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

**ACTION PLAN {COM(2009) 248}**

# **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>BASREC</b>	The Baltic Sea Region Energy Cooperation Initiative
<b>BEMIP</b>	The Baltic Energy Market Interconnection Plan
<b>BDF</b>	Baltic Development Forum
<b>BONUS</b>	The joint Baltic Sea Research and Development Programme
<b>BSAP</b>	HELCOM Baltic Sea Action Plan
<b>BSC</b>	Baltic Sea Commission
<b>BSPC</b>	Baltic Sea Parliamentary Conference
<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 Sub-regional Cooperation
<b>BSTF</b>	The Baltic Sea Tourism Forum
<b>BSTF</b>	The Baltic Sea Task Force
<b>CBSS</b>	The Council of the Baltic Sea States
<b>CBSS TF-THB</b>	Task Force against Trafficking in Human Beings
<b>CCI</b>	Cultural and Creative Industries
<b>CCS</b>	Cultural and Creative Sectors
<b>CEF</b>	Connecting Europe Facility
<b>CEN</b>	Continental European Networks
<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>CPMR</b>	Conference of Peripheral Maritime Regions of Europe
<b>DG ENERGY</b>	Directorate-General for Energy
<b>DG GROW</b>	Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
<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>EIAs</b>	Environmental Impact Assessments
<b>EIB</b>	European Investment Bank
<b>EMFF</b>	European Maritime and Fisheries Fund
<b>EMODNET</b>	European marine Observation Data Network
<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>GDP</b>	Gross Domestic Product
<b>GES</b>	Good Ecological Status
<b>GT</b>	Gross Tonnage
<b>HA</b>	Horizontal Action
<b>HAC(s)</b>	Horizontal Action Coordinator(s)
<b>HELCOM</b>	Baltic Marine Environment Protection Commission - Helsinki Commission
<b>HIV/AIDS</b>	Human Immunodeficiency Virus / Acquired Immunodeficiency Syndrome
<b>HLG</b>	High-Level Group of macro-regional strategies
<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>IED</b>	Industrial Emissions Directive
<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>MLG</b>	Multi-Level Governance
<b>MSFD</b>	Marine Strategy Framework Directive
<b>MSP</b>	Maritime Spatial Planning
<b>MSPD</b>	Maritime Spatial Planning Directive
<b>MSY</b>	Maximum Sustainable Yield
<b>NCM</b>	Nordic Council of Ministers

<b>ND</b>	Northern Dimension
<b>NC(s)</b>	National Coordinator(s)
<b>NCDs</b>	Non-Communicable Diseases
<b>NDEP</b>	The Northern Dimension Environmental Partnership
<b>NDPC</b>	The Northern Dimension Partnership on Culture
<b>NDPHS</b>	The Northern Dimension Partnership in Public Health and Social Well-being
<b>NDPTL</b>	The Northern Dimension Partnership on Transport and Logistics
<b>NECA</b>	Nitrogen Oxide (NO <sub>x</sub> ) Emission Control Areas
<b>NEET</b>	Not in Employment Education or Training
<b>NGO</b>	Non-Governmental Organization
<b>NIB</b>	Nordic Investment Bank
<b>NiD</b>	Nitrates Directive
<b>OSH</b>	Occupational Safety and Health
<b>PA</b>	Policy Area
<b>PAC(s)</b>	Policy Area Coordinators
<b>PSSA</b>	Particularly Sensitive Sea Area
<b>RES</b>	Renewable Energy Sources
<b>SEA</b>	Strategic Environmental Assessment
<b>R&amp;D</b>	Research and Development
<b>SCAR</b>	The Standing Committee on Agricultural Research
<b>SECA</b>	Sulphur Oxide (SO <sub>x</sub> ) Emission Control Area
<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>THB</b>	Trafficking in Human Beings
<b>UBC</b>	Union of the Baltic Cities
<b>UWWTD</b>	Urban Waste Water Treatment Directive
<b>VASAB</b>	Visions and Strategies around the Baltic Sea
<b>VET</b>	Vocational Education and Training
<b>VMS</b>	Vessel Traffic Management System
<b>VTs</b>	Vessel Traffic Service
<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>

Based on the experience gained, 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 establish a set of measurable indicators and targets for each objective, with the aim of facilitating monitoring, evaluation, communication, and, most importantly, achieving 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 elaborated during spring 2012 by the task force composed of representatives of the Member States and the European Commission.

Following this, Action Plan of the EUSBSR was updated to reflect objectives, targets and indicators of the Strategy that are fully in line with and contribute to the objectives of Europe 2020 Strategy. It introduced 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 presented the work structured by policy areas and horizontal actions.

With a view to concentrate and focus better on the three objectives of the Strategy, an extensive consultation with Member States concerned and stakeholders in the Baltic Sea region was carried out in 2014 and early 2015. Following that, a revised Action Plan of the EUSBSR was agreed with Member States in February 2015. It is more streamlined and focused, and also includes a chapter on the role of regional organisations/networks.

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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).



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. However, the Strategy cannot impose action to third parties. Instead, it rather indicates areas where cooperation is desirable and proposes platforms for 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 external aspects of the Strategy. Other fora are also useful, such as international bodies, for instance the Council of the Baltic Sea States (CBSS), the Nordic Council of Ministers (NCM) or the Baltic Marine Environment Protection Commission (HELCOM). The macro-regional cooperation is without prejudice to the decision-making mechanisms of these respective bodies. As regards cooperation with Russia, developments in EU-Russia relations will be taken into account in accordance with the relevant **European Council** and Council Conclusions.

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>6</sup> Without such integration, the objectives of the Strategy will be difficult to achieve. The overall success of the strategy also depends on the weight and attention it is given from the political actors 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.

This Action Plan comprises *13 policy areas and 4 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 of the region. Typically, one Member State coordinates each policy area or horizontal action, and they work on its 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 Blue Growth strategy and its Sustainable Blue Growth Agenda for the Baltic Sea Region,<sup>7</sup> and the Marine Strategy Framework Directive (MSFD)<sup>8</sup> objective to reach good environmental status by 2020 and sustainable growth in the region. Furthermore, they need to ensure the integration of the horizontal principle of sustainable

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<sup>6</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.

<sup>7</sup> Commission staff working document adopted on 16 May 2014 (SWD(2014) 167 final).

<sup>8</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, OJ L 164, 25.6.2008, p. 19.

development in the Action Plan and that environmental considerations are adequately taken into account in the flagship proposals.

Every objective of the Strategy covers a wide range of policies and has impact on the other objectives: they are interlinked and interdependent. Presentation of each policy area and horizontal action starts with a background information on the topic, followed by specific indicators and targets.

By way of example, climate change and the sustainable development principle will be adequately included as a cross-cutting horizontal consideration in the implementation of the Action Plan's objectives, sub-objectives, policy areas, horizontal actions and flagships.

To translate this into results, there are detailed actions and flagships. Actions represent the main steps that are needed to achieve the agreed indicators and targets for that particular area, while flagships detail how to achieve (part of) the desired outcome. Importantly, flagships should all have a lead partner and a deadline for implementation. In some cases, actions and/or flagships 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 flagships should be understood without prejudice to the existing exclusive Community competences.

In a number of cases, the objective of the actions and flagships is to highlight areas of activity that are ongoing within the EU 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 ongoing 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,<sup>9</sup> and the Council Conclusions adopted on 26 October 2009,<sup>10</sup> 15 November 2011 and 26 June 2012,<sup>11</sup> 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 coordinators, line ministries, bodies in charge of implementing programmes/financial instruments, policy area coordinators, horizontal action coordinators) 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 of macro-regional strategies.
7. Evaluating and reporting on the progress made in implementing the EUSBSR and the results achieved.
8. Whenever appropriate, in dialogue with policy area coordinators, horizontal action coordinators and national coordinators review, and update the EUSBSR and Action Plan. Seek endorsement from the Council or respectively the High-Level Group of macro-regional strategies on the proposed amendments.

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<sup>9</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>10</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>11</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).

**The tasks of the High-Level Group of macro-regional strategies include, among other:**

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>12</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 coordinators in national coordination of the EUSBSR, and the policy area coordinator(s) and horizontal action coordinator(s) in thematic and transnational implementation of the EUSBSR by:
  - a. appointing a national coordinators 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 policy area(s) concerned;

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<sup>12</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.

- d. appointing policy area coordinator(s) and horizontal action coordinator(s) and ensuring that there is adequate internal capacity to fulfil the role;
- e. appointing policy area focal points and horizontal action focal points;<sup>13</sup>
- f. maintaining adequate internal capacity implement the EUSBSR.

**The tasks of the national coordinator include:**

1. Seeking political support and commitment to implement the EUSBSR in the home country.
2. Cooperating with other EUSBSR national coordinators 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 policy 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, policy area coordinators and horizontal action coordinators, participating in the review and updating of the EUSBSR and Action Plan.
6. Supporting policy area coordinator(s) and horizontal action coordinator(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 policy area/horizontal action focal point include:**

The policy area focal points/horizontal action focal point serve as a liaison at national level for all matters regarding the policy area/horizontal action concerned in the Baltic Sea region states.<sup>14</sup>

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<sup>13</sup> The Member States are appointing policy area focal points (line ministries, agencies, other national/regional institutions) for each policy area of the EUSBSR. See tasks of the policy area focal points.

<sup>14</sup> If there is a policy area coordinator/horizontal action coordinator appointed in the Member State for the particular policy area/horizontal action, no policy area focal point/horizontal action focal point is required.

1. Functioning as a focal point for the policy area/horizontal action in the home country by:
  - a. participating in national coordination regarding the EUSBSR;
  - b. providing information on the policy area/horizontal action to authorities or the public, whenever requested;
  - c. identifying relevant contact persons in the home country for policy area/horizontal action activities and flagships;
  - d. assisting the policy area coordinator(s)/horizontal action coordinator(s) to communicate and giving visibility to the policy area/horizontal action;
  - e. ensuring that decisions on the policy area/horizontal action are communicated to the relevant stakeholders.
2. Liaising regularly with the policy area coordinator(s)/horizontal action coordinator(s) in order to:
  - a. contribute to policy discussion within the policy area/horizontal action concerned;
  - b. attend relevant activities, e.g. steering committees, meetings and conferences, of the policy 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 policy area/horizontal action;
  - d. convey positions to the policy area/horizontal action; and ensure they are nationally consolidated among the authorities and stakeholders concerned.

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

Facilitating the involvement of and cooperation with relevant stakeholders from the entire macro-region and in close cooperation with those:<sup>15</sup>

1. Implementing and following-up the policy area towards targets and indicators defined. Whenever relevant, reviewing the set indicators and targets set;
2. Reviewing regularly the relevance of the policy area as described in the Action Plan. Proposing necessary updates, including the addition, modification or deletion of actions and flagships to the European Commission.
3. Facilitating policy discussions in the Baltic Sea region regarding the policy area concerned.
4. Facilitating the development and implementation of actions and flagships defined under the policy area.

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<sup>15</sup> For this purpose, a steering committee/coordination group should be set-up and chaired by the policy 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 policy area coordinator(s) in implementation of the tasks referred.

5. Conveying the relevant results and recommendations of on-going and completed flagships to the policy level.
6. Ensuring communication and visibility of the policy area.
7. Maintaining a dialogue with bodies in charge of implementing programmes/financial instruments on alignment of funding for implementation of the policy area and flagships.
8. Liaising and cooperating with other policy area coordinators and horizontal action coordinators in order to ensure coherence and avoid duplicate work on the EUSBSR implementation.
9. Monitoring progress within the policy area and reporting on it.

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

Facilitating the involvement of and cooperation with relevant stakeholders from the entire macro-region and in close cooperation with those:<sup>16</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 policy area coordinators and other horizontal action coordinators 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 leader include:**

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

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<sup>16</sup> For this purpose, a steering committee/coordination group should be set-up and chaired by the horizontal action 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 horizontal action coordinator(s) in implementation of the tasks referred.



