2000 vessels are indexed. The intention is to expand the cargo owner network and attract more shipping companies and simultaneously extend the concept to other parts of Europe with a view to becoming a self-sustaining organisation in 3-5 years. Lead: Clean Shipping Network Association. Deadline: 2015.

The above projects address a broad range of issues pertaining to clean shipping, but not all topics are covered yet. The coordinator of priority area welcomes proposals for new flagship projects in particular regarding the use of renewable or less polluting types of fuel for propulsion; statistics on and definition of sewage and ship-generated wastes and the associated infrastructure in ports; ballast water and other issues that have not yet been addressed.

## **PA SME – Promote entrepreneurship and strengthen the growth of SMEs**

*Coordinated by: Denmark*

In the BSR the conditions for growth need to be strengthened. There should be greater and more effective support for entrepreneurship and SMEs development, as well as stronger cooperation between enterprises, knowledge institutions and public authorities at national and regional levels in the region. Such initiatives are important in terms of achieving the political objectives of the EUSBSR, in particular Objective 3 – increase prosperity of the BSR, and especially the sub-objectives ‘EUSBSR contributing to the implementation of Europe 2020 Strategy’, ‘Improved global competitiveness of the Baltic Sea Region’ and ‘Climate Change Adaption’.

Actions and flagship projects under priority area ‘SME’ shall target entrepreneurs and SMEs and the specific challenges that they face with regard to cross-border collaboration, access to markets and access to finance, human resources and knowledge. Specific activities may include analytical work, the establishment of macro-regional public-private partnerships, joint initiatives in the field of business, trade and investment promotion, and the establishment and marketing of joint test and demonstration facilities.

Actions and flagships projects under priority area ‘SME’ shall be focused on grand societal challenges such as climate change, sustainable growth, resource efficiency, and on specific business sectors that hold a significant potential for growth in the BSR, in particular eco-industries, biotechnology, medical equipment, creative industries, the food manufacturing industry and the maritime industries, as well as sustainable and innovative use of marine resources by business and entrepreneurs.

All activities under priority area ‘SME’ will be closely coordinated with activities under other priority areas in the above-mentioned sub-objectives, and especially priority area ‘Innovation’. Activities under priority area ‘SME’ will also explore synergies with activities at EU level, such as the Small Business Act, the European innovation partnerships, and the Blue Growth Agenda, and will make use of funding opportunities provided by Cohesion funds and EU programmes such as LIFE, FP7 and CIP (Horizon 2020 and COSME after 2013) where appropriate.

Added value is provided by actions that help address the problems that stakeholders in the BSR face, in particular with regard to establishing new contacts and strategic partnerships with other players in the BSR.



An example of how the EUSBSR has provided added value to stakeholders is the financial support for the establishment of a Baltic Sea Region Network for offshore renewable energy.

*Lindoe Offshore Renewables Centre (LORC), a leading centre for knowledge, innovation, testing, and demonstration of green offshore technology, has received EU technical assistance under the EUSBSR to lead the establishment a macro-regional network of enterprises and knowledge institutions in the BSR that are interested in jointly exploring new paths to growth and innovation in the green offshore industry. The network will as a point of departure explore the potential of high powered laser welding methods and launch joint actions. High powered laser welding methods hold the potential for reducing production time and costs of large scale structures, and joint initiatives in this field can contribute to increasing productivity and thus the global competitiveness of the green offshore industry as well as other industries in the BSR.*

The network will help bring together all leading players in the BSR within the green offshore industry and make full use of their complementary competences with the aim of transforming the BSR into a global hotspot for the green offshore industry. It will also provide a basis for joint applications for EU funding for research and development, thus contributing to innovation and growth in the longer term.

This example shows the economic potential of involving leading players and stakeholders in the BSR in the development and implementation of joint projects. A high level involvement will help create a visible and long-lasting impact on socio-economic developments in the BSR.

Main problems identified by the priority area coordinators of priority area ‘SME’ are:

- Collaboration between players in the BSR. There is a need to facilitate collaboration between key players in the BSR within business areas with a high potential for growth and innovation.
- Entrepreneurship and innovation in the BSR needs to be supported, in particular high-growth entrepreneurship and eco-innovation in all sectors, including for marine and maritime sectors.
- There is a need for joint initiatives aimed at increasing awareness at global level of the many opportunities offered by the BSR.
- Access to finance continues to be a major challenge for entrepreneurs and SMEs. This is, however, a cross-cutting issue and should be addressed as such under the EUSBSR.

### **Targets and indicators**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinator. A limited number of

indicators that translate what the main objectives of the priorities are about will be defined. They will be accompanied with relevant targets and deadlines, baseline and statistics/information sources.

The following three areas will be used as indicators for this particular PA:

- 1) Geographical coverage measured as a target of participants from at least four different countries in each of the flagship projects (average).
- 2) Value added for stakeholders measured in a yearly survey targeting that at least 75% of the participating entities consider their participation in the flagship project to provide added value.
- 3) Timely start-up and completion, measured with a target of completing at least eight flagship projects by 31 December 2014.

### ***Actions and flagship projects***

#### **Action: Building platforms for growth**

This action will facilitate the establishment of macro-regional platforms for strategic collaboration within areas that hold a high potential for growth and innovation. The target group includes entrepreneurs, SMEs and knowledge institutions in the BSR.

#### *Flagship projects*

- ***Regional platform for strategic collaboration in the green offshore industry.*** The ambition of this project is to establish a regional platform in the green offshore industry to support and increase the level of cross-border collaboration between key players in the BSR. Lead: LORC, Denmark. Deadline: December 2013.
- ***Make the Baltic Sea region a leader in design.*** The ambition of this project proposal is to establish a regional platform in the field of design to support and increase the level of cross-border collaboration between key players in the BSR. Lead: Danish Business Authority. Deadline for finalisation: December 2013.
- ***Baltic Business Arena (BBA)*** is a project that develops platforms for SMEs to support cooperation in terms of innovation, trade, exports with joint delivery across borders etc. It may include other activities aimed at simplifying rules and procedures and reducing barriers within the internal market. Among BBA activities is a matchmaking forum for SMEs in the Baltic Sea region, facilitating direct meetings, discussions and knowledge exchange between SMEs entering the export market, investigating possible partners under outsourcing plans or looking for partners to increase access to R&D expertise. The Swedish Agency for Economic & Regional Growth has initiated BBA and will be a future cooperation partner together with the Swedish Institute. Lead: Baltic Development Forum. Deadline: to be determined.

### **Action: Effective support for entrepreneurship and innovation**

The ambition of this action is to provide evidence and new impetus to designing effective support measures for entrepreneurship and innovation in the BSR, including the establishment and development of strong eco-systems for entrepreneurs and of joint test and demonstration facilities. The target group includes policy makers, entrepreneurs, SMEs and cluster managers in the BSR.

#### *Flagship projects*

- ***Entrepreneurship training as part of the school curriculum.*** The ambition of this project is to formulate a strategy for closer collaboration in the BSR to promote entrepreneurship education. It will promote the exchange of good practices between interested countries or regions, taking into consideration existing EU initiatives in this field, in particular those related to the Small Business Act. Lead: National Education Agency, Denmark. Deadline: December 2013.

### **Action: Going green**

This action will support eco-innovation and resource efficiency in the BSR, in particular collaborative projects involving SMEs and knowledge institutions in the BSR.

#### *Flagship projects*

- ***Develop deeper cooperation on environmental technology to create new business opportunities.*** To strengthen SMEs in the environmental technology sector more critical mass in knowledge and technology needs to be created, involving both RTD (research) and enterprises. Joint actions should include increased cooperation in export promotion. Lead: Poland. Deadline for progress review: to be determined.
- ***Implement the project ‘Sustainable Production through Innovation in Small and Medium sized Enterprise’.*** The aim is to increase the innovation potential in SMEs to enhance their sustainable production processes, thereby increasing company profits whilst reducing economic and environmental costs. (Project financed by the Baltic Sea Region Programme under the ‘Territorial Cooperation’ objective of the ERDF; total budget € 3 million over 3 ½ years). Lead: Germany. Deadline for progress review: December 2013.
- ***Make the Baltic Sea an eco-efficient region*** e.g. by establishing a network on green public procurement for the exchange of good practice and experience. Focal points should be established in all BSR Member States to increase knowledge and disseminate information. Lead: Germany and Sweden. Deadline for progress review: December 2013.

### **Action: Global opportunities**

This action will promote more internationalisation of SMEs in the BSR and cross-border cooperation between business organisations, local, regional, national authorities and trade and investment promotion bodies in the BSR.

#### *Flagship projects*

- ***Baltic Supply***. The project sets up supporting structures for SMEs in order to facilitate access to inter-regional supply markets in north-eastern Europe. It establishes a service network of Regional Development Agencies, Business Development Organisations, government agencies and knowledge institutions that will help small and medium-sized businesses to identify new business opportunities and to join forces across regional boundaries for sustained success on interregional supply markets. For this purpose the project has established the ‘European Business Support Network’ ([www.eubizz.net](http://www.eubizz.net)) as a virtual and personalised service infrastructure offering innovation, market development and training services by network partners. Market focus is on the three industries: maritime industry, food, energy. Lead: Germany. Deadline for progress review: December 2013.
- ***Internationalisation of SMEs through value chains***. The project will collect and analyse data on the impact of policy measures and projects that have promoted the internationalisation of SMEs through integration in macro-regional and global value chains. It will take into consideration the existing initiatives in this field at local and national level, EU level and relevant activities of the OECD, as well as propose and implement joint initiatives in the BSR. Lead: Danish Business Authority, Denmark. Deadline: December 2013.

## **PA Tourism – Reinforcing cohesiveness of the macro-region through tourism**

*Coordinated by: Mecklenburg-Vorpommern (Germany)*

Tourism plays an important role in the European economy, with some 1.8 million enterprises employing approximately 9.7 million people. It accounts for five per cent of both employment and gross domestic product in the EU. Maritime and coastal tourism play a significant role. As tourism also affects the demand for services and products in other sectors, its indirect relevance for the macro-regional development is much higher.

Growth in the tourism sector has been supporting the economic recovery in the Baltic Sea region. In 2011, the number of international trips in Europe grew by 4%. The top growth rates were achieved in the three Baltic States with an increase in Latvia of 31%, Lithuania of 25%, and Estonia of 15%. Arrivals from China, India and Russia grew at a double-digit rate.

In rural areas, tourism is often a key sector in generating growth and employment, next to agriculture. It offers an economic incentive to stay in the countryside, and gives people pride in their traditions, in their cultural and natural heritage. It stimulates investment in infrastructure and transport facilities, and thus helps achieve balanced territorial development in the region.

Apart from these factors, the development of a globally competitive tourism scene in the Baltic Sea region also depends on close cooperation with other sectors, e.g. information and communication technology, and the environment and health. Tourism trends are aligned with societal, technological and global trends, like demographic change, climate change and environmental challenges or the economic rise of the formerly called ‘emerging countries’. So tourism is subject to constant change and development. Today, it has to increasingly meet the requirements of elderly and disabled people as well as lone travellers. It needs to be developed and consumed sustainably, and it has ideally to be climate-friendly.

Smart environments have to provide timely and on-site information to the traveller. Online platforms and social media are becoming increasingly essential. In addition, there is growing demand for theme-based high-quality products in the fields of culture, nature, sports and ‘edutainment’. So tourism sector has by its very nature to be sustainable, innovative and entrepreneurial.

Tourism cooperation in the region should also involve non-EU countries like Norway, and especially the parts of the Russian Federation that border the Baltic Sea. To this end, existing and developing formats like the Baltic Sea Tourism Fora, the ‘Turku Process’ and the ‘Modernization Partnership for the South Eastern Baltic Area’ (SEBA), under the umbrella of the Council of the Baltic Sea States, should be used where appropriate.

Creating and promoting sustainable and innovative tourism products and services at cross-border and transnational level around specific themes not only help to profile the region as a tourism destination in key source markets – by highlighting the common cultural and natural heritage and history, tourism cooperation could link economic benefit with the perception of the region as a shared reference point in the identity of the inhabitants of the macro-region.

Tourism in the Baltic Sea region is still fragmented and non-cooperative. There are various reasons for this. First, there are different levels of development and cooperation in the tourism sector, leading to an asymmetric readiness to cooperate at transnational level. Major reasons for this are the availability of resources and know-how, the design of funding instruments, long-standing cooperation patterns, especially in Scandinavia, and the accessibility of the macro-region.

Within the European Territorial Cooperation objective, tourism cooperation in projects mostly takes place at cross-border level and thus has limited geographic reach. Attempts to better link tourism-related projects at transnational level need further incentives, also through appropriate access to funding. The business perspective of the projects receiving funding should also be strengthened, e.g. by involving private-sector partners in the cooperation, which could increase the durability of the project results. Links to educational institutions to enhance skills and to develop quality tourism in terms of services are also essential.

### **Targets and indicators**

Currently, tourism in the region lacks a comprehensive institutional and political framework. The existing tourism cooperation structures, like working groups or projects, are concerned with specific interests and topics, are of a temporary or intermittent character, or lack the desired geographic coverage of the macro-region.

Tourism policy and tourism-related activities are developed and run largely without joint objectives, approaches and standards on a macro-regional level. Accordingly, no common targets and indicators for the tourism sector are available for priority area ‘Tourism’ to rely on.

The targets should be based on the overall objectives of the priority area.