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

**The tasks of a body in charge of implementing a programme/financial instrument<sup>17</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 coordinators, policy area coordinators, policy area focal points, horizontal action coordinators, 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 contributes to the implementation of the EUSBSR objectives.

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<sup>17</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 Action Plan may be updated regularly as the Baltic Sea region and its context develops, following an agreement among the policy area coordinators, horizontal action coordinators, the Member States and the European Commission.

### The governance process

Three general criteria apply:

1. Proposals for updates should be coordinated by the relevant policy area coordinator(s) and horizontal action coordinator(s), agreed upon with national coordinators 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 macro-regional strategies, 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:

1. updates for the purpose of clarifying, correcting or ‘filling the gaps’,
2. updates that propose to cover new ground or are required because of a change in circumstances, and
3. updates proposing to move, significantly amend or delete flagships. While proposals to move flagships should generally 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	Substance change	Case-by-case evaluation
6	Delete flagship	Case-by-case evaluation
7	Modify flagship	Case-by-case evaluation
8	Add flagship	Case-by-case evaluation
9	Add flagship only partly meeting the set criteria for flagship	Generally not to be accepted

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

### **Flagships: functions, structure and added value**

The EUSBSR is implemented, among others, by means of flagships – projects and processes. Flagships demonstrate the process and progress of the EUSBSR, and may serve as pilot examples for desired change.

A flagship is frequently the result of a policy discussion within a policy area/horizontal action. It fleshes out the ambition of a policy area/horizontal action in a specified field. It may, for example, develop key solutions, new methodologies, practises or be a network looking for new forms of cooperation. Flagships may also concern key investments of regional importance.

In terms of structure, a flagship is either:

- a single project;
- a set of projects (a group) contributing to same action;
- a process (e.g. network, new cooperation platform, etc.).

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

- a. it has a high macro-regional impact;
- b. it contributes to meeting the objectives, indicators and targets of the EUSBSR;
- c. it is related to the implementation of one or more actions of the policy area/horizontal action concerned.

In general, a flagship is also expected to:

- d. have a clear macro-regional dimension (cooperation between and/or impact on at least three Baltic Sea region states including at least two EU Baltic Sea region states if another Baltic Sea region state (Russia, Norway, Iceland, Belarus) is involved); in case a flagship is implemented by individual efforts (projects), coordination between these individual projects should be ensured. It should be clearly shown how these individual projects make an impact at macro-regional level. Any flagship shall clearly contribute to the objectives, indicators and targets of the EUSBSR;<sup>18</sup>
- e. 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 policy area/horizontal action and the EUSBSR;
  - iii. partnership is established and a flagship leader is identified.

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<sup>18</sup> Under exceptional circumstances projects with less than three countries involved could be considered.

- f. be monitored and evaluated towards the objectives, indicators and targets of the EUSBSR and particular policy area/horizontal action.

Policy area coordinator(s)/horizontal action coordinator(s) may decide on additional criteria under their respective policy area/horizontal action after consultation with the Directorate General for Regional and Urban Policy (DG REGIO).

The added value of flagship status for a project or a process can take several forms. It represents recognition of the project and what it is addressing as questions of high macro-regional importance, central to the EUSBSR objectives and its policy areas/horizontal actions. Flagship status will also help raise the profile of the project or process. Furthermore, in many instances, when evaluated by programmes a project application will be given a higher score if it has flagship status.

### **Procedure to become a flagship<sup>19</sup>**

Projects/processes interested in obtaining the label of flagship in the EUSBSR are to undertake the following steps:

- a. identify to which action of a chosen policy area/horizontal action the proposed flagship would contribute;
- b. establish contact with the policy area coordinator(s)/horizontal action coordinator(s) concerned;
- c. after assessing the proposed flagship, the policy area coordinator(s)/horizontal action coordinator(s) will make a recommendation to the steering committee/coordination group for decision;
- d. if the proposal is supported by the committee/group, the policy area coordinator(s)/horizontal action coordinator(s) makes a recommendation to DG REGIO regarding the project, indicating how the requirements for becoming a flagship have been met;
- e. DG REGIO considers the proposal and may consult other Commission services before making a recommendation to the national coordinators;
- f. as soon as the national coordinators agree on the proposal, flagship status is granted. The flagship will be included in an Annex to the Action Plan and published on the EUSBSR and DG REGIO websites;
- g. the High-Level Group of macro-regional strategies will be informed about the modifications in the Annex to the Action Plan (concerning flagships).

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<sup>19</sup> With a view to simplify the procedure in getting a flagship status in the EUSBSR, a new procedure in getting a flagship status in the EUSBSR was agreed at the meeting of the national coordinators of the EUSBSR (25 February 2015, Riga, Latvia). It foresees that decisions on flagships are taken by national coordinators of the EUSBSR instead of the High Level Group of macro-regional strategies. It also foresees that all approved flagships are listed in a separate document, as an Annex to the Action Plan, instead of incorporating them in different policy areas/horizontal action sections. The list of flagships may be changed when necessary without amending the Action Plan as such.

A flagship can be listed under one policy area/horizontal action only. If a flagship contributes to several policies areas/horizontal actions, it is recommended to liaise with the other relevant policy areas/horizontal actions.

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

Furthermore, by implementing the flagship, its leader shall fulfil certain tasks of the flagship leader as specified under the tasks of flagship leaders above.

As soon as the flagship status is granted, the flagship leader should follow the visual identity requirements of the EUSBSR and attach flagship label to it.

## **Regional organisations within the EUSBSR**

A considerable number of regional organisations, networks and initiatives are involved in the EUSBSR. They play an important role i.e. as policy area/horizontal area coordinators and are involved in flagships and other activities. The EUSBSR provides these organisations with a wider strategic and institutional framework, while benefiting from their experience and expertise. By providing a common reference point, the EUSBSR can enhance the coherence of cooperation in the region and contribute to a better division of labour among the existing networks in order to avoid overlaps and strengthen synergies. The purpose of this chapter is to outline by way of some (non-conclusive) examples the involvement of regional organisations in the EUSBSR. It is based on information provided by those same organisations.

### **Baltic Sea Commission (BSC) of the Conference of Peripheral Maritime Regions of Europe (CPMR)**

The BSC is one of the six Geographical Commissions that make up the backbone of the CPMR. The BSC is a pan-Baltic organisation, which facilitates a closer dialogue with the regional level in the Baltic Sea region. As a pan-European body it also provides links to other macro-regional strategies.

The BSC currently has working groups on Transport, Maritime issues and envisages a working group on Energy (including renewable energies and issues concerning the Energy Union). A dialogue has been initiated with the horizontal action ‘Capacity’ of the EUSBSR and an interaction is aimed at the other EUSBSR coordinators where this brings added-value and content to the Strategy work. A bottom-up dialogue is being initiated with current and potential member regions as well as with other stakeholders. This is expected to also intensify the dialogue with other macro-regional organisations in the Baltic Sea region.

### **Baltic Sea Parliamentary Conference (BSPC)**

The BSPC was established in 1991 as a forum for political dialogue between parliamentarians from the Baltic Sea region. BSPC aims at raising awareness and opinion on issues of current political interest and relevance. It promotes and drives various initiatives and efforts to support a sustainable environmental, social and economic development of the Baltic Sea region.

The BSPC considers that governance issues should be regarded as a coming priority. Since the idea of developing the EUSBSR emanates from parliamentary initiatives, the BSPC considers it both natural and necessary to develop the parliamentary dimension of the EUSBSR as well as the interaction between parliamentary and other stakeholders. This could be seen as a necessary precondition for efficient cooperation and fruitful synergies and a contribution to leadership and good governance. It adds to the democratic legitimacy of the Strategy. The EUSBSR should aim at bolstering the vertical and horizontal dialogue between stakeholders and actors of the region. A closer synchronization of the actors would strengthen both their individual and their combined impact.

The BSPC recognizes the impact of the EUSBSR on the region's development. This is reflected in recent resolutions. In the conference resolution adopted by the 21<sup>st</sup> BSPC in St. Petersburg (in 2012), the parliamentarians called on the governments and other actors in the Baltic Sea region to promote interaction and cooperation in the implementation of the North-West Russia Socio-Economic Development Strategy by the Russian Federation and other overall policies of the Baltic Sea region, such as the EUSBSR and the Northern Dimension. The resolution of the 23<sup>rd</sup> BSPC in Olsztyn (in 2014) re-affirmed this position and furthermore demanded to make full use of the EUSBSR and other regional initiatives to deliver on a sustainable Blue Growth agenda leading to growth and jobs from the maritime economy.

### **Baltic Sea NGO Network**

The Baltic Sea NGO Network is a cooperative body of Non-Governmental Organisations (NGOs) in the Baltic Sea region. The members are from Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, Russia and Sweden. The network is open to all organisations with an interest in development of the societies in the Baltic Sea region and in cooperation between the countries in the region. The purpose of the Network is to support and strengthen civil society in the Baltic Sea region.

The Network was founded in 2003 but since 2001 yearly Forums are organised in the country holding the Presidency in the Council of the Baltic Sea States. The Baltic Sea NGO Network is taking part in the EUSBSR as a coordinator for the horizontal action 'Capacity'. This task includes, among other things, involving local and regional authorities, industry, academia and civil society in implementing the EUSBSR.

### **Baltic Sea States Subregional Co-operation (BSSSC)**

The BSSSC, founded in 1993, is a political network for decentralised authorities (subregions) in the Baltic Sea region. Its participants are regional authorities of the 10 Baltic Sea littoral states: Germany, Denmark, Finland, Sweden, Norway, Poland, Latvia, Lithuania, Estonia and Russia.

The EUSBSR has since its establishment in 2009 guided the actions of the BSSSC and its regions. The BSSSC has participated as a key stakeholder in the planning and implementation of the Strategy. It strives to advocate the interests of the regions and promotes its implementation and ownership on all levels of governance. In order to develop a functioning multi-level governance system, the BSSSC considers that focus should be laid on involvement of local and regional actors in the overall design and review of the EUSBSR as well as in policy areas/horizontal actions co-ordination and projects.

Traditional BSSSC policy areas such as maritime policy, energy and climate, youth, the northern and arctic dimension and cohesion policy are supported and developed. The EUSBSR, entrepreneurship and innovation are the cross cutting themes in the BSSSC's work. The BSSSC considers that the EUSBSR is also a very important macro-level tool for finding solutions for problems like pollution of the Baltic Sea and poor

transport connections in the Baltic Sea region. The participation of regional networks like the BSSSC and its sub-regions in the planning and execution of the EUSBSR is considered essential as they can facilitate and participate in the implementation on the ground. BSSSC's mission is among others to promote the implementation of the EUSBSR and advocate the interests of the regions in the planning, evaluation and further development of the Strategy, and to co-operate closely and constructively with the relevant actors of the EUSBSR.

### **Baltic Development Forum (BDF)**

BDF is a leading think-tank and network for high level decision-makers from business, politics, academia and media in the Baltic Sea region. BDF has a wide range of partners including major cities, large companies, institutional investors and business associations in the Baltic Sea region. Its mission is to position the Baltic Sea region in the EU and on the global map by advancing its growth and competitive potential through partnership between businesses, governments and academia.

The BDF served as a coordinator of the EUSBSR horizontal action 'Promo' (Boosting joint promotion and regional identity building action)<sup>20</sup> and expressed its continued commitment and willingness to contribute actively to EUSBSR implementation also in the future, such as for example around certain activities within the merged policy area 'Innovation' where topics and policy focus is very much in line with the BDF work and priorities. Because its long experience in communicating Baltic Sea region issues to external stakeholders and raising awareness of the region in the civil society, the BDF is also a member of the Communication Task Force for the EUSBSR. The BDF will also continue to be actively involved in the implementation of other policy areas within the EUSBSR.

### **BONUS**

BONUS, the joint Baltic Sea research and development programme, integrates the research activities of the eight EU member states bordering the Baltic Sea and with the support of the EU addresses the severe environmental challenges facing the sea. In this respect, BONUS provides policymakers with the information that they need to for effective regulation and support a prosperous and fully sustainable regional economy. Key relevant policies include the European Research Area, the Baltic Marine Environment Protection Commission (HELCOM) Baltic Sea Action Plan, the MSFD, the Common Fisheries Policy, the Integrated European Maritime Policy and the European Strategy for Blue Growth.

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<sup>20</sup> During the review in 2014-2015, it was agreed that the horizontal action 'Promo' will be taken out from the EUSBSR Action Plan. Nevertheless, certain activities/actions are included under policy area 'Innovation'.

The BONUS programme was founded upon a legislative basis in 2010 following a co-decision of the European Parliament and the Council.<sup>21</sup> Following an initial strategic phase, full implementation commenced in 2012 with publication of the first call for collaborative research and innovation projects that will address the most important priorities to be addressed so as to ensure a clean sustainable and prosperous Baltic Sea.

BONUS directly supports implementation of the EUSBSR within the three key challenges of: saving the sea, connecting the region and increasing prosperity, as well as towards the EUSBSR horizontal actions. For example, the BONUS supported project SOILS2SEA determines ways to reduce nutrient loads from agriculture and corresponds to the policy areas ‘Nutri’ and ‘Bioeconomy’ of the EUSBSR. Also the innovation projects MICROALGAE, OPTITREAT, PROMISE seek to establish technical solutions to the same problem and furthermore supports the EUSBSR priorities towards innovation and SMEs – as do all other innovation projects supported by the BONUS programme.<sup>22</sup>

The support of BONUS towards delivery of the EUSBSR and overcoming regional fragmentation of Baltic Sea research is evident. Additional synergies have been established by means of information exchange and cooperation between BONUS and the Baltic Sea Region programme and to ensure an active regional science-policy dialogue within fora such as the Annual Fora of the EUSBSR. Within this forum BONUS has organised joint sessions with relevant EUSBSR area coordinators (such as the CBSS Baltic-21), workshops (such as on science and knowledge). Also close links have been established between the 10<sup>th</sup> Baltic Sea Science Congress and the 6<sup>th</sup> EUSBSR Annual Forum (in 2015). Ensuring this dialogue links common values and aims which are founded upon sound scientific evidence and communicated within effective stakeholder platforms to maximise macro-regional efforts towards a clean, prosperous and sustainable Baltic Sea.

### **Council of the Baltic Sea States (CBSS)**

The CBSS, created in 1992, provides an intergovernmental platform for regional co-operation between the eleven countries of the Baltic Sea region as well as the European Commission. It works through network- and project- based activities and aims to boost the competitive advantage of the region. The CBSS Secretariat is coordinator for policy area ‘Secure’, together with Sweden. It is also coordinator for horizontal action ‘Climate’, and joint coordinator with the City of Turku for horizontal action ‘Neighbours’.

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<sup>21</sup> DECISION No 862/2010/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 22 September 2010 on the participation of the Union in a Joint Baltic Sea Research and Development Programme (BONUS) undertaken by several Member States.

<sup>22</sup> Twelve innovation projects have been supported following the BONUS Innovation call 2012: implemented in collaboration with the EUSBSR flagship BSR Stars.



As to added-value of the EUSBSR, it is considered to have been a major step forward for coherence and ultimately coordination in regional cooperation, provided all CBSS members are entitled to participate on an equal basis in the implementation of the Strategy. The comprehensive approach of the Strategy should be seen as strength. The Annual Fora of the EUSBSR are considered as carrying a big significance as transparency providers/‘market places’ for network interaction and project development.

CBSS Expert Groups and Networks facilitate communication with the political level and provide guidance to the project level in the Baltic Sea region. Governance is more complex in the case of horizontal action ‘Neighbours’, but an inclusive Coordination Group has been organised, notwithstanding that the regular CBSS and Turku Process structures are also of significance in this context. As a consequence, regional cooperation – including CBSS-related cooperation – is gradually becoming better structured, better coordinated and more policy oriented.

One example is cooperation on climate change. Since the inclusion of the climate change as a strategic area in the Action Plan of the EUSBSR, and given the CBSS coordinating role as the horizontal action coordinator, CBSS member states have prioritised climate change as one of the main challenges for the region. This would not have been possible if this cooperation would be assigned solely to the CBSS networks. Policy change can only be achieved by anchoring the EU climate agenda within the framework of the EUSBSR. Another positive example is the cooperation on disaster management within policy area ‘Secure’, where cooperation is gradually through dedicated flagship (including non-EU (Russian, Norwegian and Icelandic) participation) moving from alignment of strategy development to interoperability, and where the EUSBSR has at times provided a good forum for cooperation between stakeholders which might otherwise not have cooperated to the same degree, e.g. the CBSS and HELCOM, or CBSS and the Nordic Council of Ministers.

In addition to facilitating the access to EU financing, the Strategy/Coordinator role of the CBSS secretariat has facilitated cooperation between the CBSS and other important Baltic Sea region stakeholders, e.g. the Swedish Institute. The Swedish Institute has, for instance, sponsored leadership courses for managers concerned with regional cooperation in an EUSBSR context. Discussions as to a deepening of contacts between CBSS networks/projects and policy area ‘Education’/horizontal action ‘Capacity’ in the area of training/developing multi-level governance would not have been possible without the EUSBSR. CBSS Summits and Ministerial meetings could to a greater extent be used also for political support to the regional strategies, in particular the EUSBSR.

## **HELCOM**

HELCOM (Baltic Marine Environment Protection Commission – Helsinki Commission) has shaped regional policies concerning the marine environment for forty years. All HELCOM processes involve every coastal

state as well as the European Union which have all committed to oblige to the 1992 Helsinki Convention and related requirements such as of the Baltic Sea Action Plan.

HELCOM's major role is to set policy goals and, based on best available science, to advise managers on solutions and actions needed to reach a good environmental status of the Baltic Sea with regard to eutrophication, biodiversity, hazardous substances and maritime activities, including safety of navigation and spills at sea and on the shore. HELCOM acts to ensure harmonized implementation of the jointly agreed measures and of other international regulations in the region as agreed by the Contracting Parties.

HELCOM has taken an initiative to discuss how to increase synergies in implementation of the HELCOM Baltic Sea Action Plan and the EUSBSR and some practical solutions have been recommended to optimize the future cooperation between actors involved in HELCOM and EUSBSR. These solutions are, among others, assigning one country to be responsible for a shared topic in a HELCOM Working Group and under EUSBSR, or co-leading of a policy area or horizontal action with relevant activities and plans considered 'under one roof'. This has already been initiated, and, for example, HELCOM-VASAB Maritime Spatial Planning Working Group has been serving as the Steering Committee for horizontal action 'Spatial Planning', under the co-lead of HELCOM and VASAB.

The benefits of these joint approaches have been: involvement of all Baltic Sea countries as well as stakeholders (HELCOM Observers), linkages provided to a larger policy context, outcomes taken forward for implementation at national level and no risk of double structures or duplicated meetings. Meetings between HELCOM Heads of Delegations and representatives of actors working with the EUSBSR (European Commission, national coordinators, coordinators of policy areas/horizontal actions) could be repeated to follow up on the achieved synergies, and HELCOM could make targeted inputs to the EUSBSR processes also in the future.

### **Northern Dimension (ND)**

The Northern Dimension is a joint policy between the EU, Russia, Norway and Iceland. The ND Policy was initiated in 1999 and renewed in 2006. The policy aims at providing a framework to promote dialogue and concrete cooperation; strengthen stability, well-being and intensified economic cooperation and promote economic integration, competitiveness and sustainable development in Northern Europe. To facilitate ND sectorial cooperation and project implementation, four sectorial Partnerships have been established to deal with the following thematic issues: environment; public health and social well-being; transport and logistics; culture.

The **ND Partnership in Public Health and Social Well-being (NDPHS)** provides a forum for concerted action to tackle challenges to health and social well-being in the Northern Dimension area. The NDPHS is the coordinator for policy area 'Health' in the EUSBSR Action Plan.

As to the added-value of the EUSBSR, the NDPHS Secretariat considers the involvement of regional organisations a win-win solution for both the EUSBSR and the regional organisations. As regards the NDPHS, the goals, objectives and activities coincide with those laid down in the health chapter of the EUSBSR Action Plan. This reflects the fact there is one set of challenges and opportunities in the region and the owners of both processes are aware of the need to ensure that the tools they have employed to address those are complementing and reinforcing each other rather than overlapping.

By having international organisations engaged in the EUSBSR, the coherence of cooperation in the region is further increased. These organisations have a better overview of the political realities and regional developments, have a good overview of and contact with stakeholders, possess resources and are well-positioned to deliver, together with other actors, in a coordinated, focused, efficient and cost-effective way. Where stakeholders tend to stay away from responsibilities involving planning, facilitating/leading international processes, preferring to be engaged in hands-on activities producing immediate results, the NDPHS has provided support, allowing them to focus on what they consider being the core to their interests and capacities.

The NDPHS Secretariat considers international organisations not only as valuable facilitators of processes, but also trend-setters. They are well-positioned to be such since they possess: (i) well-established working structures (human resources) featuring a unique and profound expertise; (ii) regular high level/senior officials level/expert level events; (iii) other resources, which help them run/lead international cooperation processes, such as regionally recognized websites and project funding (e.g. the NDPHS Activity Fund); projects; monitoring and reporting tools/processes; policy development and shaping tools, etc.; and (iv) a stable inflow of financial resources that make their work more sustainable and less ad hoc. In the case of the NDPHS all of this is made available to the benefit of the EUSBSR.

International organisations are also seen to offer valuable fora to help project-to-policy-to-project cycles run, which is advantageous to the donors' preference to ensure better sustainability and higher impact of individual interventions funded by them. Also, the involvement of international organisations gives additional 'weight' and recognition as well as visibility to the EUSBSR.

The **ND Partnership on Transport and Logistics (NDPTL)** was established in 2009 to facilitate improvement of transport connections and logistics supporting international trade and people-to-people

contacts, thus stimulating sustainable economic growth in the Northern Dimension area, including the Baltic Sea region.

The objective of NDPTL is to accelerate the implementation of major infrastructure projects in the region by providing assistance in project preparation and implementation, in order to stimulate investment within the Northern Dimension area. The NDPTL also serves as a regional forum for transport and logistics issues and complements the work of other cooperation structures, including in the framework of the EUSBSR. NDPTL aims to coordinate actions and accelerate implementation of activities enhancing transport and logistic connections between the NDPTL members, which include both EU member states and neighbouring countries Russia, Belarus and Norway. The NDPTL work also takes into account the global perspective in transport and logistics, covering connections in both the east-west direction as well as from north to south. The latter, is of particular relevance for the Baltic Sea region *inter alia* by facilitating access to the fast growing market possibilities, navigational routes and resources in the Arctic.

The NDPTL is connected to the EUSBSR through the policy areas ‘Transport’, ‘Safe’ and ‘Ship’. This brings the following benefits:

1. NDPTL as a common partnership including also non-EU countries in the region provides a wider forum for transport and logistics issues relevant to the Baltic Sea region. The NDPTL Regional Network, commonly agreed by the NDPTL member states, connects the EU Trans-European Transport Network (TEN-T) including sea, road and rail links with the networks of the neighbouring non-EU countries, strengthening a coordinated approach to enhancing connectivity in the region;
2. cooperation with the EUSBSR sectorial policy areas brings valuable input to NDPTL and could thus contribute to better coordination with the neighbouring non-EU countries and development of new implementable projects to the benefit of the NDPTL member states. The NDPTL also offers practical tools for accelerating the implementation of concrete projects in the region. The NDPTL members have also set up a Support Fund providing financial support to studies accelerating project implementation.