1. For the *cooperative dimension* the target should be real opportunities for networking among all Baltic Sea states on tourism issues provided and used as a major result of, among other factors, the work of priority area 'Tourism'. In the long run, establishing an institutionalised cooperation framework for tourism might be desirable but seems unrealistic for the moment.
2. For the *policy dimension* the target should focus on an increase in the number of jointly developed tourism strategy and policy documents available, both regarding comprehensive/all-inclusive strategies, and documents focusing on more specific aspects of tourism, including maritime and coastal tourism.

*Indicators:*

1. *Cooperative dimension*: number of fora (conferences, meetings, workshops etc.) for dialogue on tourism cooperation with participation of stakeholders representing the Baltic Sea states.
2. *Policy dimension*: number of jointly developed strategy or policy documents on tourism in the Baltic Sea region.

Year of reference: 2009

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinator. Targets and deadline, baseline, and statistics/information sources related to the above indicators will be defined.

***Actions and flagship projects***

**Action: Facilitate networking and clustering of tourism stakeholders**

This networking action should include private business, non-governmental organisations, public authorities, and multilateral cooperation structures in the entire Baltic Sea region. To this effect, all existing tourism-related network initiatives should be utilised including the annual Baltic Sea Tourism Forum (BSTF).

The implementation of this action requires a long-term approach and is primarily pursued at the level of the coordinator of priority area 'Tourism'. Close cooperation has been built up with multilateral cooperation structures with relevance for tourism cooperation in the region, including tourism stakeholders that promote the BSTF. As a result of this cooperation it has been agreed that the BSTF in November 2012 and in 2013 will be organised in cooperation with priority area 'Tourism'. This cooperation is done with a view to institutionalise the BSTF and to establish it as a permanent forum for tourism cooperation in the Baltic Sea region in the future. This does not only require the acceptance of the forum by key tourism stakeholders but also an appropriate level of financial resources. The financing

of a respective transnational project in the EU programme period 2014–2020 could mark an important step in developing an institutionalised cooperation structure.

In the meantime, cooperation with key stakeholders shall be further extended and intensified. Funding instruments like seed money facilities shall be used where available and appropriate in order to further elaborate the concept and profile of a joint cooperation forum for tourism. Out of these activities, a corresponding project pipeline could be possibly built up and become flagship project under priority area ‘Tourism’, if appropriate.

*Potential flagship projects*

- **Network of regional tourism innovation centres for Baltic Sea Region.** Identification of expertise and know-how in different areas of the region by conducting a study on the covered research areas and research caps, available expertise, including Russia (especially St. Petersburg area) and Norway, understanding about different innovation systems and structures as well on the existing networks between tourism and other business branches (e.g. energy, health, living and building sector, cleantech and environmental technologies, maritime industry). Based on the findings, create cooperation/networks between regional innovation clusters, benefiting from each other’s expertise, transferring knowledge, finding best partners for development actions and sharing best practices to support the renewal, growth and competitiveness of the BSR tourism industry. Lead: Regional Council for Southwest Finland and Turku Touring/Centre of Expertise for Tourism and Experience Management. Preparation and planning phase during 2013, operational phase 2014.

**Action: Mobilise the full potential for sustainable tourism of the Baltic Sea region**

By developing common strategies and approaches based on environmental and social responsibility, and building on the commitment of various stakeholders, including Russia, cooperation could include: facilitating the exchange of best practices, harmonisation of standards, regional marketing and branding activities, the development of joint tourism products and projects in the region.

*Flagship projects*

- **Facilitate sustainable land excursions of cruise ship operators in the Baltic Sea** by developing pilot actions in order to elaborate guidelines for the application of sustainability criteria for the product format ‘land excursions’. After the implementation and the evaluation of the pilot actions, it is intended to offer a standardised process for this product in order to promote the dissemination of the results within the cruise ship sector. Lead: AIDA Cruises, Germany. Deadline for progress review: July 2013.



- ***Promote the cultural and natural heritage*** by monitoring on-going initiatives and trends in tourism development in the Baltic Sea region. Cooperation on the part of public and private sector partners will focus on tourist product development and it's launching into the market. The flagship project will be part of the Enjoy South Baltic! project for the South Baltic region. It shall be expanded to the whole Baltic Sea region by disseminating the project results and by clustering with relevant networks and projects. Lead: Office of the Marshal of the Pomorskie Voivodeship; Pomorskie Tourist Board, Poland. Deadline for progress review: June 2014.
- ***Develop strategies for sustainable tourism*** by using available sources of information such as the YEPAT database<sup>57</sup> or the Nordic Culture Point. In addition, within the project AGORA 2.0,<sup>58</sup> partners from the Baltic Sea region (including Belarus) will start on pilot projects to improve the accessibility to the natural, cultural and historical heritage for tourism and to detect elements of a common identity for the region. Lead: University of Greifswald, Germany. Deadline for finalisation: July 2013.

*Potential flagship projects*

- ***Attract tourists to rural areas especially the coastal ones*** by promoting joint sustainable rural and coastal tourism packages (e.g. farm, food tourism, hiking, winter sports, nature based tourism) and by creating a network of players in the tourism sector, research and education, local and public sector in order to share and disseminate best practices and know-how on products, services and accessibility.

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<sup>57</sup> [www.yepat.info](http://www.yepat.info).

<sup>58</sup> AGORA 2.0 compiles tools and information concerning sustainable tourism and makes them accessible for interested users. The source for this information are partners representing all three dimensions of sustainability, different levels of administration and tourism management and different thematic interests, projects, actors and stakeholders of tourism [www.agora2-tourism.net](http://www.agora2-tourism.net).

## **PA Transport – Improving internal and external transport links**

*Coordinated by: Lithuania and Sweden*

In the Baltic Sea region, transport is particularly important as the distances – internally, to the rest of Europe and to the wider world – are very long and the conditions for traffic are often difficult (forests, lakes, snow and ice in the winter, etc.). Raw materials and manufactured goods deriving from the rich natural resources in the northernmost parts of the region are attractive on the world market. This region, which is partly located on the periphery of the economic centre of Europe, depends strongly on foreign trade in goods and on an international exchange of knowledge and services. Thus a well-functioning transport system, combined with greater attention to the spatial development and location patterns, is of vital importance for its prosperity and economic growth.

80 million people within a large territory, world-renowned industries in a rich variety of branches, a competitive economic and scientific capacity, but comparably small urban regions, also call for improved accessibility within the region aiming at strengthening the joint Baltic market potential.

Moreover, the Baltic Sea is a sensitive ecosystem, which makes environmental considerations important in the development of transport infrastructures. The designation of the Baltic Sea as a Particularly Sensitive Sea Area (PSSA) by the International Maritime Organization (IMO) allows for the development of specific measures for the Baltic Sea to ensure the sustainability of maritime transport.

The geography of the Baltic Sea region makes transport particularly challenging. The improvement of internal and external transport links, increasing the efficiency and minimising the environmental impact of transport systems, should contribute to higher competitiveness of the Baltic Sea region, and increase its accessibility and attractiveness.

One of the main elements of the EUSBSR is the potential to generate added value for the region through the coordination of activities aimed at facilitating border crossing. Of particular interest are activities concerning border crossing infrastructure and procedures on the border between the EU and its neighbouring countries. The region benefits from transiting freight flows and from higher mobility among EU and non-EU citizens. Regional initiatives that aim to remove bottlenecks should receive adequate attention and support.

The further development of a sustainable transport system in the macro-region is one of the key objectives of the strategy. Actions in the transport area have an important impact on the environment and the economy, thus contributing to other goals of the strategy as well.

The recent drive for innovation and environmentally-friendly transport solutions has become evident through green corridors initiatives, which bring together various stakeholders and actions in order to provide greener international logistics services.

One of the main challenges for the Baltic Sea region's transport system is to improve the joint planning process in the region, giving national strategic planners more opportunities to meet and learn from each other. In this process, it is crucial to have a common view of the future challenges for the transport system and to have planning tools that all countries can trust.

The tools in place today are insufficient and there is a lack of knowledge exchange between national strategic planners. This was the main conclusion from the EU-financed project Baltic Transport Outlook 2030 (BTO 2030), which was commissioned by the transport ministries of all EU member states in the Baltic Sea region.

Several valuable studies and processes have been launched, amongst others, at transnational level including neighbouring countries, with Northern Dimension Partnership on Transport and Logistics (NDPTL), at national level with BTO 2030 above-mentioned, and at regional level with initiatives like the cluster of transport projects on sustainable, multimodal and green transport corridors (Transbaltic, Scandria or East West Transport Corridor). One of the objectives of this priority area will be to improve the exchange and the coordination of information and knowledge drawn from these different processes in order to help strategic planners make more efficient recommendations as regards infrastructure and transport systems in the Baltic Sea region, both internally and externally to the region.

### **Targets and indicators**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the priority area coordinators. When they are still missing, targets and deadline, baseline, and statistics/information sources related to the above indicators will be defined.

<b>Objective</b>	<b>Proposed indicator Name and Description</b>	<b>Baseline Value (2011)</b>	<b>Target Values (2020)</b>	<b>Information Sources for Baseline and Target</b>

Increased cooperation in joint planning and implementation of infrastructure.	Implementation of international transport infrastructure projects in line with the TEN-T network.	TBC.	Multilateral agreements on development of projects 'Rail Baltica' and 'Via Baltica' between EE, LV, LT, PL, FI, and other projects; Preparatory works finished if needed (studies, etc.); Start of modernization or construction and progress, km.	Transport ministries, TEN-T Agency, relevant agreements and studies.
	Reduction of average travel time on the TEN-T network.	TBC.	Travel time of passengers and freight reduced by 20% in 2020 Increase of design speed by 20% in 2020.	Transport ministries, railway companies, Eurostat.
Improve external links of the region.	Number of projects implemented within the NDPTL framework.	TBC.	3 to 4 (to be decided).	NDPTL secretariat, Transport Ministries.
	Improvement of traffic flow on the external links of the region.	TBC.	Waiting time reduction at the international border crossing points at EU border with neighbouring countries;  Reduction of days with queues per year at the international border crossing points at EU border with neighbouring countries;  Increase of share of vehicles using the electronic queue management system at EU border crossing points with the third countries.	Transport ministries, Transport Associations, Eurostat, custom administrations.
Smarter transport solutions.	Development of balanced network of green transport corridors. <sup>59</sup>	TBC.	A number of green corridors North-South and East-West direction.	Transport ministries, TEN-T Agency.
		TBC.	Advanced technology and sustainable logistics solutions.	Green corridor Manual, performance indicator of each green corridor.

### ***Actions and flagship projects***

#### **Action: Cooperate on national transport policies and infrastructure investments**

Macro-regional cooperation should increase on transport issues for example on the interoperability of transport systems, icebreaking, co-modality, transport research and development, the application of new solutions in particular in traffic management systems (air, road, rail, maritime), the promotion of joint actions (e.g. on road safety) and the sharing of best practices.

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<sup>59</sup> The definition of 'green corridor' will be elaborated to facilitate the EUSBSR monitoring process.

The stakeholders should jointly develop transport infrastructure networks as defined by the TEN-T policy (TEN-T Guidelines regulation). Links to remote islands, EU neighbouring countries and the periphery (including air connections) should be considered.

In particular, both the TEN-T core and comprehensive network should be implemented on time, with due priority given to the TEN-T core network corridors.

The inland waterway and estuary navigation should be promoted addressing existing infrastructural bottlenecks in order to ensure optimal connections between the various regions of the Baltic Sea, such as the Oder Waterway (project E30).

*Flagship projects*

➤ ***Timely completion of major infrastructure projects in the macro-region, including:***

- Upgrading of road, rail and maritime infrastructure in Sweden and Finland across borders on the **Nordic Triangle** multimodal corridor;
- **Rail Baltica** linking Poland, Lithuania, Latvia and Estonia (as well as Finland through a rail-ferry service);
- **Fehmarnbelt Fixed Link** between Denmark and Germany with the improved access to railways from Copenhagen and Hannover/Bremen via Hamburg (a part of Green STRING Corridor);
- Railway axis Gdańsk-Warsaw-Brno/Bratislava-Vienna (**Rail freight Corridor No 5**);
- Motorway axis Gdańsk-Brno/Bratislava-Vienna;
- Railway axis Stockholm-Malmö-Copenhagen-Hamburg-Innsbruck-Verona-Palermo (**Rail freight corridor No 3**).

*And other important projects for the macro-region, such as:*

- Railway axis Bremerhaven/Rotterdam-Terespol (Poland-Belarus border)-Kaunas (**Rail Freight Corridor No. 8**);
- **Via Baltica** linking Poland, Lithuania, Latvia and Estonia;
- TEN-T core network East-West connections through the Baltic States and in the north of the region;
- **The Bothnian Corridor** (divided between the Swedish side and the Finnish side), which connects the Northern Axis to the Nordic Triangle and to Rail Baltica;
- **Northern Axis**;
- Links with the **Barents region**;
- Multimodal (**North-South Transport Axes**: from Scandinavia-Germany/Poland to the Adriatic Sea).

Lead: respective Member State. Deadline for progress review: 2015.

**Action: Improve the connections with Russia and other EU neighbouring countries**

The Northern Dimension policy (Northern Dimension Partnership on Transport and Logistics) is a suitable platform for cooperation regarding development of major transport connections and freight transport logistics. Special attention should be given to removing non infrastructure-related bottlenecks, such as those associated with border crossings. Member States should also explore options for new connections to the East and Far East (the gateway to Asia).