In addition to this, NDPTL through its wider membership and broader geographic coverage strengthens coherence with relevant knowledge based transport networks from the neighbouring non-EU countries. It also offers a global perspective on development of transport and logistics systems in the region. This might generate activities which are normally not on the agenda in the EUSBSR structures.

The **Northern Dimension Environmental Partnership (NDEP)** contributes to the work of the EUSBSR through its involvement with the non-EU countries in the Baltic Sea region, i.e. Russia and Belarus. The environmental mandate of NDEP helps to develop cohesion and promotes engagement and dialogue with the non-EU countries to strengthen their commitment to combat pollution in the Baltic Sea region. The partnership

uses grants by the European Union and twelve other donor governments, including both Russia and Belarus, to implement concrete municipal investment that result in significant environmental benefits to the local population and the whole Northern Dimension Area, including the Baltic Sea region. The NDEP grants are used to leverage loans as well as local funds from the federal and city budgets. HELCOM targets and the EUSBSR set the strategy and are used as guidelines to evaluate and prioritise NDEP projects. Moreover, the NDEP projects are implemented by the International Financing Institutions like European Bank of Reconstruction, European Investment Bank and Nordic Investment Bank with strict adherence to their policies, in particular with regards to environmental and financial sustainability. As part of the overall EUSBSR, NDEP delivers many direct and indirect benefits. Its main focus in engagement with Russia and Belarus is to improve the environment in the Baltic Sea region.

The **ND Partnership on Culture (NDPC)** was established in 2010 as the fourth Partnership in the Northern Dimension. Its main objective is to serve as a focal point for networks, projects and other cultural activities in the Northern Dimension area, including the Baltic Sea region.

Collaboration with the EUSBSR provides the following benefits for NDPC and the EUSBSR:

1. platforms for widened collaboration and possibility of development of regional networks, particularly in the sphere of culture and the creative sector;
2. widens the scope of awareness of the development of culture and creative processes and projects, as well as innovations in the wider Baltic Sea region, also in connection with the priorities set by the EUSBSR;
3. raises awareness and provides the possibility for stakeholders to get involved in projects and to develop projects and activities not only along the lines of NDPC priorities, but with added value to the EUSBSR.

### **Nordic Council of Ministers (NCM)**

The NCMs core function is to serve intergovernmental cooperation between the five Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) and Greenland, the Faroe Islands and Åland. The NCM seeks, when possible, actively to enhance cooperation with partners in the Baltic States and Northwest Russia, and more and more, the NCM seeks to engage in joint activities also with partners in Poland and Germany. The NCM supports the EUSBSR's fundamental objective to facilitate cooperation between partners within a joint framework to avoid duplication and realise synergies in cooperation efforts. Also the NCM's specific priorities for sustainable regional development align closely with those of EUSBSR.

The macro-regional cooperation platform offered by the EUSBSR is seen a very important catalyst in NCM's efforts to strengthen regional cooperation between the Nordic countries and the neighbours in the Baltic Sea region. For example, within the area of bioeconomy, the EUSBSR has helped to enhance the geographical

scope of NCM's efforts to the Baltic Sea region. The NCM confirmed that it will continue the leadership in the 'Bio-economy' flagship under the policy area 'Bioeconomy'. Also the NCM institutions Nordic Genetic Resource Centre (NordGen), the Nordic Working Group for Micro-biology & Animal Health and Welfare, and the Nordic Forest Research Co-operation (SNS) will continue their involvement in the projects and flagships of policy area 'Bioeconomy'.

Within the cooperation area of culture, the EUSBSR provides a platform for the NCM to extend its networks and cooperation efforts to include partners in the wider Baltic Sea region. The NCM confirmed its commitment to continue its engagement in the Steering Committee of policy area 'Culture' and to engage as partner in relevant projects. The area of innovation is another example, where the NCM through the EUSBSR has extended its geographical cooperation with structure and funds to the flagship BSR Stars and the BSR Innovation Express.

Thus – when European Union and Nordic priority areas of cooperation align – the EUSBSR plays an important role helping the NCM to extend its networks and supporting cooperation efforts beyond the Nordic geographic and financial intervention area. This obviously benefits coherence of cooperation in the Baltic Sea region, thereby spurring synergies and avoiding duplication of efforts.

The NCM reconfirmed its commitment to engage in the further process of implementing the EUSBSR Action Plan. It intends to continue to work with other regional stakeholders and the European Commission to fulfil the objectives of the Strategy, and to help ensuring that the Strategy remains high on the political agenda.

### **Union of the Baltic Cities (UBC)**

The UBC, the leading organisation of cities and local authorities in the Baltic Sea region, has since autumn 2009 considered the EUSBSR and its Action Plan as the key, joint framework with common priorities for action. The first years have proven the added value of the Strategy – by bringing various stakeholders together, focusing action, improving access to seed-money and project funding and working 'across the borders' by involving neighbouring countries. A large and committed 'Baltic Sea Family' has emerged, looking for joint action.

While UBC and its member cities have benefited from this increased cooperation trend, it is suggested to increase efforts to involve better various representative and functional multi-level stakeholders, i.e. through pan-Baltic organisations working on various levels of governance. The UBC has expressed its willingness to engage in a formal role and function in the EUSBSR (in HA 'Capacity'). In the opinion of UBC, it should be considered to invite key regional pan-Baltic organisations to policy area coordinators/horizontal action coordinators/national coordinators consultations with the Commission to the extent that they bring added value to these discussions.

The EUSBSR is considered to have created a common framework for action and encouragement for cooperation, and the UBC has deepened its cooperation with other stakeholders in the region (for example, Smart City development projects etc.). It is seen as the key challenge in coming years to ensure that the strong and positive ‘EUSBSR-potential’ is channelled to joint action. While the ‘top-level’ policy guidance is seen as essential for coordinated action, the ability to involve local actors in its implementation is seen as a crucial factor. The UBC with its member cities and commissions expressed its willingness to participate in these discussions.

### **Vision and Strategies around the Baltic Sea Region (VASAB)**

VASAB is an intergovernmental multilateral co-operation of 11 countries of the Baltic Sea region in spatial planning and development. It prepares policy options for the territorial development of the Baltic Sea region and provides a forum for exchange of know-how on spatial planning and development between the Baltic Sea countries. VASAB jointly with HELCOM is coordinator of the horizontal action ‘Spatial Planning’ in the EUSBSR.

As to the added-value of its involvement in the EUSBSR, VASAB considers that the EUSBSR provides VASAB with an additional platform for multi-level stakeholder involvement. In particular, it helps communication and coordination with other policy areas/horizontal actions posing interest of spatial planners: ‘Transport’, ‘Energy’, ‘Tourism’, ‘Safe’, and ‘Climate’. The financial tools of the EUSBSR (seed money, granting flagship status) help implementation of VASAB policies, reaching to the local level and to the project level. Overall, involvement in the EUSBSR increases visibility of VASAB and provides additional strength in reaching the goals of the organisation. Being part of the EUSBSR process, on the other hand, prioritises tasks and activities envisaged by the EUSBSR Action Plan within the daily work of the organisation, thus giving more attention to the EU policies and implementation of EU Directives. It helps national administrations to be better prepared for the upcoming EU-level initiatives, to be better mobilized using the Steering Committee meetings for aligning positions on the European Commission policy papers and initiatives.

As to how cooperation with the EUSBSR enhances the coherence of cooperation in the region and supports the work of the regional organisations, the EUSBSR is perceived as providing a framework for additional meetings and networking. The EUSBSR Annual Fora and meetings of policy areas coordinators/horizontal actions coordinators, as well as participation in conferences and workshops organised by other coordinators of policy areas/horizontal actions gives a better understanding on tasks and actions pursued by other sectors and organisations. For horizontal action ‘Spatial Planning’, the most important element seems networking within

the maritime sector where the EU Maritime Spatial Planning Directive<sup>23</sup> requires coherent maritime planning involving all relevant actors.

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<sup>23</sup> Directive 2014/89/EU of the European Parliament and of the Council of 23 July 2014 establishing a framework for maritime spatial planning, OJ L 257, 28.8.2014, p. 135.



## FUNDING ISSUES

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 (European Maritime and Fisheries Fund for the programming period 2014-2020), are the key funding sources of the Strategy. However, the actions and projects under the Strategy and its Action Plan can be funded by many other financial sources (Horizon 2020, BONUS Joint Baltic Sea Research and Development Programme, the LIFE programme, Education and Culture programmes, the Interreg Baltic Sea Region Programme etc.), as well as national, regional, private sources. 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, the JASPERS (Joint Assistance to Support Projects in European Regions) 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 overview of many potential funding sources can be found at: <http://www.balticsea-region-strategy.eu/funding-sources>.

From the beginning of the EUSBSR the Interreg Baltic Sea Region programme has been important for the implementation of the EUSBSR. Thematic priorities of the programme have been fully aligned with the objectives of the Strategy to maximise the synergies and leverage effects on other financing sources in the programme areas. To facilitate implementation of the EUSBSR, the Interreg Baltic Sea Region programme 2014-2020 provides direct support to the coordination activities of the macro-regional cooperation. This can include assistance to coordinators of policy areas/horizontal actions, the organisation of EUSBSR Fora and other implementation tasks. It also includes seed money funding to help prepare project proposals with strategic importance to one of the policy areas or horizontal actions of the EUSBSR.

### **The alignment of funding**

The 2014-2020 legislative package for cohesion policy has paved the way for better embedding the macro-regional strategies into the programming documents. In general countries in the Baltic Sea region acknowledge that progress has been made and alignment of funding is not an issue anymore. However, even where a substantial progress has been made during the programming process, there is a further need to develop a

dialogue between managing authorities of different funding instruments and national coordinators/policy area coordinators/horizontal action coordinators in implementing programmes in order to achieve intended results. The use of the provisions foreseen in the European Structural and Investment Funds Regulations 2014-2020, allowing financing operations outside programme area, should also be encouraged. Moreover, the embedding of the strategies should not be limited only to Cohesion Policy programmes. Indeed, coordination with funding made available under the European Neighbourhood and Partnership Instrument (ENPI) and future European Neighbourhood Instrument (ENI) Cross-Border Cooperation programmes could also be sought.

The approach should be an integral part of all relevant EU, regional, national and local policy frameworks.

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. 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 flagships 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 the 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. Dissemination, information and communication are a key task for everyone.

The key issue is to tell e.g. politicians, taxpayers, Non-Governmental Organizations about the benefit (‘added value’) of the Strategy. It shall be obvious what the overall goals are and that the indicators used can mirror the change. This approach is the basis to be able to communicate the success of the EUSBSR.

The three objectives of the EUSBSR – ‘Save the Sea’, ‘Connect the Region’ and ‘Increase Prosperity’ – are transmitting good and clear messages. These positive messages should be used at global and the regional level. The background should lie on the significance of territorial cooperation and working together. This is the case both for successful projects and for achievements on the policy level.

Nevertheless, there should be a direct link and connection with every single policy area, horizontal action, flagship and action, and described in relevant and clear messages showing that the Strategy really delivers results and respond to the three main objectives.

Stakeholders shall tailor made the messages to raise the understanding of the benefits of working together in the Baltic Sea region. The messages should meet the needs of the target audiences. Every actor should use plain language in order to transmit powerful and understandable messages. Every actor and stakeholder needs to have an outreach plan and then choose the best possible channel to reach the target audience.

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

The aim is also to formulate a long term vision on Communication in a Communication Strategy of the EUSBSR. The Strategy would cover the period until 2020. On top of that Member States should also agree on Communication Plans. The plans shall describe agreed actions for 1-2 years ahead. The Member States have the responsibility to adjust the Communication Plans to the Communication Strategy to strive for consistency.

## 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 (MSFD)<sup>24</sup>, and favourable conservation status under the Habitats Directive<sup>25</sup> in accordance with the EU Biodiversity Strategy, and taking into account the related targets by 2021, as required by the HELCOM (Baltic Marine Environment Protection Commission) Baltic Sea Action Plan (BSAP). Achieving the 'Save the Sea' objective is also essential to success in the other two 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 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, protection of species and 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)<sup>26</sup> 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), and its designation as a SOx 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, implementing the policy-driven, fully-integrated joint Baltic Sea Research and Development Programme BONUS improves the

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<sup>24</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, OJ L 164, 25.6.2008, p. 19.

<sup>25</sup> Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, OJ L 206, 22.7.1992, p. 7.

<sup>26</sup> Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, OJ L 327, 22.12.2000, p. 1.

efficiency and effectiveness of the region's environmental research programming and provides concrete scientific outputs which 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), and through HELCOM and the Council of Baltic Sea States (CBSS). 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 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.

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 MSFD. 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). Regional work also contributes to the creation of a pan-European marine data architecture based on the concept of inter-operable databases (HELCOM, ICES, EEA, EMODnet) as well as system of distributed databases.

Maritime Spatial Planning (MSP) has substantial needs in terms of high-quality data, and one of the priorities is to contribute to availability of MSP relevant data for transboundary consideration. The data in question concern marine activities as well as biological and physical environments.

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

Eutrophication<sup>27</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 MSFD, the WFD, the Nitrates Directive<sup>28</sup>, the Urban Waste Water Treatment Directive<sup>29</sup> and in the updated HELCOM Baltic Sea Action Plan 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-sectorial policy-oriented dialogue – for instance to promote the 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 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-

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<sup>27</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.

<sup>28</sup> Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources, OJ L 375, 31.12.1991, p. 1.

<sup>29</sup> Council Directive 91/271/EEC of 21 May 1991 concerning urban waste-water treatment, OJ L 135, 30.5.1991, p. 40.

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 integrated research and innovation framework established through the BONUS programme to provide the knowledge necessary for a clean, sustainable prosperous Baltic Sea would be an appropriate mechanism that could support these 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>30</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 of relevant EU policies and instruments, including the EU Biodiversity Strategy to 2020, the Common Fisheries Policy, the MSFD and the MSPD, and the full implementation of Natura 2000 network of protected areas designated under Birds and Habitats 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;
- reducing air pollutant emissions such as PM and NO<sub>2</sub> in ports and port cities by improving infrastructure (e.g. cleaner Non Road Mobile Machinery such as cranes) and improving logistics with the hinterland;
- strengthening and integrating maritime surveillance system, which is a strategic tool proposed in the context of the Integrated Maritime Policy thanks to the Common Information Sharing Environment (CISE) tool, to help prevent marine accidents;
- strengthening human capital: ensuring proper training, setting common standards and enhancing maritime careers;
- 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).

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<sup>30</sup> WWF (2012). Counter Currents: Scenarios for the Baltic Sea 2030.



### ***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-sectorial 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 Marine Strategy Framework Directive 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 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 ongoing work to implement the MSPD can be supported with the existing Baltic experience in maritime spatial planning. The joint HELCOM-VASAB Working Group has gathered unique experience in transboundary spatial planning at sea which will also benefit, and allow for pro-active contribution, to the work the EU countries have to conduct according to the Directive.

## *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 MSFD.	Situation in 2010	Indicators agreed in 2013 within HELCOM.	HELCOM, MSFD.
			Good environmental status (GES) by 2021.	
<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 MSFD.	GES integrated indicators	Indicators agreed in 2013.	MSFD, HELCOM.
			Good environmental status (GES) by 2021.	
<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
				* 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’.
				41
	Illegal discharges.	Situation in 2011.	Elimination of illegal discharges by 2021.	HELCOM.

## **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 policy areas in this section therefore seek to address the risks and challenges, while also exploiting and enhancing the opportunities within the region. The policy 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.

### ***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 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, now also Energy Union 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. 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. In the gas sector, the LNG terminal in Klaipėda in Lithuania became operational at the end of 2014 and it will be able to provide LNG also to Latvia and Estonia (when needed). Furthermore, the implementation of the gas interconnector between Poland and Lithuania (GIPL) progresses. The Baltic States are still depended on imports of energy from third countries and are considered an '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 clean renewable energy, and energy efficiency;
4. contribute to the overall reduction of greenhouse gas emissions and air pollutant through more efficient energy distribution, increased use of clean 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 Integrated Sea Use Management approach (ISUM), 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 policy areas 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 policy areas 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) is a platform where all the EU Member States from the region, as well as Iceland, Norway, Russia, the European Commission, Europol and Interpol co-operate. BSTF supports the participating countries, their governments and enforcement authorities in delivering a coordinated overview and initiation of activities to meet both the operational and political needs in preventing and combating organised crime in the Baltic Sea region. The heads of Governments of the Baltic Sea states decides on the mandate of the BSTF task force.

The Baltic Sea Region Border Control Cooperation (BSRBCC) is another law enforcement cooperation form especially in Sea area, with all the EU Member States from the region, as well as Russia, Norway and Iceland (observer). It was established in 1996 and has since made continuous contributions in the entire field of cross-border criminality, but takes part in environmental protection as well. The cooperation has developed in all member states National coordination centres (NCC) which are connected 24/7. Moreover, the BSRBCC is the frame for carrying out operations at sea and coastline, further education and regular meetings, also under observation and participation of Frontex.

*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 Conditions and Interconnection of Baltic States’ energy markets with the rest of the EU.	Market and Interconnection Plan (BEMIP) 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.	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.
		Number of people participating in <i>Lifelong Learning</i> programme in 2009 = 148 117.		
		Total in 2009 = 191,569.		

## **Increase Prosperity**

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

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

To increase the prosperity of the Baltic Sea region, 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, and encourage lifelong learning. 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 Baltic Sea region, including smart, sustainable and inclusive growth. This will not only strengthen regional prosperity, but it will contribute to the EU as a whole. The Blue Growth Strategy can contribute by supporting sustainable growth in the marine and maritime sectors. The social dimension of the EUSBSR is also strong. Increased prosperity requires a well-functioning labour 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.

***Sub-objective: Baltic Sea region as a frontrunner for deepening and fulfilling the single market***

In the Baltic Sea region 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 Baltic Sea region 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 Baltic Sea region 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. 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. 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 Baltic Sea region. 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>31</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 Baltic Sea region 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.

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.

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<sup>31</sup> Commission Communication on Blue Growth opportunities for marine and maritime sustainable growth of 13 September 2012 (COM(2012) 494 final).

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 the development of a competitive digital economy for businesses and services. 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 in line with the Commission strategy<sup>32</sup> announced on 6 May 2015 is of paramount importance for the economies in the Baltic Sea region and to its global position as an innovative region. As front-runners in many areas of the digital economy, the countries in the region have much to gain from the achievement of the objectives enshrined in the 'Digital Agenda for Europe', flagship initiative of the Europe 2020 Strategy, and the measures of Single Market Act to create growth

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<sup>32</sup> Commission communication of 06.05.2015 COM(2015) 192.

and jobs in Europe, with special reference to the Digital Single Market strategy. The region has the potential to achieve practical results by identifying and removing barriers to a growing digital economy, including barriers to online trading and ecommerce such as geo-blocking and harmonisation of digital copyright systems. 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 Baltic Sea region members to implement their national broadband plans that contribute to the broadband targets set in the flagship initiative ‘Digital Agenda for Europe’.<sup>33</sup>

***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 and/ or innovative 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 Baltic Sea region 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 Baltic Sea region. 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 Baltic Sea region differs much between individual states.

In the Baltic Sea region, 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

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<sup>33</sup> Commission communication of 06.05.2015 COM(2015) 192.

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 Baltic Sea region'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 Baltic Sea region, entrepreneurship needs to be included in all levels of education.

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

The take up of ICT and 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 including fixed and mobile high speed broadband access. Therefore, the implementation of the 'Digital Agenda for Europe', including its objectives and measures for fast and ultra-fast broadband networks, will be a critical success factor for the Baltic Sea region.

Companies based in the Baltic Sea region 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 Baltic Sea region countries. Furthermore, know-how from traditional maritime industries could be used to emerging maritime sectors, such as the one identified by the Blue Growth Strategy.

Culture can also be considered as a strategic factor contributing to Baltic Sea region 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.

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

The Baltic Sea region 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 sensitive eco-region, and the impacts of climate change are already affecting different sectors on macro-regional scales. 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 Baltic Sea region 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 Baltic Sea region. 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 collaborative science supported by frameworks like BONUS, a common understanding and development of the necessary responses to climate change and geophysical forcing in the region can be further developed.

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

Sub-objectives	Indicator	Baseline	Target/deadline	Data sources
<b>EUSBSR frontrunner as 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 (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 (people aged 20-64) as a % of the total BSS region	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 based on 'million EUR/person</i>



	region population.	Average for the worst performing 10% of the total population of the BSS region by 2020. region in 2010 = <b>61.21%</b> .	performing 10% of the total population of the BSS region by 2020.	<i>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).
<b>Improved global competitiveness of the Baltic Sea Region</b>	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).
<b>Climate change adaptation</b>	Integrated protection plan and programme, including providing for effects of increased runoff and changes in marine environment.	coastal and	None in 2011.	Regional strategy in 2013.
				Adoption of an integrated coastal protection plan and programme by 2020.
				European Commission, DG Climate, national ministries, OPs' annual reports.

## POLICY AREAS

### **PA Bioeconomy – Agriculture, forestry and fisheries**

*Coordinated by: Finland, Lithuania (rural development), Sweden (fisheries) and Nordic Council of Ministers (bio-economy)*

The bioeconomy offers an integrated approach to incorporate economic/prosperity, social and environmental (on land and in the sea) aspects of sustainability in agriculture, forestry, fisheries and aquaculture – and more than that: it also offers an approach for enhancing sustainability, entrepreneurship, competitiveness and growth – in cities and rural regions alike – by building on circular thinking; and an approach that aims to enable a transition from a fossil-based to a sustainable bio-based society. In other words a sustainable bioeconomy is linked to all parts of the green and blue economy.

The bioeconomy offers opportunities for paving the way for strengthening the international competitiveness of the European economy as well as for a lower emission and more resource efficient economy that combines food production with the sustainable use of renewable resources for industrial and energy purposes and environmental protection. The conversion to a bio-based economy means a transition from an economy that is based, to a large extent, on fossil fuels, to a more resource-efficient economy based to a higher 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 are linked to the European Commission's Strategy and Action Plan on bioeconomy.<sup>34</sup> Such explorations and innovations will support environmental sustainability, while at the same time increase prosperity.

The bioeconomy 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.

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<sup>34</sup> Communication from the European Commission; Innovation for Sustainable Growth: A Bio economy for Europe, COM(2012) 60 final.

With its cross-cutting nature, the bioeconomy approach offers a unique opportunity to address complex and inter-connected challenges, while at the same time supporting innovation and entrepreneurship, and consequently, competitiveness and 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.

Bioeconomy refers to economic activities based on optimal and sustainable utilization of marine and terrestrial biological resources from agriculture, forestry, fisheries and aquaculture. Supporting the profitability and competitiveness of these sectors is a key factor in securing future sustainable development in the Baltic Sea region and rural areas in particular.

It is also important to enhance the competitiveness of agriculture and rural areas, improve quality of life and encourage diversification. The Baltic Sea region is a strategic growth region where investment in rural development will contribute to reaching the Europe 2020 targets on increased employment, digital agenda, education and social inclusion. A strong focus on rural development contributes to new jobs and enterprises which is important in order to maintain and reinforce a living country-side. Close links to the other policy areas in EUSBSR, such as 'Innovation', 'Tourism', 'Culture', 'Education', 'Energy' and others emphasising environmental, social and economic sustainable development, is important in order to find synergies and avoid over-lapping of activities.

The agricultural sector and its competitiveness are necessary for food security of Europe and the Baltic Sea region. In parts of the Baltic Sea region agriculture still employs more than 10 % of the working force. The farmers as guardians of the agricultural land and the environment have an important role in achieving the objectives of policy area 'Bioeconomy'.