*Flagship projects*

- ***Make full use of cooperation with the Northern Dimension Partnership on Transport and Logistics.*** The purpose of this partnership is to identify appropriate priorities in terms of infrastructure, interoperability and border crossing facilitation that could strengthen the transport system, primarily in the Baltic Sea area, thus identifying possible sources of financing (national funds, EU funds, international financial institutions) that could support the implementation of such projects. Lead: NDPTL secretariat. Deadline for progress review: 2014.

**Action: Facilitate efficient and sustainable Baltic passenger and freight transport solutions**

Freight transport solutions can be supported through a number of initiatives, e.g. by removing non infrastructure-related bottlenecks, promoting inter-modal connections, developing the Green Corridor concept by implementing specific projects, developing infrastructure, supporting logistics service providers, establishing coordinated electronic administrative procedures or harmonising control procedures.

Timely implementation of the rail freight corridors foreseen in the Regulation for a European rail network for competitive freight (EC Regulation 913/2010) will better connect freight nodes in the Baltic Sea region with the broader rail freight network. The creation of this network will help improve operations and will facilitate close cooperation between rail infrastructure managers on traffic management issues and on investments, and particularly will position a governance structure for each corridor. It foresees sufficient and reliable capacities allocated to freight on these corridors, the coordination between rail infrastructure management and goods terminal management, the definition of objectives of performance as punctuality and capacity and their monitoring, the coordination of works and easier access to and exchange of relevant information. This will contribute to attractive and efficient rail freight services within the region and with other European regions which is essential for modal shift.

*Flagship projects*

- ***Development of green corridors network*** implies an effective implementation of EU regulations, restrictions and incentives. The main aim is to make transport system efficient and effective thus reducing the external effects, emissions, noise, accidents and congestion (several green corridor projects and initiatives are currently running: COINCO North II, GreCor, the cluster of transport projects on sustainable, multimodal and green transport corridors). Lead: East-West Transport corridor Association. Deadline: 2015.
- ***Easy Way programme*** (use of intelligent transport systems for more efficient transport operations, e.g. deployment of ITS Services on TEN-T network in the Baltic Sea region in order to facilitate passenger and freight transport). Lead: Baltic Easy Way Partners Steering Group. Deadline: to be determined.

### **Action: Increase the role of the Baltic Sea in the transport systems of the region**

Through, inter alia, identifying and implementing the Motorways of the Sea<sup>60</sup> and Marco Polo actions; developing ports and their adequate connections to the hinterland, in particular by rail and inland waterways; increasing the competitiveness and efficiency of sea shipping through the prompt introduction of EU Maritime Transport Space without barriers and through the gradual introduction of e-freight and e-maritime concepts; supporting safe, energy efficient and sustainable short sea shipping and port operations.

#### *Flagship projects*

- ***Baltic Motorways of the Seas network*** links the Baltic Sea Member States with Member States in Central and Western Europe through sustainable transport links, including the route through the North Sea/Kiel Canal/Danish straits. Essential elements in the Motorways of the Sea projects are, inter alia, improved road and rail infrastructure that links the port with the hinterland, improved infrastructure within a port, ITS solutions, environmental measures and activities related to winter navigation. Several Motorways of the Sea projects are currently running (in particular Karlshamm – Klaipeda link, as well as the Karlskrona-Gdynia links). Lead: The Baltic Motorways of the Sea Task Force. Deadline for progress review: 2015.

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<sup>60</sup> Motorways of the Sea are the maritime dimension of the TEN-T network. They exist or they are new sea-based transport services that are integrated in door-to-door logistic chains and concentrate flows of freight on viable, regular, frequent, high-quality and reliable Short Sea Shipping links. The deployment of the Motorways of the Sea network should absorb a significant part of the expected increase in road freight traffic, improve the accessibility of peripheral and island regions and states and reduce road congestion.

## HORIZONTAL ACTIONS

### **HA Involve – Strengthening multi-level governance including involving civil society, business and academia**

*Coordinated by: Region Västerbotten and Kalmar and the Baltic Sea NGO Network*

The main aim of this horizontal action (HA) is to deepen dialogue between actors at all levels of governance in the Baltic Sea region on how to jointly tackle future problems and challenges. This dialogue must ensure the involvement of relevant actors, such as the European Commission, national ministries and authorities, local and regional authorities, macro-regional organisations, civil society, business and academia. Methods will be developed on how to achieve this. It is vital to involve all the relevant actors in a constructive way and in accordance with their different competences in order to ensure sustainable development in the Baltic Sea region and successful implementation of the EUSBSR. This is particularly relevant as a substantial number of the planned EUSBSR Action Plan measures rely heavily on local and regional levels and have an impact on a large number of sectors.

Social capital and social trust lay an important foundation for a sustainable and inclusive society. They also create a good environment for a creative, innovative and mobile society. Therefore, the involvement of civil society, business and academia in the implementation of the Strategy is of utmost importance. Experience from Nordic cooperation, which is built on a close network of cross-border relations in all parts of society, clearly shows the importance of a strong civil society and the relevance of cooperation between civil society and the public sector.

For this purpose, this horizontal action will develop methods for the early-stage involvement of all relevant actors; regional and local administrations, civil society, business and academia, in the preparation and implementation of the Strategy. In practice this HA will function as an advisor to the respective priority areas on how they can achieve this involvement, making Multi-Level Governance (MLG) a reality within the Baltic Sea region. With regard to the involvement of civil society, the Baltic Sea NGO Network, representing more than 500 NGOs all over the Baltic Sea region, including the neighbouring countries Norway, Iceland and Russia, will function as a resource centre, providing human capital and competence to the EUSBSR.



## Targets and indicators

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the horizontal action leaders. The still missing targets and deadline, baseline, and statistics/information sources related to the above indicators will be defined.

Indicator	Baseline	Target/deadline	Data sources
1. Mapping of the current MLG-situation in different priority areas in the BSR countries.	Data missing.	An analysis of the present situation has been published in the beginning of 2014.	PACs and national focal points.
2. Development of MLG-tools in the EUSBSR.	Data missing. Will be discussed and investigated in dialogue with PACs during 2012/2013, and presented in the end of 2013.	MLG-tools have been developed in 2–3 PAs and checklist to secure MLG-aspects in programmes and projects are published.	The relevant PACs.
3. Involvement in the EUSBSR implementation from the local and regional levels.	The on-going or finalized flagship projects, 1 June 2012.	The number of flagship projects with lead partner and partners representing the local and regional levels has increased until 1 January, 2014.	INTERACT homepage and/or the EUSBSR Action Plan with presentation of all flagship projects will be used as source.

## Actions and flagship projects

### Action: Definition and knowledge of MLG

Multi-level governance (MLG) is a concept that has not been clearly defined and is understood in different ways in different countries and contexts. There is a lack of definition, knowledge and mapping of the current situation. There is a need for greater knowledge about the EUSBSR at the local and regional level and about how to influence and implement the EUSBSR in general and the MLG-aspects in particular.

#### *Flagship projects*

- **Mapping of the current MLG-situation in different priority areas in the BSR countries.** In 2013, the horizontal action leaders will engage in dialogue with the priority areas coordinators and national focal points to study and analyse the situation with regard to the responsibilities for duties under different priority areas in the respective BSR countries. Lead: HALs. Deadline: end 2013.

### Action: Develop tools for MLG and the involvement of civil society, business and academia in PA and HA

MLG is about securing the integration of different administrative levels in the development and the implementation of the EUSBSR according to their responsibilities. In this HA there is also a wider commitment to ensure the involvement of civil society, business and academia in the development and implementation of the EUSBSR. Therefore it is recommended to form working groups of stakeholders at both the national and regional level, including representatives from local, regional and national authorities, civil society, business and academia. The groups will be established in the relevant priority areas.

*Flagship projects*

- ***Ensure the consideration of MLG including the involvement of civil society, business and academia aspects in each of the priority areas.*** By the end of 2013, HALs will have had a dialogue with each of the PACs to discuss the need for targets and indicators directed to all administrative levels and the involvement of civil society, business and academia in their respective priority areas and flagship projects. Furthermore the HALs, together with 2-3 ‘pilot’ PACs, will develop methods for integrating MLG and involving civil society, business and academia in their respective PAs as an example also for other PAs. Lead: HALs. Deadline: end 2013.

**Action: Communication and information**

Ensure that the programme for the EUSBSR Annual Forum involves local and regional representatives and stimulates all levels to participate in the Forum. The MLG aspects should be taken into consideration in all information and communication on the EUSBSR.

*Flagship projects*

- ***Ensure the highlighting of the MLG aspect in the Annual Forum as well as the involvement of civil society, business and academia.*** HALs should be involved in the planning of the EUSBSR Annual Forum 2013 in order to secure the involvement of local and regional authorities and stimulate all types of relevant actors to participate in the Forum. The Baltic Sea NGO Network will be present at the Annual Forum. Lead: HALs. Deadline: end 2013.

**Action: Involvement of pan-Baltic organisations**

Relevant pan-Baltic organisations, such as the UBC, CPMR, Baltic Sea Commission, BSSSC, BaltMet, CBSS, Nordic Council of Ministers and B7 should be more integrated in the development and implementation of the EUSBSR.

*Flagship projects*

- *By the end of 2013, the HALs will have had a dialogue with the relevant pan-Baltic Organisations* like the UBC, CPMR, Baltic Sea Commission, BSSSC, BaltMet, CBSS and B7 to discuss how their work could be more integrated with the development and implementation of the EUSBSR. Lead: HALs. Deadline: end 2013.

**Action: Inclusion of experts from NGOs in the preparation and implementation of the EUSBSR**

The members of the Baltic Sea NGO Network include organisations with expertise of particular relevance to the following priority areas and horizontal actions: ‘Nutri’, ‘Bio’, ‘Agri’, ‘Ship’, ‘Transport’, ‘Energy’, ‘Tourism’, ‘Culture’, ‘Health’, ‘Education’, ‘Neighbours’, ‘Sustainable development’.

In 2013, the HALs will upgrade its website to increase transparency and to give better access to member organisations. The HALs may recommend NGOs to be invited to participate in steering groups or to other activities organised within the priority areas, such as seminars or workshops.

**Action: Capacity building in supporting NGOs transnational cooperation within the BSR**

In order to improve NGOs’ capacity to organise and to get financial support in their respective Member States, the HALs will update its survey on the prerequisites for NGOs to organise and to get financial support in respective Member States. This survey will be used for benchmarking. The HALs will, in cooperation with the CBSS and academics, carry out a survey of traditions of civil society involvement in the Baltic Sea countries. This survey will help to identify examples of best practice. It will also help increase the involvement of different actors in MLG, and help to align and make more efficient the various sources of funding of civil society in the BSR, such as that from the EU, the Nordic Council of Ministers and national resources.

**Action: National NGOs as a resource for involving civil society, business and academia**

National platforms of the Baltic Sea NGO Network will provide service such as information, education, meetings with and communication to potential beneficiaries or people interested in the implementation of the EUSBSR.

In addition to the above mentioned actions and flagship projects, the Commission would like to encourage to implement the following action and flagship project.

**Action: Integration of Community-Led Local Development (CLLD) to the EUSBSR**

In 2014-2020 programming period the CLLD groups will be formed mostly on the basis of current Local Action Groups as financed from the rural development programmes (but open in the future for funding from other Structural Funds programmes).

*Flagship projects*

- ***Rural Development Networks establishing a platform to discuss aspects*** of local development strategies relevant to the EUSBSR and co-ordinate joint activities of the CLLD Groups. Lead: Nordic-Baltic Rural Development Network. Deadline: 2016.

**HA Neighbours – To increase the co-operation with neighbouring countries to tackle joint challenges in the Baltic Sea region**

*Coordinated by: City of Turku (Finland) and the Council of Baltic Sea States Secretariat*

[www.turkuprocess.fi](http://www.turkuprocess.fi); [www.cbss.org](http://www.cbss.org)

Close cooperation between EU Member States and neighbouring countries, at national, regional and local level, is vital to tackle jointly many of the challenges in Baltic Sea region, and to exploit fully its development potential.

The main purpose of this horizontal action is to bring together stakeholders in the EU and neighbouring countries, especially the North Western territories of the Russian Federation, in a constructive, mutually advantageous manner. So far this has been done through building on two independent but complementary initiatives: the ‘Turku process’ and the ‘Modernisation Partnership for the South East Baltic Area’ (SEBA) but is open to new projects involving other neighbouring states in the region.

The ‘Turku process’ is a joint initiative of the cities by Turku/Regional Council of Southwest Finland, St Petersburg and Hamburg. The main aim of the ‘Turku process’ is to promote practical cooperation with Russian partners, building on the trust accumulated during a significant period of twin city cooperation. It includes a variety of local actors: cities, regional authorities, universities, businesses and their representative bodies, civil society organisations, etc. and thus exemplifies multi-level governance in practice. The process is a real bottom-up initiative, based on the commitment of various stakeholders to contribute to the development of the BSR. The ‘Turku process’ and its activities are an evolving process, open to interested new partners from around the BSR.

For the South East Baltic Area, the 7 June 2011, CBSS Oslo Ministerial Declaration initiated a ‘programme of modernisation of the area with special focus on the Kaliningrad region and its neighbourhood’. The 9th Baltic Sea States Summit on 31 May 2012 developed the idea further ‘to increase the competitiveness and attractiveness of the South Eastern Baltic Sea Area, including strengthening cooperation of Kaliningrad oblast and other regions of the Russian Federation in the Baltic Sea Area with its neighbours’. The CBSS Committee of Senior Officials and the CBSS Secretariat were tasked with organising this effort.