Agriculture and rural areas also provide ecosystem services for the 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 promote the development of sustainable agricultural practices in the region should be closely linked to other EUSBSR policy areas. In order to find synergies and avoid overlapping, close cooperation especially with policy area 'Nutri' as well as with the Baltic Marine Environment Protection Commission (HELCOM) groups on Agriculture and Fisheries and aquaculture and will be continued. Streamlining with the Water Framework Directive<sup>35</sup> (WFD) *acquis* could still be improved.

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<sup>35</sup> Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, OJ L 327, 22.12.2000, p. 1.

The Baltic Sea region is a region with a large forest cover. 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 highly regarded for sustainable forest management in the EU. There are growing demands on the forestry sector related ecosystem services, which are reinforced by recent EU policies and instruments, including the 20-20-20 targets for renewable energy, WFD and the NATURA2000 network. Under such circumstances the reconciliation of all the forest functions is becoming more challenging. There is a need for further research and cooperation to create a more integrated approach for the promotion of multi-functionally of utilization of timber and other forestry related products related to ecosystem services. This should result in maintenance and enhance the competitiveness of forest sector.

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.

Fisheries have a long tradition in the Baltic Sea and similarly to agriculture and forestry, have an impact to the development of the rural areas. The Baltic Sea region can serve as a model for the development of alternative management set-ups and instruments in support of the Common Fisheries Policy 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 is not 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 remains weak. 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.

Utilization of biological resources in bio-economy in a sustainable manner requires their protection and conservation. The flagship initiative of the Europe 2020 Strategy 'A resource-efficient Europe' outlines the importance of natural resources for the functioning of the European economy and increasing pressures on these resources that threatened their supply. The implementation of EU 2020 Strategy's

targets on sustainable agriculture and fisheries as well as general targets on Natura 2000 network and restoration of degraded ecosystems is instrumental in ensuring healthy ecosystems – a robust and resilient supply base for the bioeconomy.

The Baltic Sea region is making progress towards realising a number of opportunities embedded in the bioeconomy. For example, good farming practices (innovative technologies for animal feeding and housing; processing; storage; improved water quality and quantity; and handling of fodder, fertilizer and handling of manure – including with a view to energy production); good marine practices (macroalgae harvesting and cultivation, mussel cultivation, reed harvesting, large-scale microalgae cultivation, and sustainable fish aquaculture); good practices on waste water management; good health practices (on boosting the engagement of smaller biotechnology companies and commercialisation of clinical inventions); good circular economy practices (such as through industrial symbiosis) and more generally, many good practices on technology chains and business innovation.

These solutions of pioneers inspire national and regional governments; research and education institutions; companies; and citizens to increasingly embrace the opportunities brought to them by the bioeconomy approach for sustainable growth and development.

There are great opportunities for going further. The Baltic Sea region is well endowed – with many capable institutions, knowledge and experiences, dedicated individuals, and a number of supporting frameworks at local, regional, national and macro-regional level – to move beyond pockets of bioeconomy smartness to become genuinely smart in the bioeconomy.

Unlocking this potential calls for further joint efforts that links existing knowledge, expertise and long traditions rooted in forestry, agriculture and fisheries together with innovation, research, new technologies and investment. Also, it calls for public and private (companies and citizens alike) to work together in new ways, across sectors, and often outside the stakeholders' usual sector / comfort zone.

More specifically, the policy area within bioeconomy will emphasise on:

1. Policy learning and policy coherence resulting from the bioeconomy being highly complex, tapping into a number of ‘sector’ policies (horizontally) and different level of governance (vertically). Many stakeholders have expressed a strong interest for sharing policy practices and building capacity for ‘how to actually and practically’ develop enabling policy frameworks to accelerate the transition towards the bioeconomy (one example being promoting sustainable produced bio-based products by public purchasing requirements, another being voluntary sustainability certifications).
2. Recognising that private sector consumption accounts for the majority of production it is evident that realising the bioeconomy goes hand-in-hand with encouraging the private sector (in agriculture, forestry, horticulture, fisheries and aquaculture, plant and animal breeding, food and beverage, wood, paper, leather, textile, chemical, pharmaceutical and branches of energy industries) to embrace the opportunities of the bioeconomy. There is a need for developing a private sector platform for showcasing, cooperation and business matchmaking in the Baltic Sea region bioeconomy.
3. Research, technology and innovation are key to unlock the potentials of the bioeconomy in the Baltic Sea region. There is a need to better understand countries and regions areas of bioeconomy expertise, including with a view to promote shared use of e.g. testing and demonstration infrastructures to enhance smart specialisation within bioeconomy industries and clusters *as well* as across industries and clusters.
4. Realising the bioeconomy essentially is about a transformation towards more sustainable consumption patterns. Engaging the civil society is therefore highly important. Understanding and employing enablers and drivers from related green and circular economy subsectors will be important in this process (e.g. initiatives for a voluntary labelling of sustainable produced bio-based products to make it transparent and easy for consumers to compare sustainable bio-based products for purchase).
5. Last but not least a key bottleneck for accelerating the transition towards the bioeconomy relates to its complexity; the many actors from different sectors that engage for different reasons; and the relative novelty of the policy, research and business area. It is therefore critical that efforts are made to communicate effectively the opportunities embedded in the bioeconomy for realizing economic, social and environmental sustainable development in the Baltic Sea region.

Regarding rural development, there are many common problems and possibilities, on e.g. competitiveness, environmental challenges and the de-population of the rural areas. 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. New jobs and enterprises are especially important for the rural areas in order to maintain



and reinforce a living country-side. In addition, the inclusion of rural youth in community development is crucial to meet the demographic challenges and, thus, keep the rural areas attractive to live in also in the future. The EUSBSR can bring a macro-regional aspect on the rural challenges and opportunities, for example, by giving a cooperation platform for mutual learning as well as introduction of new ideas and best practises e.g. for farmers, SMEs, Local Action Groups (LAGs), rural communities and other rural actors. The new practises could further be taken into use nationally and locally in the different rural areas of the Baltic Sea region, thus bringing added value and trans-national cooperation ideas for the implementation of the European Structural and Investment Fund (ESIF) programmes.

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 towards various ecosystem services, fragmentation of forest estates and a lack of knowledge of how to adapt the current forest management to tackle climate change and, at the same time, maintain or enhance 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 further ensuring and improving the competitiveness of sustainable forest management in the Baltic Sea region. Cooperation with North-West Russia will be continued as well.

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. The regionalisation procedure of the reformed Common Fisheries Policy allows for regional solutions in the sustainable management of fish stocks, which is promoted in the objectives of the policy area.

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. Aquaculture forms part of the developing blue bioeconomy which strives to find new innovative uses of aquatic resources that adds value to the conventional value chains. The development of blue bioeconomy in the Baltic Sea region should be promoted.

### **Targets and indicators**

<b>Sub-objectives</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target/deadline</b>	<b>Data sources</b>
Improved recycling of nutrients in agriculture.	New national actions and projects based on examples and implementing the results of the flagships recycling of nutrients in agriculture and reduce nutrient leakage to the Baltic Sea.	New projects or actions after 2014.	Minimum of 3 new national actions or projects in each Baltic Sea region member state by 2020, which implement the results of the transnational projects on nutrient recycling.	Data bases of e.g. structural fund and rural development programmes as well as the Annual Implementation reports of the 8 Member States.
Added value through cooperation within Baltic fisheries and aquaculture.	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.
Synergies from cooperation between the Rural Development Programmes.	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 with participants from member states, such as ministries of agriculture, related institutions, rural networks, local action groups, related NGOs and other organisations (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.

Involvement of the business community, increase knowledge on sustainable forest management.	Increased involvement of the business community, development of new knowledge, policy recommendations and exchange and implementation of best practices on sustainable forest management methods within projects and actions carried out within the EFINORD flagship umbrella.	Number of project and actions within EFINORD flagship umbrella after 2015.	All projects and actions should include components for the involvement of the business community, policy recommendations and exchange of best practice on sustainable forest management methods and the latest research findings until 2020.	Reporting from and surveys within projects and/or activities within the EFINORD flagship umbrella. Responsible EFINORD.
Cooperation: increased coordination and synergy in the Baltic Sea region among public sector and NGO cooper. initiatives, projects and stakeholders dealing with bioeconomy.	Presence of cooperation platform for respectively bioeconomy policy learning and policy cohesion, and bioeconomy and circular economy business cooperation.	0.	2 Deadline 30.6.2016.	Authorities, research institutions, and organisations in the Baltic Sea region countries.
Realizing the bioeconomy in the Baltic Sea region: development of a sustainable bioeconomy in the Baltic Sea region.	Number of macro-regional public sector, NGO and research and development cooperation projects supporting and demonstrating how the bioeconomy supports economic, social and environmental sustainable development.	8 ongoing projects (pre-seed projects / 'Steps towards the bioeconomy').	13 in total i.e. 5 more.  (2 additional pre-seed projects and 3 further projects).  Deadline 31.12.2016.	Authorities, research institutions, and organisations in the Baltic Sea region countries.

Contributions to the development of the European Bioeconomy: Baltic Sea region participation in wider EU efforts and projects to realise the bioeconomy.	Number of EU projects (e.g. under Horizon 2020) that are a result of EUSBSR bioeconomy cooperation efforts.	1 (one of the pre-seed projects / 'Steps towards the bioeconomy').	5.  Deadline 31.12.2016.	Authorities, research institutions, and organisations in the Baltic Sea region countries.
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## **Actions**

### **1. Pursuing the bioeconomy actually and practically**

The bioeconomy is complex; it taps into many sectors and different level of governance. It is important to showcase – through a number of demonstration type projects – how bioeconomy ambitions of sustainability can be translated into concrete action.

### **2. Improving policy coherence and policy learning in bioeconomy**

The bioeconomy is complex and cuts across sectors. Stakeholders engage in the bioeconomy for a number of different reasons. Therefore the bioeconomy does not fit in neatly into one specific policy area but must rather be addressed through a number of efforts in different policy areas. Sharing practices and lessons learned are key to developing efficient bioeconomy policies and incentives at different level of governance in the Baltic Sea region.

### **3. Engaging the private sector in the bioeconomy**

The bioeconomy essentially calls for new ways of producing and consuming biological resources. It is evident that realizing the bioeconomy goes hand-in-hand with the private sector (in agriculture, forestry, horticulture, fisheries and aquaculture, plant and animal breeding, food and beverage, wood, paper, leather, textile, chemical, pharmaceutical and branches of energy industries) embracing the opportunities – and the public sector providing enabling environments for doing business in the bioeconomy.

### **4. Develop sustainable strategies for wood**

To be completed within the framework of Sustainable Forest Management 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 related forest policies 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.

### **5. 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.

#### **6. 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.

#### **7. 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. The action also encompasses regional activities related to the development of blue growth in the Baltic Sea region.

#### **8. Recycling of nutrients from agriculture**

A more efficient use and recirculation of nutrients in plant and animal production and reduced losses of nutrients (e.g. Nitrogen and Phosphorus) 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 as well as broader aspects to nutrient retention and recovery, while recognising economic, social and political constraints.

Synergy with PA 'Nutri' is to be taken into account.

## **PA Culture – Culture & creative sectors**

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

The Baltic Sea region has an outstandingly diverse and attractive cultural life and a cultural heritage of great value. The positive impacts of culture and creativity on economy, employment, regional development and social cohesion are proven. Bringing together the different cultural expressions and competences of the region increases the economic and cultural prosperity and profiles the Baltic Sea region as an attractive place to live, work and spend holidays.

The cultural and creative sectors (CCS) generate around 4.4% of total EU GDP and employ 8.3 million people or 3.8% of the European workforce proved remarkably resilient during the crisis.<sup>36</sup> As the cultural and creative sectors are highly attractive for young people creative activities contribute significantly to youth employment. Macro-regional cooperation in the cultural sectors can help eliminating barriers to growth and internalisation by linking creative entrepreneurs in networks and in creative hubs which favour synergies with education institutions and businesses, as well as by collaborating on organisational structures and CCS financing mechanisms. Bringing together complementary skills, services and products of the small and micro-sized enterprises dominating these businesses will support surpassing the threshold of supra-regional perception.

Being at the crossroads between arts, business and technology, the cultural and creative sectors are in a strategic position to trigger spill-overs and innovation in other sectors (such as regional development, education, tourism, regeneration of urban environment or remaking of sites and milieus). The innovatory force of culture and creativity has the potential to strengthen the Baltic Sea region as a creative and innovative region ready to address the challenges of the 21<sup>st</sup> century.

Culture has significant relevance as catalyst for innovation not only in various sectors of economy but also with regard to issues of social relevance and societal challenges such as sustainable development. A wide variety of know-how and approaches have been developed in the region using culture as a driver for social and sustainable development. Building up on this knowledge contributes to the innovation capacity of the Baltic Sea region.

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<sup>36</sup> The economic contribution of the creative industries to EU GDP and employment:  
<http://www.teraconsultants.fr/medias/uploads/pdf/Publications/2014/2014-Oct-European-Creative-Industry-GDP-Jobs-full-Report-ENG.pdf>.

All this shows that activities and projects of policy area ‘Culture’ are suitable to contribute to achieving the EUSBSR objective ‘Increase prosperity’.

The common cultural heritage of the region reminds us of our shared past and history. It is a valuable asset in respect of sense of belonging, citizen’s attachment to environment, cultural identity and, of course, of touristic attractivity. Macro-regional cooperation facilitates preserving the cultural heritage by exchanging know-how in a field of highly specialised experts and coincidentally contributes to saving public spending and enriching cultural environment.

Moreover, culture, the arts and the regionally linked cultural heritage are a source of shared values. Making the most of these regional characteristics and potential contributes to the EUSBSR objective ‘Connect the Region’. Building on these assets will boost territorial cohesion in general. At the same time these objectives will complete and enrich the portfolio of European culture.

Within the Baltic Sea region a wide range of inter-governmental and non-governmental bodies are addressing culture in the region, e.g. the cultural network ARS BALTICA, the Monitoring Group on Cultural Heritage in the Baltic Sea States (MG), the CBSS Senior Officials Group on Culture (SOGC), and the Northern Dimension Partnership on Culture (NDPC). Moreover, there are several regional organisations which touch upon cultural issues: e.g. the Nordic Council of Ministers (NCM), the Baltic Sea States Subregional Cooperation (BSSSC), the Baltic Development Forum (BDF) and the Union of the Baltic Cities (UBC). Another objective of policy area ‘Culture’ is to contribute to effectiveness of Baltic Sea region cultural cooperation and coherence between these networks in order to facilitate successful interaction, joint activities and a coordinated and strategic common approach.

### **Targets and indicators**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2015/16 under the responsibility of the policy area coordinators. The still missing baselines and statistics/data sources related to the below indicators will be defined.

Objective	Indicator	Baseline	Target/deadline	Data sources
Promotion of Baltic Sea region cultural and creative industries (CCI).	Percentage of CCI sectors of Baltic Sea region countries’ GDP and employment rate.	To be aggregated from national and Eurostat figures.	Positive influence on the GDP percentage and employment rate of the Baltic Sea region CCI sectors.	National statistics and Eurostat.

Promoting creative entrepreneurship within the Baltic Sea region.	Number of enterprises in the Baltic Sea region cultural and creative sectors.	To be aggregated from national figures.	Positive influence on the number of enterprises in the Baltic Sea region cultural and creative sectors.	National statistics.
Preserving the Baltic Sea region cultural heritage across borders.	Cooperation projects aiming at a coordinated management of the Baltic Sea region cultural heritage.	n/a	Running cooperation projects.	Compilation by PACs.
Efficient framework of Baltic Sea region cultural cooperation.	Better coherence and cooperation between the Baltic Sea region cultural policy bodies, cultural networks and institutions.	Status 2012 (by then only one joint meeting of 4 of the Baltic Sea region cultural policy bodies 2012 in Greifswald).	Regular Steering Group Meetings of policy area 'Culture'; regular back-to-back meetings of Baltic Sea region cultural policy bodies; public Baltic Sea region Cultural Dialogue events (MLG approach).	Compilation by PACs.

Further important objectives of the policy area are difficult to measure: strengthening the cultural identity of the Baltic Sea region is an important factor for the cohesion of the region but intangible. Raising awareness for the Baltic Sea region as an innovative, culturally diverse and attractive place to live contributes to highlighting the Baltic Sea region as business location and tourist destination but it is hard to prove positive trends.

## **Actions**

### **1. Promoting the Baltic Sea region cultural and creative industries, encouraging creative entrepreneurship**

The cultural and creative industries (CCI) 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 Baltic Sea region is considered to be the world leader in certain creative industries areas. Many CCI sectors are characterised by a large number of micro-sized enterprises and self-employment with all related problems, e.g. as regards access to capital or marketing opportunities. Objective of the action is to strengthen the competitiveness of the cultural and creative sectors of the region through macro-regional cooperation.



Cooperation among Baltic Sea region countries' creative industries, exchange of ideas, know-how and experience will help to share the creative potential across the whole region and contribute to its faster and more coherent economic development. Pooling and complementing resources and joint marketing initiatives are suitable means to extend the range of products and offerings of small and micro-sized enterprises and can contribute to increase international visibility. Cluster approaches building on EU experience under CIP Programme (European Creative Industries Alliance) appear relevant options to build upon. Corresponding projects and activities are in the focus of action 1.

## **2. Promoting and presenting Baltic Sea region culture, using the innovative force of culture for societal development**

Objective of the action is to present the diversity, quality and attractiveness of culture and arts of the Baltic Sea region in its variety and complexity. Fostering cultural exchange and cooperation shall serve the cultural sector in itself and at the same time help promoting the Baltic Sea region as a rich and attractive cultural region. Joint presentation of cultural highlights like festivals and other events with a supraregional appeal are envisaged to improve the international awareness of the Baltic Sea region's creative and cultural profile and offerings.

Another objective of the action is to trigger spill-over effects and innovation in economy and society by cultural interventions. Activities promoting culture as a driver for social innovation and sustainable living shall strengthen civil society and its institutions. Mapping, building up, spreading and developing the knowledge on how to accelerate the positive spill-over effects of culture in the region will contribute to the innovation capacity of the Baltic Sea region.

## **3. Preserving and presenting the Baltic Sea region cultural heritage, strengthening the cultural identity of the region**

Overall objective of this action is to facilitate the sustainable, cross-sector management of 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 high non-material significance as well as a prominent economic value for the overall attractiveness of the region for inhabitants and tourists.

Transnational projects addressing the common cultural heritage, traditions and history of the region assist people in getting aware of regional cultural resources and provide inspiration and essence for CCS end-products, like for film-industry and games sector. The action aims at maximising the societal and economic value of cultural heritage through innovative and visitor-friendly presentations of heritage sites and museums, too. All these contribute to strengthen the regional identity.

Cross-border cooperation in cultural heritage issues has become increasingly important, e.g. in the course of cross-border infrastructure investments where cross-border management approaches are required or associated with challenges such as environmental protection requirements where integrated and innovative approaches are needed. Here, the Maritime Spatial Planning framework can be used as an effective tool for comprehensive cross-sector approaches.

Another objective of the action is to focus on the cultural and historic roots of the Baltic Sea region which are fundamental for the understanding and further development of present and future politics, coexistence and cooperation. Analysis and discussion of the common history can create a mutual understanding of different viewpoints on culture and history of the past and help to remove socio-cultural and socio-economic barriers negatively affecting regional cooperation.

#### **4. Developing an efficient framework for Baltic Sea region cultural cooperation**

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

The Steering Group of policy area 'Culture' involves representatives of the Baltic Sea region cultural ministries and of Baltic Sea region organizations addressing cultural issues.

Within the EUSBSR Annual Forum in June 2014 a Baltic Sea region Cultural Dialogue was launched by coordinators of the policy area 'Culture' involving representatives from the different levels of Baltic Sea region cultural cooperation (multi-level governance approach). In June 2015 the 3<sup>rd</sup> Baltic Sea region Cultural Dialogue is taking place as part of the EUSBSR Annual Forum. It is planned to continue the format regularly with events once or twice a year.

## **PA Education – Education, research and employability**

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

<http://groupspaces.com/eusbsr-education/>

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.

The EU member states in the Baltic Sea region faces unbalance on their labour markets. On the one hand, all the member states in the region have common problems with high youth unemployment. In December 2014, the youth unemployment rates was in Denmark 10.4%, Estonia – 16.0%, Finland – 21.1%, Germany – 7.2%, Latvia – 19.4%, Lithuania – 18.4%, Poland – 21.3% and in Sweden – 21.7%.<sup>37</sup> On the other hand, many industries, in particular in SMEs, experience a shortage of skilled workforce. Hence, education does not match the needs of the labour markets and at the same time, young people with no formal secondary educations risk long term unemployment and social exclusion/poverty.

Another challenge related to labour markets is the ageing populations, in the societies where people live longer, but also stay healthy longer, and where 70 is the new 55. In just a couple of years people will get used to later pensions, not just because of the need to have balanced pension systems but due to that elderly will want to work longer. Lifelong learning will be a reality which should allow employees to upgrade skills, change jobs and maybe start own companies, during their careers. The education systems are not adjusted to lifelong learning.<sup>38</sup>

The existing facilities in tertiary educations and research are not equally distributed and interconnected, and their management and usage patterns differ significantly across the macro-region.<sup>39</sup> There is a need for more effective coordination of research and higher education policies. An intensified transnational use of the research facilities combined with closer cooperation between institutions for tertiary educations will pave the way for a common region for education and research. The economic success depends on a well-educated workforce, world class graduates from educations, and both theoretical as

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<sup>37</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics).

<sup>38</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/Lifelong\\_learning\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Lifelong_learning_statistics).

<sup>39</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/Education\\_statistics\\_at\\_regional\\_level#Students\\_in\\_tertiary\\_education](http://ec.europa.eu/eurostat/statistics-explained/index.php/Education_statistics_at_regional_level#Students_in_tertiary_education).

well as vocational ones. The latest PISA report from OECD shows an unbalance in the region where some countries are performing well and others are in need of more attention.

New jobs are generated mostly from new or young companies, start-ups and SMEs. Talents with entrepreneurial mind-sets needs to be traced early in school, their interest and ability for business needs to be supported and encouraged throughout their educations towards new companies or intrapreneurial development in existing ones. Entrepreneurial skills need to be fostered at all levels of education. A multidisciplinary approach is needed in many sectors.

### **Targets and indicators**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2015/16 under the responsibility of the policy area coordinators. The still missing baselines and statistics/data sources related to the below indicators will be defined.

<b>Objective</b>	<b>Indicator</b>	<b>Target / deadline</b>
Increased mobility for pupils and students.	<p>Number of graduates of tertiary education with education-related study or training (including work placements) abroad and within the Baltic Sea region.</p> <p>18-34 year olds with an initial vocational education and training qualification should have had an initial VET (Vocational Education and Training)-related study or training period (including work placements) abroad and within the Baltic Sea region.</p>	<p>By 2020, aiming at a Baltic Sea region average at 10 % of tertiary education graduates with a period of higher education-related study or training (including work placements) abroad and within Baltic Sea region, representing a minimum of 15 ECTS credits or lasting a minimum of three months.</p> <p>By 2020, an EU average of at least 6 % of 18-34 year olds with an initial vocational education and training qualification should have had an initial VET-related study or training period (including work placements) abroad and within Baltic Sea region lasting a minimum of two weeks, or less if documented by Europass.</p>
Attracting students and researchers from outside the Baltic Sea region.	<p>Number of students from outside the Baltic Sea region at tertiary education programmes.</p> <p>Number of researchers at research institutions from outside the Baltic Sea region.</p>	<p>Numbers of students 2020; + 10%.</p> <p>Number of researchers 2020; + 10%</p>

### **Actions**

The policy area 'Education' covers three policy areas, namely:

- education including primary and secondary schools, tertiary education, adult education and non-formal education;
- research; and
- employability meaning improving transition from education to the labour market;

and focusses on the following actions:

### **1. Combatting early school leaving and improving transition from education to labour market**

In this Action, early school leaving and the so called NEETs (Not in Employment, Education or Training) are addressed. There are more than five million early school leavers across Europe, facing an unemployment rate of 41%.<sup>40</sup> There is also an increasing number of NEETs. Young people who fail to finalize their secondary education, early school leavers, are those who have most difficulties finding jobs and thus risk becoming NEETs.