## **Targets and indicators**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the horizontal action leaders. The still missing targets and deadline, baseline, and statistics/information sources related to the above indicators will be defined.

## ***Actions and flagship projects***

*NB: several projects in this horizontal action and projects developed in other priority areas could overlap if due attention is not paid to this risk. Therefore, the horizontal action leaders will ensure continuous coordination with the priority areas coordinators concerned, in order to limit this risk and to work together more effectively.*

### **Action: Promotion of higher education and professional networks with innovative enterprises**

There is a need to create knowledge networks which include higher education institutions, local administrations and businesses, based on the triple helix principle. Expertise sharing and dissemination of best practices between EU country representatives and third-country actors is needed in order to jointly develop the Baltic Sea region and foster innovations in selected sectors.

#### *Potential flagship projects*

- ***Knowledge Network in Green Housing Technologies in Baltic cities.*** Creation of knowledge network on energy efficiency and elaboration of a mechanism for the direct transfer of best practices on energy saving, primarily in the construction sector, within the network of the 'Turku process'. The long-term objective is to develop a cross-border green energy and resource-saving cluster, matching common standards of energy saving in the Baltic Sea region, including companies from different industries, city authorities and economic and engineering universities and scientific institutions.

### **Action: Strengthening Environmental Cross-Border Competence in the Baltic Sea Region**

Many of the environmental challenges today are broad and have a cross-sectoral character. Competence and strong and durable cooperation is key to efficiently solving these challenges. With the current challenges there is a need to maintain the momentum and to increase and deepen the current level of cross-border cooperation, especially with Russia. There is also a high level of competence and knowledge within the partners and organisations working together in the BSR today. Stimulation of green growth and emerging businesses are of specific interest for the partners and activities in the above mentioned development process. In order to improve practices, a joint long-term dialogue and development process is needed between stakeholders in EU countries and third countries.

#### *Potential flagship projects*

- ***Building education, knowledge sharing and benchmarking capacities among the involved partners in order to improve the environmental management in the BSR.*** One aim of this potential flagship project is to strengthen environmental management in the Baltic by creating the Baltic Excellence Cluster for Water Management. The creation of this cluster would help build technical, operational and administrative know-how and would give the parties involved opportunities to export this know-how around the world. The development of the water management sector requires closer cooperation and concept development between urban waste-water and rural waste-water systems. International conference(s) on senior level to address environmental challenges in the cities of the Baltic Sea region and to initiate new project proposals for the next programming period between EU countries and third countries is also organised.
- ***New manure management chains for the Baltic Sea Basin in Russia.*** The concentrated, industrial and intensive animal production (cattle, pigs, and poultry) in the Russian catchment area of the Baltic Sea is still expanding. The feed for the animals is largely imported into the area, while the animal manure produced is not being effectively and safely utilised. This creates a large nutrient surplus with many environmental effects. The objective of this potential flagship project is to plan new manure management chains for one to three animal production units in the Leningrad and/or Kaliningrad region using the expertise of the project partners in basic agriculture and plant production, in manure processing technologies, in the environmental effects of manure utilisation and in production economics.

#### **Action: Fostering labour market related activities especially in the cross-border context**

The Baltic Sea region is seen as an economically important region in the EU with high labour mobility. The Baltic Sea region is only competitive if there is free movement of labour, ideas and goods. This requires increased mobility in the region to use the available resources in an optimal way. However, there are a number of issues to be addressed. On the one hand, the employers in the ‘receiving’ countries have to cope with many challenging legal issues. On the other, the employees themselves have to know about their rights and responsibilities. And last but not least the ‘sending’ countries suffer from the loss of their workforce, especially where there is excessive ‘brain drain’. Coordinated activities are needed to provide structured information, enable labour market monitoring, improve changing of good practices (especially in the border regions) and involve key partners, including those from third countries, in dialogue.

#### *Potential flagship projects*

- ***Information centres network and labour market monitoring in the BSR.*** Some cross-border labour market information centres have started monitoring the labour market or have only been doing so for a limited time. Continuing this monitoring and starting to do so in other border

regions is very important. It is vital to develop common indicators in order to produce comparable data. There are rapid changes in the mobility of the region's labour force and there is a need to develop activities and strategies in response to the challenges those changes pose. Border region information centres are structured differently and different problems exist but there are also many problems in common. It would be mutually beneficial to learn from the experience of others and to exchange ideas, solutions and methods.

- ***Baltic Sea Labour Forum cooperation with Russia.*** The Baltic Sea Labour Forum (BSLF) – working together through social dialogue – was established in November 2011 in Hamburg. The core aim of the Forum is to promote social dialogue and tripartite structures, since cooperation is a crucial element of sustainable economic growth and social development in the Baltic Sea region. The Forum is a network for the exchange of experience and communication and aims to promote cooperation between the key actors (based on the BSLF memorandum of understanding). However the engagement of Russian partners, who have been involved in the BSLF discussions, is not guaranteed. But as part of the Baltic Sea region, Russia is an important partner and must therefore be involved in the active work of the Forum.
- ***Speed up development of transnational mobility in the Baltic Sea Region.*** Transnational mobility actions are considered a central issue in the process of making Europe a society and economy based on knowledge that is a reference for the other areas of the world. The modern labour market in many countries suffers a range of problems connected both with lack of qualified personnel and with insufficient competence of already available labour force. The aim of this potential flagship project is to establish content-related networking structures between Baltic Sea region cities in order to realize a fostered implementation of mobility. Several target groups will be included e.g. a) apprentices in initial vocational education, b) qualified employees, c) teachers, d) students.

#### **Action: Promoting youth and student exchanges and co-operation in the Baltic Sea Region**

Increased cooperation between young people and their organisations, learning from each other, increased students and young researchers exchange, is a key element to ensure that the mutual cooperation and integration in the BSR will continue in the future. Existing multilateral organisations at a sub-state level such as the Union of Baltic Cities and its Commission on Youth Issues, bilateral twinning agreements, multilateral university relations (including the Baltic Sea Region University Network BSRUN) and bilateral university agreements, exchanges between Junior Chambers of Commerce and others can contribute towards this aim.

#### *Flagship projects*

Under preparation by the 'Turku process'.



### **Action: Develop sustainable cross-border areas for tourism and economic development**

The action aims at fostering sustainable cross-border tourism between the EU Member States and Russia, by developing to this aim relevant settings and establishing new practices in identified cross-border areas. The first two areas for this development are: Vistytis/Gross Rominent natural park in the Kaliningrad region (on the border with Lithuania), and Lake Peipsi Area in Pskov Oblast (on the border with Estonia). This action aims at establishing operational linkages and cooperation between its own flagship projects and those implemented under EUSBSR priority area 'Tourism'.

#### *Flagship projects*

- ***Vistytis/Rominten forest (Vistynets lake/Krasnolesye) natural park and tourist cluster.*** The objective of this project is to develop a transnational cross-border natural park through the networking model establishing links between the municipalities, regional and national authorities, private businesses, ecologists, NGOs and the creative sector in Russia (Kaliningrad region), Lithuania and Poland. The project will be carried out within 2 years (2013–2014). Within the framework of this project, the cooperation with the NCM project on the development of the creative industries in the Kaliningrad region is foreseen. In addition, there are plans for an exchange of experience with the Peipsi Lake cross-border projects. The main activities include:
  - Exploring and mapping the park's potential through a series of interdisciplinary expeditions of researchers and artists. The main aim is to creatively re-think the natural area in its unity and complexity, to develop links with local municipalities, authorities and population and to produce an innovative multi-media publication as a result.
  - Developing a network of cross-border actors (municipalities, regional and national authorities, private businesses, ecologists, NGOs and the creative sector).
  - Developing and implementing a model of sustainable tourism in the natural park by actively involving the local population and by attracting a specific target tourist audience: ecologically-minded youth, creative sector etc.

Lead: to be determined. Deadline: 2014.

- ***Economically and Environmentally Sustainable Lake Peipsi Area.*** The objective of this project is to improve the environmental situation of the Lake Peipsi basin by establishing and renovating waste-water treatment facilities in Pskov Oblast and by developing modern infrastructure in small harbours on the Estonian side of Lake Peipsi. The project is to be carried out within three years and the planned activities on the Russian side are:
  - Inspection of the waste-water treatment facilities in 16 areas in the Lake Peipsi basin;
  - Construction and reconstruction of waste-water treatment facilities in Pskov City and in the Gdovsky, Pskovsky, Pechorsky and Palkinsky areas.

On the Estonian side modern infrastructure that meets environmental requirements will be established in three harbours: Tartu, Mustvee and R  pina. In Kallaste harbour, a dock which is

needed for ship reparation and maintenance, will be constructed. The project involves 11 partners from Estonia and Russia. The total project budget is 8362897 EUR. Estonia's contribution is 2317477 EUR. Lead: Estonian Ministry of the Interior. Deadline for progress review: to be determined.

### **Action: Development of Private-Public Partnerships (PPP)**

Successful collaboration between public- and private-sector actors is considered as a key to prosperous development in the Baltic Sea region. This also applies to joint cross-border cooperation activities between EU Member States and Russia, in pursuit of common regional development goals. This action will foster and enhance the development of PPPs in the region, most and foremost by providing joint support formats for new PPP initiatives in the region, involving partners from the EU Member States and Russia.

#### *Flagship projects*

- **CBSS Pilot Financial Initiative.** Memorandum of Understanding (MoU) CBSS PFI, a new financing tool for sustainable economic development in the region, was signed back-to-back with the 9th Baltic Sea States Summit' in Stralsund, Germany, on 31 May 2012. The PFI is a project that offers a financing opportunity to small and medium-sized enterprises and public-private partnerships. It focuses initially on Russian parts of SEBA and North West Russia, but shall be expanded to other parts of the CBSS region, depending on the accession of additional partner financial institutions to the PFI. Three fields of cooperation relevant to the PFI are: finance for small and medium-sized enterprises (SMEs) in the field of innovation, modernisation, and energy efficiency; PPP projects focusing on sustainable development in areas such as municipal and regional infrastructure, energy efficiency, ecology and climate protection; and non-financial cooperation such as conferences, seminars, round tables, trainings related to the above-mentioned areas. Lead: CBSS Secretariat. Deadline: 2012.

### **Action: Cultural heritage and creative industries**

This action aims to boost cross-border cooperation for sustainable regional development through culture, cultural heritage, and public events. Experiences and practices in regional cultural heritage potential development will be collected and clustered in order to build a regional and cross-border network. Creative industries' practices will be endorsed as a core tool to ensure a level of regional development and building common basis for cross-border cooperation on cultural heritage. An approach to foster creative industries' development as a key to prosperity and high competitiveness of the region will be put forward. This action is supported by an approach that joint strategic employment of creative industries between the EU Member States and Russia can provide a highly added value in terms of developing a unique level of competitiveness and prosperity in the region.

#### *Flagship projects*

- **SEBA cultural and creative industries network.** The project aims to connect regional actors interested in developing activities through cooperation models in creative industries. It will provide both a forum to gather and exchange experiences collection and the knowledge necessary to develop a successful creative sector and event management practices in the region. The network will be based on the existing partnership between Kaliningrad and the Nordic countries developed in the framework of the NCM supported project led by the Tranzit Agency<sup>61</sup>. Lead: to be determined. Deadline: 2013.
- **BalticLab.** This flagship project is aimed at young emerging talents in the creative industries and at project start-ups in the Baltic Sea region. Its objective is to engage young talent in the Baltic region in a setting that they would find inspiring and to provide participants with networking opportunities, as well as help them build skills and tools for further success. The project was launched in December 2012 with a networking event, which identified the format of BalticLab (thematic workshops tailored according regional needs in field of creative industries and entrepreneurship) to be implemented in 2013. Successful implementation of this project may lead to a further follow-up project. Lead: CBSS secretariat and the Swedish Institute. Deadline: 2013.

#### **Action: Fostering cross-border cooperation through youth exchange and exchange in higher education**

Develop initiatives for both, non-formal and formal (higher education) youth exchanges in order to strengthen interconnectedness of regional concerns, to jointly develop patterns for cooperation aimed at enhancing societal, environmental and economic partnerships in the region. This will be achieved through establishing exchange initiatives for youth and higher education students, targeted at discussing themes of high relevance to the region. This action will bring into collaboration non-formal and formal (higher education) actors in the region and provide the necessary political support.

#### *Flagship projects*

- **CBSS Summer youth camp.** A project builds on existing youth exchanges in the South Eastern Baltic Area and on experiences in international non-formal education exchange programmes between EU Member States and Russia. Young people from the EU BSR countries and from Russia will be invited to meet at a summer session to discuss and share views on issues of regional relevance including the environment, sustainability, cultural heritage, and regional

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<sup>61</sup> Agency for Support of Cultural Initiatives Tranzit – Kaliningrad-based NGO in cultural management, cultural policy and creative industries, since 2002, director Yulia Bardoun, web-site <http://www.tranzit-kaliningrad.ru/en/>.

cultural mapping. A pilot project took place in Kaliningrad in August 2012. Depending on the interest expressed by Member States, it may alter the initial location to another place in SEBA. Lead: CBSS Secretariat. Deadline: 2014.

- **CBSS Summer university.** This flagship project will establish a summer seminar for higher education students in order to create an appropriate platform for discussing issues that are considered of high relevance to the region, including that of cross-border cooperation initiatives between the EU Member States and Russia. This seminar will serve as an indicator for regional concerns that young future professionals and academics may have about the future of the Baltic Sea region. It will also bring together interested higher education institutions in the region in a dialogue that may lead to closer collaboration on practices to further academic inquiry into the issue of macro-regional cooperation in the Baltic Sea region (including formalised joint courses/programmes on subjects tailored to regional needs). Lead: CBSS Secretariat. Deadline: 2014.
- **EUROFACULTY PSKOV.** The EuroFaculty Pskov is an educational development project launched in 2009 in the Region of Pskov in Western Russia, close to the border of Estonia and Latvia. The aim of the project is to upgrade university education in business economics/business administration at the recently created *Pskov State University (PskovSU)* which is a result of the merger of five educational institutions in Pskov. Following the success of the first phase of the project and based on a favourable assessment of the work carried out at the CBSS Member States agreed to continue to support the project. Thus the second three-year (2012-2015) phase of the project was launched in September 2012 with revised objectives and an even greater university base around the Baltic Sea area. Lead: Sweden and the International Expert Group for the EuroFaculty project in Pskov. Deadline: 2015.

## **HA Promo – Boosting joint promotion and regional identity building actions**

*Coordinated by: Baltic Metropoles Network and Baltic Development Forum*

[www.baltmet.org](http://www.baltmet.org); [www.bdforum.org](http://www.bdforum.org)

The horizontal action ‘Promo’ highlights the region’s strengths and helps to join forces in the internal and external promotion of the region. The overall goal is to strengthen the competitiveness of the Baltic Sea region and to show that the region fulfils the Europe 2020 Strategy goals of being a smart, sustainable and inclusive region.

The branding and regional identity building of the Baltic Sea region is a long-term plan for earning and maintaining a distinctive, positive and competitive regional reputation, both within the region and around the world. These aims could be achieved through a strategic, harmonised and audience-aware approach to innovation, policy-making, international relations and public diplomacy, investment and export promotion, tourism and cultural relations.

The roles of horizontal action ‘Promo’ are to collect information on and communicate about various branding and regional identity-building actions and to boost cross-sectoral branding cooperation.

The branding and identity building of the Baltic Sea region have been on the high-level political agenda for over a decade. Many policy-makers have agreed that the Baltic Sea region needs a clearer and more competitive brand identity for the following purposes:

- to achieve more effective investment promotion;
- to attract more visitors for leisure and business travel and tourism;
- to attract and retain the best and the brightest talent;
- to leverage exports through an improved ‘region of origin’ effect;
- to build on complementarities of strengths between mature and transitioning economies.

The benefits of pooling resources are clear: it delivers more global outreach and attention, economies of scale and increases resources for transnational product development.

Despite the high-level interest in joint promotion, the marketing and branding of the region has not yet developed in a structured and systematic way. Neither does the Baltic Sea region exist as a region with a shared identity and recognised image. The region does not display a common identity that could support

a proper brand-building effort. Actions that would generate more ‘we-feeling’ in the region are very much needed. The image of the region and the way it is perceived by outsiders may affect the way it is seen by the locals and vice versa.

The EUSBSR provides a framework for coordination and collaboration but also a long-term perspective for the region’s branding and identity-building efforts. This framework needs to be filled with content and projects, and it is up to the different pan-Baltic, national, regional and local actors to do so across the various priority areas in a coordinated, inclusive and collaborative manner.

Branding and regional identity building is a cross-cutting topic. Many priority areas, such as for instance ‘Ship’, ‘Tourism’, ‘Culture’, ‘Innovation’ and ‘SME’ have already set related agendas. Horizontal action ‘Promo’ will work closely with all relevant priority areas and other regional stakeholders in order to raise awareness of various branding elements of the region and bring relevant actors together in order to find complementarities and to pool resources. Stakeholders could include policy-makers, locals and experts from the BSR states, cities and regions within the Baltic Sea region. For instance, tourism and investment promotion agencies, universities, producers of cultural events and NGOs could contribute towards the set targets.

### **Targets and indicators**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the horizontal action leaders. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

The target is to increase the number of joint promotion and marketing activities of the Baltic Sea region, as well as cultural collaborations of the BSR, both in the region and outside the region. ‘Joint promotion’ refers to activities, which are conducted by stakeholders representing at least two BSR countries.

The target can be measured in terms of concrete marketing projects, products, campaigns and events (for example tourism promotion, investment promotion, promotion of BSR as a higher education area, transnational culture activities).

<b>Objective</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target values/situation</b>	<b>Information sources</b>

Joint promotion of the region.	Shared branding elements for the Baltic Sea region including: - joint marketing campaigns and events; - joint marketing products; - joint cultural collaborations.	Number of joint marketing campaigns, events and products, joint cultural collaborations during the past three years.	Increase of number of joint marketing campaigns, events and products, joint cultural collaborations during the past three years, leading by 2016 to a joint framework for coherent and long-lasting collaborations.	Situation analysis on 'Place branding and place promotion efforts in the Baltic Sea region'. Bi-annual update by HAL
Joint promotion of the regional identity	Shared local news at BSR media space (Newswave service similar to PressEurope).	As there are no existing services comparable to NewsWave, there can be no proper standards (only polennu.dk and PressEurop as comparison).	Establishment of a media covering the entire BSR (previously non-existent).	Google Analytics: number of news items produced around the BSR and number of subscribers.

### ***Actions and flagship projects***

The actions involve awareness- and visibility-raising exercises, policy round tables, opinion surveys and marketing campaigns for the promotion of the region, especially in the fields of tourism, investment promotion and talent attraction. A 'positive image the Baltic Sea region public relations campaign' to promote the region is also planned.

The most recent situation analysis on 'Place branding and place promotion efforts in the Baltic Sea region' was conducted in 2010 by BDF as part of the BaltMet Promo project, led by the City of Helsinki. The BaltMet Promo project piloted the making of transnational BSR products and services for tourists, talents and investors in the global markets. During the project, the horizontal action leaders also produced a study on the history of the identity of the region and led several marketing and promotional campaigns.

### **Action: Boosting joint promotion of the region**

The horizontal action leaders will organise annual/bi-annual events in collaboration with other BSR actors that bring together organisations from a broad range of BSR interests (state, region and city actors, NGO's, businesses, BRS networks) in order to discuss BSR issues but also find cooperation possibilities in many fields including putting together new projects.

A network of Baltic Sea Region Investment Promotion Agencies has just been established. There is also interest in academic cooperation in the region. Concrete collaborations are under development.

#### *Flagship projects*

- **ONE BSR** is an umbrella project, which gathers branding elements of the BSR and produces an elaborated set of images and identities of the region. The appeal of the Baltic Sea region, successfully proved at remote markets in the predecessor BaltMet Promo project, shall be transformed into tailor-made BSR offerings for tourists, talents and investors in cooperation with private partners and local people. ONE BSR facilitates the branding and regional identity-building dialogue of the BSR. Lead: City of Helsinki. Deadline: September 2014.

#### **Action: Building regional identity**

##### *Flagship project*

- **NewsWave** is a regional daily news website, which aims to improve information exchange and cross-border communication in the Baltic Sea macro-region and promote a more distinct regional identity or we-feeling. The NewsWave project will engage local young news spotters in delivering stories for the website. All news will be redistributed to a network of receivers in all the countries (newspapers, news exchange bureaus and magazines). A network of bloggers from all countries will be attached to the website. NewsWave intends to fill the information gap in the area and address the urge for more communication in the EUSBSR plan. The target group will be citizens, businesses, policy makers, experts and the creative community of the region. The website will be in English, politically neutral, interactive, open minded and using the best tradition of public service journalism. A professional 'media board' will be established. The NewsWave is piloted as part of the ONE BSR project. If successful, it shall be extended and further developed in a follow-up project. Lead: Baltic Development Forum. Deadline: pilot phase under ONE BSR ends in September 2014, extension phase: to be determined.



**HA Spatial Planning – Encouraging the use of Maritime and Land-based Spatial Planning in all Member States around the Baltic Sea and develop a common approach for cross-border cooperation**

*Coordinated by: VASAB and HELCOM*

[http://www.helcom.fi/groups/en\\_GB/MSPWG/](http://www.helcom.fi/groups/en_GB/MSPWG/)

This horizontal action is of key importance in ensuring consistency between actions and in maintaining an integrated approach. Without a clear picture of the region, and an awareness of sensitive areas, populations, economic pressures and other factors, sustainable development is not feasible. This is true both for the situation at sea and for that on land.

Increased activities in the Baltic Sea have led to competition for limited marine space between sectoral interests, such as shipping and maritime transport, extraction of gravel and minerals, offshore energy, ports development, tourism, fisheries and aquaculture in addition to environmental concerns.<sup>62</sup> Maritime Spatial Planning (MSP) and Integrated Coastal Zone Management (ICZM) are an important tool and process for improved decision making. It helps users to balance sectoral interests that compete for marine space, and contributes to achieving sustainable use of marine areas to the benefit of economic and social development as well as the marine environment. The development of a Maritime Planning and coastal management (CM) framework for the Baltic Sea, by applying the ecosystem approach, is encouraged at national level as well as common cross-border cooperation for the implementation of MSP in the Baltic Sea according to the regional set of MSP principles adopted by all Baltic Sea countries within VASAB (Vision and Strategies around the Baltic Sea Region) and HELCOM. These regional MSP principles which are tailor-made for the Baltic Sea are in line with the key common EU principles set out in the Commission's Roadmap for MSP.

The EU and the HELCOM Contracting States have agreed in the context of the HELCOM Baltic Sea Action Plan to develop an integrated MSP process. Furthermore, a number of initiatives have been undertaken to advance MSP within VASAB, HELCOM, the Baltic Regional Advisory Council and the Nordic Council of Ministers. Through the now completed Plan Bothnia project, the European Commission launched preparatory actions to test the implementation of the Baltic MSP principles in a cross-border context in the Baltic Sea region. The transnational INTERREG project BaltSeaPlan is another important project that has already been carried out in that respect.

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<sup>62</sup> See e.g. WWF Baltic Ecoregion Programme, *Future Trends in the Baltic Sea*, WWF 2010.

The joint HELCOM-VASAB Maritime Spatial Planning Working Group, which was established in 2010, has become the regional platform to ensure cooperation between BSR countries to ensure coherent MSP processes in the cross-border context. This important process needs support at the highest political level in the participating countries.

Land-based spatial planning has been carried out by all BSR countries at national, regional and local level. VASAB<sup>63</sup> has established a common platform to allow partners to meet, network, exchange knowledge and experiences and sketched a first common spatial vision for the Baltic Sea region – ‘Vision and Strategies around the Baltic Sea 2010’ – (VASAB 2010) that was adopted by ministers responsible for spatial planning in Tallinn in 1994. The VASAB Long Term Perspective for the Territorial Development of the Baltic Sea Region<sup>64</sup> (LTP) is the latest contribution to these efforts and should be taken into account by the coordinators of other priority areas when they address spatial objectives, conditions and impacts of their actions. The LTP concentrates on issues which require transnational solutions such as urban networking and urban-rural cooperation, improving external and internal accessibility and the development of maritime spatial planning.

As part of the implementation process of the EUSBSR, the LTP is being implemented through a number of short-to-medium and long-term actions together with stakeholders of the region. In particular, attention has to be paid to the territorial disparities in the BSR: 1) the East-West divide, 2) the North-South divide (especially the better integration of the northernmost territories to the Baltic Sea region networks). The implementation of LTP should be continued through further actions in different priority fields and through transnational projects.

An example is the ESPON project BSR-TeMo, which will provide evidence on territorial development and cohesion in the BSR by developing an indicator-based monitoring system. This monitoring system shall comprise a policy dimension, related to the promotion of territorial cohesion in the BSR, and a methodological dimension aimed at developing an indicator-based to monitor territorial development in the BSR.

The VASAB Committee for Spatial Planning and Development of the Baltic Sea Region should continue acting as a coordination platform for territorial development activities in the region, in close cooperation with the Council of Baltic Sea States.

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<sup>63</sup> VASAB – Vision and Strategies around the Baltic Sea – is an intergovernmental network of 11 countries of the Baltic Sea region promoting cooperation on spatial planning and development in the Baltic Sea region.

<sup>64</sup> Adopted by the Ministers responsible for spatial, planning and development of Baltic Sea region countries in October 2009 in Vilnius.

## Targets and indicators

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the horizontal action leaders. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

Indicator	Baseline	Target/deadline	Data sources
Drawing up and application of trans boundary, ecosystem-based Maritime Spatial Plans.	None in 2011.	Pilot plans in 2013.  Drawing up and application throughout the region in 2020.	European Commission, DG MARE, national ministries, HELCOM-VASAB Maritime Spatial Planning Working Group, European Territorial Cooperation programmes' reports where relevant: Plan Bothnia, BaltSeaPlan projects.

Implementation of this horizontal action is directly linked to indicators and targets at a strategic level for the EUSBSR under the objective 'Save the Sea'.

The understanding of the indicator is such that the Baltic Sea countries should aim at developing national maritime spatial plans by applying an ecosystem approach, and that the planning should be coherent across borders, which entails close cross-border cooperation.

This indicator is also linked to indicators and targets at a strategic level for the EUSBSR under several objectives, including sub-objective 'Good transport conditions' (improved internal and external connectivity) and sub-objective 'Improved global competitiveness of the Baltic Sea region' (positive influence on reducing differences in the average GDP and Human Development Index between the best and worst performing Member States in the region).

The overall goal of this horizontal action is to achieve territorial cohesion perspective in the BSR by 2030, i.e. the region is a well-integrated and coherent macro-region, and it has overcome the socio-economic development divides between its individual parts and turned the global challenges into assets.

## Actions and flagship projects

### *Flagship project*

- **PartiSEApate – Multi-level Governance in MSP (Maritime Spatial Planning) throughout the Baltic Sea Region.** The project's main goal is to develop a pan-Baltic approach to marine topics

that have a spatial dimension that go beyond the national borders (i.e. nature protection areas, grid connections, shipping lanes) and thus to create a transnational framework for multi-level governance in MSP. Partners will develop a concept for an institutional framework for MSP and governance model for coherent planning of cross-border issues (including transnational consultation, MSP data exchange network), which will provide input to policy decisions taken at the ministerial level in the BSR countries. The project builds on the results of existing network, the HELCOM-VASAB MSP Working Group, and the completed Baltic projects: PlanBothnia, BaltSeaPlan, PlanCoast, East-WestWindow and BaltCoast. The project was designed in line with their findings to promote and improve the quality and performance of result-oriented transnational efforts in maritime spatial planning. The project is composed of two pillars. The first one aims at practical testing of the existing in the BSR documents, guidelines and principles related to the cross-border MSP. The second pillar is devoted to strengthening transnational stakeholder involvement in the BSR in MSP. The project was initiated by the authorities responsible for MSP in the BSR, the research community and non-governmental organisations. Altogether 11 partners from almost all BSR countries joined the project. The HELCOM-VASAB MSP Working Group has assumed the role of project Advisory Group. The project received co-financing from the EU Baltic Sea Region Programme 2007–2013. Duration of the project is from June 2012 until September 2014. Lead: Maritime Institute in Gdańsk, Poland. Deadline: 2014. Progress review: HELCOM Ministerial Meeting in 2013 and VASAB Ministerial Conference in 2014.

## **HA Sustainable development and bio-economy**

*Coordinated by: Council of Baltic Sea States Secretariat for sustainable development*

*Nordic Council of Ministers for bio-economy*

[www.cbss.org](http://www.cbss.org); [www.norden.org](http://www.norden.org)

### 1. Sustainable development

The concept and political leading principle of sustainable development reconciles economic, environmental and social objectives. Many of the challenges for sustainability today worldwide are also at stake in the Baltic Sea region. These include growing demand for energy, climate change, and insufficient sustainable use of natural resources both in the sea and on land. UN Rio+20 acknowledges the need to further mainstream sustainable development at all levels, integrating economic, social and environmental aspects and recognizing their inter-linkages, so as to achieve sustainable development in all its dimensions.<sup>65</sup>

The aim of the horizontal action is to support the transition of the Baltic Sea region into a sustainable and prosperous macro-region, to communicate best practices and to assist in the development of innovative practices in the implementation of the themes of the horizontal action in cooperation with relevant priority areas within the EUSBSR in line with Europe 2020 Strategy, its resource efficiency flagships, the proposed 7th Environmental Action Programme and the EU Sustainable Development Strategy, EU SDS. The horizontal action takes a transnational, integrated and cross-sectoral approach to the global challenge of sustainable development by linking existing transnational public, sectorial and NGO-based cooperation, regional development and research projects and other activities within the EUSBSR as well as defining and filling potential gaps and developing new potentials.

The activities in the horizontal action are based on the overarching theme of sustainable development, focussing on Climate Change and promoting the Baltic Sea region as a Green Region.

The horizontal action aims to:

- 1) increase coordination and synergy among initiatives and projects dealing with sustainable development in the Baltic Sea region;

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<sup>65</sup> 2012, UN Rio+20 outcome document ‘The future we want’ <http://sustainabledevelopment.un.org/futurewewant.html>.

- 2) promote sustainable consumption and production as well as sustainable lifestyles in the Baltic Sea region;
- 3) consolidate findings and disseminate good examples, methods and experiences in the field to a larger audience in the Baltic Sea region as well as facilitate the follow-up activities and integrative cross-sectorial policy discussions and alignment of policies in the Baltic Sea region countries;
- 4) support the transition towards a climate adapted and low carbon Baltic Sea region;
- 5) cluster already existing activities and projects in the field of climate adaptation and mitigation and promote science-policy dialogues;
- 6) establish networks and dialogue amongst actors across national and sectorial borders in the Baltic Sea region in order to develop common data and knowledge bases, methods and strategies for macro-regional climate adaptation and mitigation.

### ***Targets and indicators***

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the horizontal action leaders. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

<b>Objective/ sub-objective</b>	<b>Indicator</b>	<b>Baseline Value (2012)</b>	<b>Target values/ deadline</b>	<b>Information sources for Baseline and Target</b>
<b>Cooperation:</b> Increased coordination and synergy in the BSR among public sector and NGO cooperation initiatives, projects and stakeholders dealing with sustainable development.	Number of macro-regional projects resulting in the integration of sustainable development objectives in national-, regional or local action plans.	TBC.	30.	Responsible National ministries in BSR countries; EU European Territorial Cooperation programmes BLA21F; ICLEI; BONUS Programme.
<b>Climate Change Mitigation:</b> Becoming a low-carbon region.	The BSR share of EU energy consumption produced from renewable resources, and greenhouse gas emissions levels.	1990 levels.	Reaching the RES share targets by BSR countries as envisaged in the EU climate and energy package by 2020. Reaching GHG mitigation targets for non-ETS sectors by BSR countries by	Eurostat.

	Energy Efficiency Index.	Average for the BSS region in 2010 = xy %. <sup>66</sup>	2020. <sup>67</sup> Europe 2020 target on energy efficiency by 2020 should be adapted to the BSS. <sup>68</sup>	EUROSTAT annual data available with 2 year time lag.
<b>Climate Change Adaptation:</b> Becoming a region adapted to the expected impacts of climate change	Macro-regional Climate Change Adaptation Strategy (CCAS) and its Action Plan developed and endorsed by BSR countries; Adoption of national Climate Change adaptation policies.	0  0  TBC.	Outline ready by 2013.  CCAS endorsed by all BSR EU member States by 2020.  Climate Change adaptation policies adopted by all BSR EU Member States by 2020.	BALTADAPT project.    Responsible national ministries in BSR countries.
	Transnational and national policy documents revised/adopted addressing impacts of climate change in BSR.	TBC.	Number by 2015	National ministries; European Commission.

### *Actions and flagship projects*

#### **Action: ‘Green economy’**

The Baltic Sea region has a great potential to be a model region for green economy and to be world leading when it comes to the development of knowledge-intensive products and services, eco-innovations, as well as environmental technology, which can increase competitiveness and create new business opportunities that at the same time reduce negative environmental impacts. A greener economy will furthermore lead to a diversification of services and products and allow for new employment

<sup>66</sup> Projections made in 2007 showed a EU primary energy consumption in 2020 of 1842 Mtoe. (Directive on energy efficiency, repealing Directives 2004/8/EC and 2006/32/EC and amending Directive 2009/125/EC).

<sup>67</sup> As established in the Commission’s Decision determining Member States’ annual emission allocations.

<sup>68</sup> Each Member State shall set an indicative national energy efficiency target, based on either primary or final energy consumption, primary or final energy savings, or energy intensity. A 20% reduction would result in 1474 Mtoe in 2020, i.e. a reduction of 368 Mtoe as compared to projections.

opportunities while protecting and conserving biodiversity and natural resources, promoting human well-being and equality.

During the last decade, many Baltic Sea region countries acquired considerable experience in the development of sustainable energy solutions and environmentally friendly technologies in various fields, including agriculture, forest management, water management, waste management, healthy lifestyles. However, great diversity remains with respect to both socio-economic developments and the implementation of sustainable practices. In order to make the BSR more resilient to future environmental, societal and economic challenges, macro-regional approaches to these issues need to be developed.

The action aims at supporting the transition of the Baltic Sea region into a green region that results in ‘improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities’.<sup>69</sup>

#### *Flagship projects*

- ***Baltic Green Public Procurement, Baltic GPP in cooperation with PA SME.*** Public procurement constitutes 16-20% of GDP in Europe. This enormous amount of public sector money can through informed decisions move the market into a more sustainable direction. Sustainable procurement can stimulate innovation and turn the public sector into a driving force in developing a green economy. Baltic GPP will establish a wide capacity building programme on Green Public Procurement (GPP) within Core Procurement Institutions (CPIs) across the Baltic Sea region, based on commonly applied training materials and purchasing actions of major Public Procurement across the Baltic Sea region. Buying innovative, eco-efficient products and services will significantly reduce environmental pollution and build up necessary know-how and capacities. Lead: Swedish Environmental Council, SEMCO. Deadline: 31 December 2013.
- ***EFFECT – BSR Dialogue Platform on Energy and Resource Efficiency.*** EFFECT’s main aim is to map, foster and communicate good practice solutions in eco-efficiency that attract and enable cities, villages and BSR sub-regions as well as other relevant actors from the local, regional, national and pan-Baltic level to jointly develop and implement policies and concrete actions on becoming more energy and resource efficient, sustainable and resilient, while stimulating a greener economy. In the long term these activities will contribute to the creation of

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<sup>69</sup> UNEP 2011, ‘Towards a Green Economy: Pathways to Sustainable Development and poverty eradication – a synthesis for policy makers’. [www.unep.org/greeneconomy](http://www.unep.org/greeneconomy).



resilient societies and the promotion of the Baltic Sea region as a green region. Lead: CBSS-Baltic21. Deadline: 31 August 2015.

- **Create a network of sustainable cities and villages.** The aim of the project is to exchange knowledge and good practices on environmentally friendly city management practices. Lead: Sweden. Deadline: 31 August 2015.
- **Ecovillages.** The project Ecovillages aims at fostering Ecovillages development as more sustainable way of living in rural areas of the Baltic Sea region. Lead: Lithuania. Deadline: December 2013.

*Potential flagship projects and activities:*<sup>70</sup>

- **REALS: Resilience and Ecology approaches for living Sustainability.** Project aims at sharing experience of eco-technologies for rural development and promoting the idea of more sustainable lifestyle approaches in the urban and rural societies of the BSR.

Addition to the flagship projects, other expected outcomes of the horizontal action are:

- increased coordination and synergy among initiatives dealing with different aspects of sustainable development;
- clustering the relevant projects;
- disseminating best practices and examples in the field as well as facilitating the cross-sectorial policy discussions.

This could include: **Green Agriculture for a Bluer Baltic Sea (GABBS) conference.** The BSR wide agro-environmental conference that aims at sharing knowledge and good practice examples among the agricultural and environmental sector on best practices in the agri-environmental technology sector in the BSR in order to save the sea on land. The conference organised in cooperation with BSR projects (Baltic Manure, Baltic Compact, Baltic Deal and Beras) dealing with sustainable agriculture as well as priority areas 'Nutri' and 'Agri'.

#### **Action: 'Climate change and mitigation'**

Climate change is perhaps the most pressing environmental issue in the world today. The effects of climate change are already being seen – in the Baltic Sea region and in the world. Many countries have made cutting greenhouse gas emissions their main environmental priority. However, further actions need to be taken to keep climate change below the 2°C-limit. Our region has a great potential for innovation in the field of renewable energy by using the sea, wind and biomass, which can reduce our dependency on fossil fuel, and it has a huge potential in the field of energy efficiency.

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<sup>70</sup> The listed potential projects are preliminary ideas and should be further discussed and decided by the CBSS Expert group on Sustainable Development – Baltic 21.

#### *Flagship projects*

- **Implement fully the EU – Russia Energy Efficiency Initiative**, particularly the annual work programmes of the Joint EU – Russia Thematic Group on Energy Efficiency of the EU – Russia Energy Dialogue, to be implemented jointly by the EU and Russian side. Lead: European Commission, DG ENERGY. Deadline: to be determined.

#### **Action: ‘Climate change adaptation’**

Climate change is one of the most pressing environmental issues today. The Baltic Sea with its coastal zones is a specific eco-region, where impacts from climate change can also be expected to be specific. The riparian BSR countries are thus all sharing a vulnerability to climate change with possible impacts on human security, environment and competitiveness. In response to climate change, it is important to work not only on mitigation measures, the reduction of emissions of greenhouse gases, but also on strategies to adapt to the changes that are being experienced as well as those that are foreseen.

Several national, regional and local initiatives to adapt to climate change are already under way in the Baltic Sea region. However, further actions need to be taken. Therefore, facing up to the challenge to adapt to climate requires cooperation both between countries and between sectors in the BSR.

The establishment and implementation of a macro-regional climate change adaptation strategy and action plan will strengthen efforts to such cooperation, based on understanding and coping with specific impacts within the BSR. It is necessary for national, regional and local actors to cooperate on joint efforts on adaptation, including exchange of experiences, sharing of common knowledge and data bases, development and implementation of national climate adaptation strategies and action plans as well as sharing of ‘best practices’ for specific sectors within the BSR that are proven to be economically, socially and environmentally sustainable.

The consistency of the climate change adaptation strategy with actions at EU level further to the White Paper from the European Commission on adaptation needs to be ensured. This issue could be addressed in the Impacts and Adaptation Steering Group proposed in the White Paper.

Ensuring complementarities with EU-wide initiatives, a regional strategy should focus on issues of cross border interest in the region such as: developing a more robust evidence base on the impacts and consequences of climate change, raising awareness of the need for action; ensuring and measuring progress (using indicators as benchmark for measuring progress) and recommending early action to ensure that adaptation is integrated in key policy areas – this means reviewing policies in the light of the

risks of climate change and considering options for adaptive action. Further, the involvement of Russia in operational activities related to the elaboration on joint efforts concerning a climate change adaptation strategy for the whole Baltic Sea region could be considered.

*Flagship projects*

- **BALTADAPT.** The aim is to develop a Baltic Sea region wide adaptation strategy and action plan. The strategy will be macro-regional and will focus on the sea and coastal areas in the Baltic region. Lead: Denmark, responsible for the development of the Strategy: Sweden. Deadline: 2013.

*Potential flagship projects<sup>71</sup>*

- ***Climate change adaptation and civil security*** (in cooperation with priority area ‘Safe’).
- ***Cost-benefit analyses on climate change adaptation for the Baltic Sea Region*** and building and use of common science-based platforms for policy and sectorial dialogues integrating climate adaptation with other aspects of sustainable development (in cooperation with relevant priority areas).
- ***Cooperation in the field of climate change, where cooperation between schools and universities working in this field could be set up*** (in cooperation with PAC Hamburg on ‘Education’).

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<sup>71</sup> The listed potential projects are preliminary ideas and should be further discussed and decided by the CBSS Expert group on Sustainable Development – Baltic 21.

## 2. Bio-economy

The Baltic Sea region has everything it takes to become a global leader in sustainable biomass production and the biomass value-chain. We have a large concentration of biomass, well-developed infrastructure, technological and environmental knowledge and a long tradition for cooperation across the region. However, there is a need to develop cooperation across the region and across sectors. Also, there is a need to strengthen the cooperation between research and innovation, public organisations and private business at the macro-regional, national and local levels.

The concept of bio-economy reconciles economic, environmental and social objectives. Many of the global challenges for the development of a sustainable bio-economy today are also at stake in the Baltic Sea region. This includes amongst others population growth, growing demand for food, renewable resources for industry and energy, climate change, and in particular insufficient sustainable use of natural resources both in the sea and on land. The UN Rio+20 conference acknowledges the need to further mainstream sustainable development at all levels, integrating economic, social and environmental aspects and recognizing their inter-linkages, so as to achieve sustainable development in all its dimensions.<sup>72</sup>

On a global scale the bio-economy deals with a transition from a fossil based economy to a more bio-based economy. Hence, the aim of the horizontal action is to explore how this transformation can be used as a tool to implement sustainable development. Increased demand on food, bioenergy and other bio-based products provides a great potential for economic growth. But it also implies risks for unsustainable development. There is a clear need to promote a decoupling of economic growth from environmental degradation. Therefore the horizontal action will focus on sustainable solutions throughout the entire value chain from biomass to food, bioenergy and bio-based products, looking at its potential to create solutions for sustainable economic, social and environmental development.

To do so, there is a need for pooling forces and bringing together public and private players in closer partnerships. The horizontal action will contribute to the overall ambitions in the EUSBSR to promote sustainability and prosperity. The horizontal action will put focus on sustainable biomass production for food, fibre and energy and its use in an environmental, technical, social and economic perspective and link it to regional, sustainable development.

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<sup>72</sup> 2012, UN Rio+20 outcome document ‘The future we want’  
<http://sustainabledevelopment.un.org/futurewewant.html>.

The horizontal action is closely linked with relevant priority areas within the EUSBSR and in line with Europe 2020 Strategy and ‘Innovation for Sustainable Growth: A Bio economy’.<sup>73</sup> The horizontal action takes a transnational, integrated and cross-sectoral approach to the global challenge of bio-economy by linking existing transnational public, sectorial and NGO-based cooperation, regional development and research projects and other activities within the EUSBSR as well as defining and filling eventual gaps and developing new potentials.

The horizontal action aims to:

- 1) support the transition towards a bio-economy for the Baltic Sea region;
- 2) to explore how to transform the increased demand on food, bio-based products for industrial use and bioenergy into sustainable solutions in the entire value chain. Increase coordination and synergy among initiatives and projects dealing with bio-economy in the Baltic Sea region;
- 3) promote sustainable production and use of biomass in the Baltic Sea region;
- 4) cluster already existing activities and projects in the field of bio-economy and promote science-policy dialogues;
- 5) pooling forces and bringing together public and private players in closer partnerships;
- 6) establish networks and dialogue amongst actors across national and sectorial borders in the Baltic Sea region in order to develop common data and knowledge base, methods and strategies for a knowledge based sustainable bio-economy;
- 7) consolidate findings and disseminate good examples, methods and experiences in the field to a larger audience in the Baltic Sea region as well as facilitate the follow-up activities and integrative cross-sectorial policy discussions and alignment of policies in the Baltic Sea region countries.

### ***Targets and indicators***

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2013, under the responsibility of the horizontal action leaders. The still missing targets and deadline, baseline, and statistics/information sources related to the below indicators will be defined.

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<sup>73</sup> European Commission’s staff working document accompanying the document ‘Innovation for Sustainable Growth: A Bio-economy for Europe’, COM(2012) 60 final.

Objective/ sub-objective	Indicator	Baseline Value (2013)	Target values/deadline	Information sources for Baseline and Target
<b>Cooperation:</b> Increased coordination and synergy in the BSR among public sector and NGO cooperation initiatives, projects and stakeholders dealing with bio-economy.	Number of macro-regional public sector, NGO and research and development projects resulting in the integration of bio-economy objectives in national-, regional or local action plans.	0		Authorities, research institutions, and organisations in the BSR countries.
<b>Bio-economy:</b> Development of a sustainable bio-economy in the Baltic Sea region.	BSR bio-economy initiatives.	0	50 (tbc)	Authorities, research institutions, and organisations in the BSR countries.

### *Actions and flagship projects*

Work on bio-economy in the BSR could constitute a forum for sharing experiences and enhancing the discussion on sustainable development at European and even global level. ‘Engaging with global partners for a faster advance of research and innovation related to the bio-economy world-wide will be essential to maximise the sustainable use of natural resources and to foster positive socio-economic, environmental and climate change impacts. The world initiative Rio+20 also support bio-economy activities’.<sup>74</sup>

The Europe 2020 Strategy calls for a bio-economy as a key element for smart and green growth in Europe.<sup>75</sup>

Bio-economy aims to pave the way for a lower emission and more resource efficient society that combines food production with the sustainable use of renewable resources for industrial purposes and environmental protection. The conversion to a bio-based economy means a transition from an economy that, to a large extent, is based on fossil fuels, to a more resource-efficient economy based to a higher

<sup>74</sup> European Commission’s staff working document accompanying the document ‘*Innovation for Sustainable Growth: A Bio economy for Europe*’, COM(2012) 60 final.

<sup>75</sup> Europe 2020 Strategy flagship initiative ‘A resource-efficient Europe’: [http://ec.europa.eu/resource-efficient-europe/index\\_en.htm](http://ec.europa.eu/resource-efficient-europe/index_en.htm).

extent on renewable raw materials that are produced through the sustainable use of ecosystem services from land and water.

There is a need to explore how to transform the increased demand of biomass and bio-based products into sustainable solutions in the entire value chain from biomass to food, innovative bio-based products and bioenergy. These challenges link well with the European Commission's Strategy and Action Plan on bio-economy.<sup>76</sup>

The bio-economy approach combines a wide array of sciences (e.g. life sciences, agronomy, ecology, forestry sciences, marine sciences and social sciences) and link industrial technologies (e.g. biotechnology, nanotechnology and information and communication technologies) with local and tacit knowledge.

With its cross-cutting nature, the bio-economy approach offers a unique opportunity to address complex and inter-connected challenges, while at the same time achieving economic growth. Exchanges between research institutions, public authorities and private businesses should be strengthened at macro-regional, national and local levels to further explore how to transform the increased demand on biomass into sustainable solutions in the entire value chain from biomass to bio-based products and to the consumer.

The Baltic Sea region has a large concentration of biomass, well-developed infrastructure, technological and environmental knowledge and a long tradition for cooperation across the region. This cooperation should be intensified across national and regional borders, and across sectors.

This horizontal action will thus link existing projects and activities within the EUSBSR (e.g. flagship projects) and connected areas (the action is linked but not limited to on-going activities in e.g. priority areas 'Agri', 'Energy', 'Innovation' and 'Bio'), and work towards identifying and filling eventual gaps, and developing potentials.

The horizontal action will include 7 overall themes, which we developed and jointly decided upon among a large group of stakeholders; researchers, business partners; public and private organisations and the civil society at the Nordic-Baltic biomass conference organized by the Nordic Council of Ministers on March 20-21 in 2012:

1. the central place or a hub for knowledge transfer;
2. the supply chain;
3. sustainability of biomass production and its use in a Baltic perspective;

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<sup>76</sup> Communication from the European Commission; *Innovation for Sustainable Growth: A Bio economy for Europe*, COM(2012) 60 final.

4. improvement of cross-border cooperation and removal of trade barriers;
5. transport of biofuels and sustainable solutions;
6. policy and planning tools for land use in relation to biomass production.

Expected outcomes of the horizontal action are:

- increased coordination and synergy among initiatives and projects dealing with sustainable biomass production and use in the Baltic Sea region;
- workshops and conferences where the forefront of research, innovation and technology for biomass production and use is presented and shared;
- expert panels, which can help defining future challenges and possibilities.

#### *Potential flagship projects*

A range of projects can be engaged either as external projects, flagship projects under this horizontal action or through a clustering of flagship projects under various priority areas. This could include:

- ***The Nordic Bio-economy Initiative.*** The Nordic Bio-economy Initiative is an on-going and adaptive policy process intended to ensure policy coherence in activities supporting the development of the Nordic bio-economy. Lead: NCM. Deadline: 2014.
- ***The Baltic Sea Region 'Bioenergy Promotion II' project.*** The project aims at strengthening the development towards a sustainable, competitive and territorially integrated Baltic Sea region in the field of sustainable use of bioenergy. Lead: Germany. Deadline: for progress review to be determined.
- ***Sustainable Forest Management in the Baltic Sea Region – EFINORD*** (flagship project under priority area 'Agri'). Lead: EFINORD. Deadline: to be determined.

*Moreover the following projects could contribute:*

- Solid Biomass Project (with the NCM Working Group on Renewable Energy (AGFE)).
- Bio-economy as a driver for sustainable rural development.
- Capacity building to assess the impact of low-emission actions on bio-economy development.
- To develop a specific toolbox to analyse each bio-economy activity in terms of its influence on environment, economy and social consequences.



## ANNEX I: COMPLETED FLAGSHIP PROJECTS<sup>77</sup>

### PA1 – To reduce nutrient inputs to the sea to acceptable levels

**1.1. Removing phosphates in detergents.** The aim of the project was to give support to the Baltic Sea states to implement HELCOM recommendation 28E/7, i.e. national legislative action to limit the use of phosphates in laundry detergents and automatic dishwasher detergents. This was accomplished by the production of information material to policy-makers. An EU-wide ban on phosphates in laundry detergents was adopted in 2011. [Final report](#).

### PA3 – Reducing the use and impact of hazardous substances

**3.1. Develop tools and indicators for the assessment of biological effects of anthropogenic chemical stress in the Baltic Sea (BEAST)** by investigating the causality between chemical pressure and biological effects at different levels of biological organisation. One outcome of the project was a set of recommendations for monitoring the effects of hazardous substances in the whole Baltic Sea area. The project contributed to capacity building and strengthening of network through workshops (BEAST project financed by the Bonus Joint Baltic Sea Research and Development Programme). Lead: Finnish Environment Institute. Finalised: December 2011. [Final Report](#).

**3.3. Sustainable management of contaminated sediments (SMOCS)** addressed the problem of sustainable management of contaminated sediments. The aim of the project was to provide support for dredging actions all around the Baltic Sea through the development of guidelines for management of contaminated sediments, including sustainability assessment practices and decision support regarding the handling alternatives as well as treatment technologies. A guideline and a toolbox for treatment technologies, an assessment and decision support system were developed and field tests to validate and demonstrate treatment methods under various conditions were performed. A durable network was created through interaction with key target groups and a participatory approach to all work packages (SMOCS project financed by the Baltic Sea Region Programme). Lead: Swedish Geotechnical Institute. Finalised: December 2012.

**3.5. Control of Hazardous Substances in the Baltic Sea Region (COHIBA).** The project studied the sources and inputs of the 11 hazardous substances or substance groups of the HELCOM Baltic Sea Action Plan (BSAP) and developed recommendations for measures to reduce these substances. The overall objective of COHIBA was to support the implementation of the BSAP with regard to hazardous substances by developing joint actions to reach the goal. The project was co-financed by the EU Baltic

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<sup>77</sup> The flagship projects have been listed according to the priority areas adopted in January 2012.

Sea Region Programme 2007-2013. Lead: Finnish Environment Institute (SYKE). Finalized: 2012. More information can be found at <http://www.cohiba-project.net/>. Final report.

More information regarding the three abovementioned projects: <http://www.swedishepa.se/en/In-English/Start/EU-and-international-cooperation/Swedish-EPAs-work-in-the-EU/The-Baltic-Sea-Strategy/Priority-area-3/Flagships/>

#### PA4 – Becoming a model region for clean shipping

**4.4. Eliminate the discharges of sewage from ships**, especially from passenger ships, by following-up the proposal by HELCOM to the International Maritime Organization (IMO) to designate the Baltic Sea as a control area for sewage discharges from passenger ships, whereby cruise and passenger ships will be required to treat their sewage to remove nutrients or deliver it to port reception facilities. The HELCOM member countries led by Finland initiated a process in the IMO that led to the final adoption at the organization's Marine Environment Protection Committee (MEPC) 62nd Meeting in July 2011 of the Baltic Sea as the first sea in the world designated by IMO as a Special Area for sewage under MARPOL Annex IV. All passenger ships operating within the Baltic Sea Special Area will be required to treat sewage on board, to remove nutrients prior to the discharge into the sea, or to deliver it to a port reception facility (PRF). It will be mandatory for new and existing passenger ships to comply with the anti-discharge regulations by 2016 and 2018 respectively. The Special Area status will be enforced when the HELCOM countries notify the IMO that adequate reception facilities for sewage are available in their passenger ports. Lead: HELCOM. Project can be considered completed at project level while the formal notification of the adequate reception facilities for sewage is awaited. More information can be found at [http://www.helcom.fi/shipping/waste/en\\_GB/waste/](http://www.helcom.fi/shipping/waste/en_GB/waste/).

**4.5. Improve the waste handling on board and in ports** within the framework of the Baltic Master II project through better involvement of different actors, i.e. coastal municipalities and ports together with national authorities, research institutes, universities and pan-Baltic organisations and finding practical solutions to improve waste handling. The Baltic Master II project initiated in January 2009 addressed issues from the local and regional perspective using cross-border and cross-sectoral collaboration in order to find viable solutions to global problems. The project brought together actors from a wide range of levels ranging from local, regional and national authorities to universities and pan-Baltic organisations. Providing a link between the local/regional level and the national level was an important element of the project in order to combine hands-on knowledge with strategic work. Lead: Region Blekinge, Sweden. Finalised: January 2012. Final report.

**4.6. Conduct a feasibility study on LNG infrastructure for short sea shipping.** Short Sea Shipping needs to be developed as a sustainable transport alternative encompassing intermodal transport as well as transport of bulk cargo. With the coming cuts in the allowed sulphur content in bunker fuel and limitations on emissions of nitrogen oxides, the competitiveness of short sea shipping is put under great

stress and new technologies must be considered. Engine manufacturers have started to offer liquefied natural gas (LNG) as an alternative to oil, but this alternative demands an infrastructure of LNG filling stations. Liquefied natural gas (LNG) is a climate- and environmentally friendly fuel that is to be made competitive through an effective infrastructure and good framework conditions. This has been the aim of a major project in which, inter alia, the Scandinavian countries and several large energy companies participate. The Danish Maritime Authority was the coordinating partner of the project. The purpose of the project was to develop recommendations for how to establish an infrastructure facilitating the use of LNG as a ships' fuel. However, other important areas have also been identified. The project's recommendations concentrate on five main areas: *Bunkering of ships with LNG, Economic and financial conditions, Safety, Technical and operational conditions* and finally *Permits for an infrastructure ashore*.<sup>78</sup> Lead: Danish Maritime Authority. Finalised: June 2012. [Final report](#).

*PA8 – Implementing the Small Business Act: to promote entrepreneurship, strengthen SMEs and increase the efficient use of human resources*

**8.3. Sustainable Production through Innovation in Small and Medium sized Enterprises.** The project was completed in April 2012. SPIN was a €3 m project supported by the Baltic Sea Region Programme 2007-2013 of the European Union. SPIN brought together some of the most important institutions for eco-innovations in the Baltic Sea region and was supported by numerous national governments, sector associations, research bodies and transnational NGOs.

*PA11 – To improve internal and external transport links*

**11.1. Shorter Plane Routes** were implemented through the establishment of 'Functional Airspace Blocks' (FAB) in the Baltic Sea region (the North European FAB, Danish-Swedish FAB and the Baltic FAB (joint initiative between Poland and Lithuania). Lead: Lithuania. Finalised: December 2012.

By 4 December 2012 Member States shall take all necessary measures in order to ensure the implementation of functional airspace blocks with a view to achieving the required capacity and efficiency of the air traffic management network within the single European sky and maintaining a high level of safety and contributing to the overall performance of the air transport system and a reduced environmental impact.

**Danish-Swedish FAB** has been declared established and notified to the European Commission in 2009. **North European FAB (NEFAB)** includes Estonia, Finland, Latvia and Norway. The agreements have been signed and ratified by the states and documentation are registered at the depository. This means that NEFAB will be established in accordance with the requirements in December 2012.

**11.2. Development of green corridors network** implied an effective implementation of EU regulations, restrictions and incentives which are designed to tackle so called transport externalities, i. e. emissions,

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<sup>78</sup> Final report available at [www.dma.dk/themes/LNGinfrastructureproject/Sider/LNGinfrastructureproject.aspx](http://www.dma.dk/themes/LNGinfrastructureproject/Sider/LNGinfrastructureproject.aspx).

pollution, noise, accidents and congestion. Projects emphasized the network of green corridors – Transbaltic, Scandria and EWTC II were finished on September and December 2012.

**Transbaltic** was a transnational project which has been granted a strategic status by the authorities of the EU Baltic Sea Region Programme 2007-2013. The overall objective of TransBaltic was to provide regional level incentives for the creation of a comprehensive multimodal transport system in the BSR. This was achieved by means of joint transport development measures and jointly implemented business concepts. [Final report.](#)

**Scandria** project has been performed as a cooperation of 19 partners from Germany and Scandinavia, willing to assume a future role in developing a green and innovative transport corridor between the Baltic and the Adriatic Sea, as well as to promote a new European economic core area. The project has been organized in three thematic pillars: Transport infrastructure, Innovative logics, Development of a strategic corridor. The project arranged its Final Conference in June 2012. [Final report.](#)

**EWTC II** Through international cooperation, the aim of the project was to develop and work for efficient, safe and environmentally friendly handling of the increasing amount of goods going east-west in the south Baltic region. The project aimed to prepare stakeholders in the region to enhance sustainable transport planning and smart IT solutions in the field of transport. This in combination with business development in the transport sector has to stimulate the economic growth in the entire East West TC. [Final report.](#)

*PA12 – To maintain and reinforce attractiveness of the Baltic Sea Region in particular through education and youth, tourism, culture and health*

**12.12. Health: Improvement of public health** – by promotion of equitably distributed high quality primary health care systems – a project aimed at helping increase cost-efficiency of the public health system and more efficiently counteracting communicable diseases as well as health problems related to social factors. Lead: the Northern Dimension Partnership in Public Health and Social Well-being (NDPHS) and the Blekinge Centre of Competence, Blekinge County Council. Finalised: December 2012. Final report not available yet. More information: [www.ltlekinge.se/imprim](http://www.ltlekinge.se/imprim).

**12.13. Health: ICT for Health.** Strengthening social capacities for the utilisation of eHealth technologies in the framework of the ageing population. The Interreg IV B project ‘ICT for Health’ has been managed within the eHealth for Regions network and aimed at contributing to a better deployment of eHealth technologies through enhancing the social capacity, acceptance and knowledge of citizens and medical professionals. It addressed some of the key challenges of the Baltic Sea region, namely demographic changes and the large differences with regard to access to, and quality of, health services. Lead: University of Applied Sciences, Flensburg. Finalised: December 2012. Final report not available yet. More information: [www.ictforhealth.net](http://www.ictforhealth.net) or [www.ehealthacceptance2012.net](http://www.ehealthacceptance2012.net).

**12.2. Education: BSR-Quick.** The project BSR – Quick aimed at qualification for owners, graduates and employees of small and medium sized enterprises. The project encompassed academic education (dual bachelor study courses) and vocational training. By creating a network of universities the missing link between SMEs and the academic area has been bridged. In addition to education and training the project delivered innovative solutions for individual companies. Lead: Hanse Parlament e.V. Hamburg, Germany, with 40 partners from all BSR countries including Business Organisations, Universities and Ploytechnics, Public Administrations. Finalised: December 2012. Final report.

**12.3. Education: Identify barriers hampering mobility of researchers and students in the BSR and enhance cooperation in the region in the area of mobility.** It has produced a report describing barriers of mobility. A conference in cooperation with the BDF and the Nordic Council of Ministers has been organized, with the delivery of recommendations. The topic of learning mobility is of major importance at European level, but it should be addressed within the future flagship projects as a tool for increasing cooperation and qualification. Lead: Denmark, Lithuania and Germany. Finalised: December 2010.

PA13 – To become a leading region in maritime safety and in security

**13.1. Baltic Sea Maritime Functionalities.** The project involved national ‘coast guard-like’ services in EU Member States and third countries, in the context of maritime safety, maritime security, and pollution prevention and response in the Baltic Sea. Lead: Finnish Border Guard. Finalised: 31 December 2011. [Final report](#)

**13.2. Become a pilot region for the integration of maritime surveillance systems.** The overall objective of this Maritime Policy pilot project and preparatory action was to develop and test mechanisms for improving maritime awareness by sharing operational information between government departments and agencies responsible for monitoring activities at sea of all Baltic Sea countries. One specific goal was the development of technical interfaces that securely allow for all countries to join in a common situational image containing restricted law enforcement and other information. (Maritime Surveillance North (MARSUNO) project. Lead: Swedish Coast Guard. Finalised: 31 December 2011. [Final report](#).

**13.4. Become a pilot region for e-Navigation** by establishing one or more e-Navigation trial zones, in view of the gradual achievement of an integrated network of e-Navigation systems for European coastal waters and the high seas (Efficient, Safe and Sustainable Traffic at Sea (EfficienSea) project. Lead: Danish Maritime Authority. Finalised: January 2012. [Final report](#).

PA14 – To reinforce maritime accident response capacity protection from major emergencies

**14.2. Map existing marine pollution response capacities and make sub-regional plans for cross-border response cooperation,** based on assessment of the integrated risk of shipping accidents. (BRISK project, financed by the ‘Baltic Sea Region’ transnational programme, which is a part of the ‘Territorial Cooperation’ objective). The overall aim of the three year project was to increase the preparedness of all Baltic Sea countries to respond to major spills of oil and hazardous substances from shipping and

enhance sub-regional cooperation. The project resulted in a risk assessment of shipping accidents, mapping environmental sensitivity to pollution and new bi- and multilateral agreements on response to pollution at sea. The project was implemented under the HELCOM Response Group and in cooperation with the Nordic Council of Ministers (information office in Kaliningrad). Lead: Admiral Danish Fleet HQ. Finalised: in April 2012. More information can be found at <http://www.brisk.helcom.fi/>. [Final report.](#)

*PA15 – To decrease the volume of, and harm done by, cross border crime*

**15.1. Conduct a threat assessment for the Baltic Sea Region**, in line with the Organised Crime Threat Assessment methodology, concerning organised crime and border security, and longer term threat assessment of critical infrastructure. Lead: Europol in cooperation with BSTF and Baltic Sea Regional Border Control Cooperation and FRONTEX as concerns external borders (coordinated by Finland). Finalised: December 2010. Due to security reasons the report cannot be available to the public.

**15.2. Create a single national coordination centre** in each Member State, which coordinates 24/7 the activities of all national authorities carrying out external border control tasks (detection, identification, tracking and interception) and which is able to exchange information with the centres in other Member States and with FRONTEX. *Create one single national border surveillance system*, which integrates surveillance and enables the dissemination of information 24/7 between all authorities involved in external border control activities at all or – based on risk analysis – selected parts of the external border. (EUROSUR phase 1). This flagship project is linked and has already ended with priority area 13 ('To become a leading region in maritime safety and in security') and especially in its Maritime surveillance and Law Enforcement Flagship Projects 13.1. 'Baltic Sea Maritime Functionalities Project – BSMF' and 13.2 'Become a pilot region for the integration of maritime surveillance systems – MARSUNO'. Lead: Finland. Finalised: December 2012.

**15.4. Pool resources for the posting of liaison officers to third countries and international organisations** in order to fight serious forms of cross border crime, such as drugs trafficking, inter-alia by considering to develop further the existing Council Decision on the common use of liaison officers posted abroad by the law enforcement agencies of the Member States within the Baltic Sea region. Lead: Finland. Finalised: December 2010. The report is not available to the public.

## ANNEX II: CHARTING HOW PRIORITY AREAS AND HORIZONTAL ACTIONS ADDRESS EACH OBJECTIVE

	PA Nutri	PA Hazards	PA Bio	PA Agri	PA Ship	PA Safe	PA Secure	PA Transport	PA Energy	PA Tourism	PA Culture	PA Crime	PA Market	PA Innovation	PA SME	PA Health	PA Education	HA Spatial	HA Neighbours	HA Involve	HA Sustainable	HA Promo
<b>Objective 1: Save the Sea</b>																				✓		✓
Clear Water	✓	✓	✓	✓	✓														✓		✓	
Rich and healthy wildlife	✓	✓	✓	✓	✓													✓			✓	
Clean and safe shipping	✓	✓			✓	✓		✓														
Better cooperation	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓						✓	✓		✓	
<b>Objective 2: Connect the Region</b>																				✓		✓
Good transport					✓	✓		✓						✓	✓							
Reliable energy markets									✓					✓	✓							
Connecting people			✓		✓			✓	✓	✓	✓		✓				✓	✓	✓		✓	
Better cooperation in cross-border crime and trafficking												✓							✓			
<b>Objective 3: Increase Prosperity</b>																				✓		✓
Single market					✓			✓	✓				✓									
Europe 2020	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	
Global competitiveness				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	
Climate change	✓	✓	✓	✓	✓			✓	✓					✓	✓						✓	

✓ Dark check - the PA or HA primarily addresses this sub-objective

✓ Light check - the PA also addresses these sub-objectives, though not as directly