There is an average of 12% of early school leaving in the EU. These are the latest data for the member states in the Baltic Sea region: Germany 9.7%; Denmark 7.6%; Estonia 10.7%; Finland 9.4%; Lithuania 5.9%; Latvia 8.7%; Poland 5.4%; Sweden 6.9%.<sup>41</sup> Thus, all the Member States in the Baltic Sea region are below the EU average percentage as well as below the EU2020 benchmark of 10%. However, there are significant regional differences within the countries. In some countries there is also a high number of students leaving school without accomplishing full qualifications. According to Education and Training Monitor 2014, the reduction of the number of early school leavers will save Europe large public and social costs and protect the individual from a high risk of poverty and social exclusion.

This action focuses on:

- learning more about NEETs and how to reach them;
- building knowledge on best practice, sharing good examples;
- developing and testing preventive measures, motivating pupils to participate in education;
- addressing the needs of better guidance and counselling;
- developing and testing re-integrative measures for NEETs, helping them back to education or to jobs.

### **2. Improving quality of education and vocational training through work-based learning and fostering entrepreneurial mind-sets**

Well-functioning educations, flexible and able to quickly address to the needs of the labour markets is important both for the economy and the individuals. Work-based learning has proved to be a model closing the gap between education/training and labour market. According to Strategic Framework, *'It is important to better identify and manage the availability of required skills, competences, and*

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<sup>40</sup> [http://ec.europa.eu/education/library/publications/monitor14\\_en.pdf](http://ec.europa.eu/education/library/publications/monitor14_en.pdf).

<sup>41</sup> <http://ec.europa.eu/eurostat/web/europe-2020-indicators/europe-2020-strategy/main-tables>.

*qualifications, and to help preventing skills gaps and mismatches. Effective communication between the labour market and the education and training sector is vital’.*<sup>42</sup>

Youth unemployment is high across Europe and the employment rate of recent graduates was in average 75.5% in the EU in 2013. In the Member States of the Baltic Sea region, the figures of employment rate of recent graduates (EQF 4-8) vary: Germany 89.7%; Denmark 81.9%; Estonia 76.8%; Finland 79.8; Lithuania 75.5%; Latvia 78.2%; Poland 73.2%; Sweden 84.9%. These data from the Monitor of Education and Training 2014 show that the employability of young people has to be strengthened during their years in education. Figures of employability of VET graduates show more promising results. Monitor 2014 states: prospects in countries where work-based learning is a strong component of VET programmes and higher education, graduates are about 11% more likely to be employed than those with theoretical upper secondary education.

Entrepreneurship in education is about inspiring entrepreneurial potential. People need the mind-set, knowledge and skills in order to generate creative ideas, and the entrepreneurial initiative to turn those ideas into action. New jobs are generated mostly from new or young companies, start-ups and SMEs. Talents with entrepreneurial mind-sets needs to be traced early in school, their interest and ability for business needs to be supported and encouraged throughout their educations towards new companies or intrapreneurial development in existing ones. Entrepreneurial skills need to be fostered at all levels of education. Master students in entrepreneurship can also play an important role in regional development, both in private and public sectors.

This action focuses on:

- capacity building through work-based learning focused on the needs of the economy,
- fostering and supporting entrepreneurial mind-sets at all levels of education, by introducing work on projects and practical experiences of entrepreneurship, in own country or abroad.

### **3. International excellence in tertiary education, science and research**

According to the Eurostat report, the Baltic Sea region is one of the most competitive and innovative science regions in the world, built on an excellent structure of leading universities and research institutions. Based on common traditions and interests there is great potential for a closer cooperation in fields of higher education, science and research policies.

Tertiary education attainment in the EU was in 2014 on average 37.6% and growing. When it comes to the Member States in the Baltic Sea region, the numbers vary: Germany 33.6%; Denmark 43.9%;

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<sup>42</sup> [http://ec.europa.eu/education/policy/strategic-framework/skills-development\\_en.htm](http://ec.europa.eu/education/policy/strategic-framework/skills-development_en.htm).

Estonia 45.3%; Finland 45.5%; Lithuania 52.6%; Latvia 40.6%; Poland 41.7%; Sweden 49.6%.<sup>43</sup> The Monitor 2014 concludes: in higher education, broadening access and reducing dropout rates amongst disadvantaged groups remains challenging. Yet, high-qualified employment is forecasted to have increased a further 13% by 2020. Moreover, the persisting disparities between and within countries leave no room for complacency.

As stated in Strategic Framework: *'The European Research Area (ERA) is a unified research area open to the world, based on the internal market, in which researchers, scientific knowledge and technology circulate freely. Through ERA, the Union and its Member States will strengthen their scientific and technological bases, their competitiveness and their capacity to collectively address grand challenges'*.<sup>44</sup>

This action focuses on:

- facilitate the cooperation of tertiary education, science and research policies in the Baltic Sea region for a common tertiary education, research and innovation area;
- enhancing the transnational cooperation in the development and utilisation of existing and new research infrastructures;
- attracting students and researchers from outside Baltic Sea region to the tertiary education and research institutions of the region;
- increasing student and researcher mobility within the Baltic Sea region;
- best practise and learning from each other in the field of tertiary education, science and research.

#### **4. A labour market for all, using resources of longer lives**

Labour markets are changing i.e. as a result of more efficient and less labour intense production processes in the industries. Efficiency is also a key word within our public sectors, in particular after the recent financial crises that results in slimmed organisations. At the same time, the demographic change with an ageing population, calls for recruitment of personnel that can fill gaps when the present workforce reaches retirement age. Life expectancy in the EU is high and growing (the average age in the EU is 79.6 years; the average age in some of the Baltic Sea region countries is even higher: Germany 80.2; Denmark 79.4; Estonia 76.0; Finland 79.9; Lithuania 73.4; Latvia 73.6; Poland 76.3; Sweden 81.0).<sup>45</sup> What is known in relation to the recruitment needs for jobs of today and tomorrow, is that they will provide employment for a well-educated workforce and less so for unqualified job-seekers. Besides, the labour markets witness generational changes in employment patterns – the older generations have

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<sup>43</sup> <http://ec.europa.eu/eurostat/web/europe-2020-indicators/europe-2020-strategy/main-tables>.

<sup>44</sup> The European Commission 2012 policy Communication on the European Research Area (ERA).

<sup>45</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/Mortality\\_and\\_life\\_expectancy\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Mortality_and_life_expectancy_statistics).

been used to having only one or just few jobs during their working life. Today's generation has to be prepared for a much less stable labour market, and to upgrade competencies in order to be able to stay in the present job or to meet the requirements of a new one. Rapid changes in the labour market combined with downturn in the economy have resulted in increasingly long term unemployment. It is important to bear in mind that long term unemployed should have access to guidance and lifelong learning and that their integration into the labour market is properly supported. Active participation of long term unemployed should also be encouraged in economic sense.

Adult participation in lifelong learning in the EU was in 2014 on average 10.6%. In the Member States of the Baltic Sea region, they vary notably: 7.9%; Denmark 31.4%; Estonia 12.3%; Finland 25.0%; Lithuania 5.2%; Latvia 5.9%; Poland 4.1%; Sweden 28.6%.<sup>46</sup> This diversity mainly concerns the participation in non-formal education and training according to available data of 2013: Germany 5.0%; Denmark 26.6%; Estonia 8.7%; Finland 17.7%; Lithuania 4.1%; Latvia 4.4%; Poland 1.9; Sweden 23.2%.<sup>47</sup> This calls for learning from those countries in the forefront.

Lifelong learning will soon be a reality – in the course of the working life, one will regularly upgrade her skills adjusting to the needs of the labour market, or because of the need to find a less physically demanding job, or simply because one would like to do something else, including starting an own company. In the course of the whole life others then vocational, motivations are important too.

This action is also addressing the need of supporting the development towards a well-functioning labour market, making it easy to work permanently or temporarily in a neighbouring country. Hindrances for free movement towards a common labour market in Baltic Sea region, need to be identified and addressed.

This action focuses on:

- making lifelong learning a reality, offering competence development and resources for face-to-face guidance throughout the whole life;
- stressing the role of non-formal education in competence development;
- supporting dialogue between labour market organisations, relevant authorities and education providers on a society of longer lives;
- building a platform for learning, best practise in the field of adult learning;
- supporting labour mobility, removing hindrances.

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<sup>46</sup> <http://ec.europa.eu/eurostat/web/education-and-training/data/database>.

<sup>47</sup> <http://ec.europa.eu/eurostat/web/education-and-training/data/database>.



## **PA Energy – BEMIP Action Plan (for competitive, secure and sustainable energy)**

*Coordinated by: BEMIP (overall) & Latvia and Denmark*

The **European Council** of October 2009 in its conclusions supported an EU objective to reduce greenhouse gas emissions by 80-95% by 2050 compared to 1990 levels, in the context of necessary reductions by developed countries as a group deemed necessary by the Intergovernmental Panel on Climate Change (IPCC).

The 2020 energy and climate strategy sets out the targets in the area of greenhouse gas emissions (a 20% cut), renewable energy (at least a 20% share) and energy efficiency (a 20% improvement). The 2030 Framework for Energy and Climate sets targets for 2030 of at least a 40 % reduction in greenhouse gas emissions, a 27 % share for renewable energy and a 27 % increase in energy efficiency.

The strategy on the Energy Union presented by the European Commission on 25 February 2015 defines five key interlinked and mutually reinforcing dimensions: energy security; solidarity and trust; a fully integrated internal energy market; energy efficiency as a contribution to the moderation of energy demand; decarbonisation of the economy; and research, innovation, as well as the governance framework for the Energy Union.

The Communication from the Commission to the European Parliament and the Council sets the target of achieving the 10% electricity interconnection target to make Europe's electricity grid fit for 2020.

The European Commission Communication *European Energy Security Strategy* (EESS) of 28 May 2014 sets out the medium to long-term measures, including making the internal energy market for electricity and gas work better; accelerating the construction of key interconnectors; moderating energy demand; increasing safe and sustainable energy production; diversifying external supplies; and improving coordination of national energy policies.

### **The Baltic Energy Market Interconnection Plan (BEMIP)**

The work and achievements of regional cooperation in the energy sector in the Baltic Sea region is conducted within the framework of the Baltic Energy Market Interconnection Plan initiative (BEMIP). The BEMIP Action Plan was agreed in June 2009 and amended in March 2011 (West Baltic Task Force Action Plan) and in March 2013 (Roadmap for the Implementation of Natural Gas Projects in the Eastern Baltic Sea).

The Memorandum of Understanding on the BEMIP initiative was signed on 17 June 2009 by the President of the European Commission and the political leaders of eight participating Member States.<sup>48</sup> The primary objective was to achieve an open and integrated regional energy market in electricity and gas between Member States in the Baltic Sea region. The BEMIP initiative was further reinforced through reforms launched by the European Commission at the BEMIP High Level Group (HLG) meeting on 31 October 2014; and the Declaration on Energy Security of Supply signed on 14 January 2015 by the Energy Ministers of the Baltic States. This declaration specifically called for developing liberal, transparent, competitive and fully functioning regional gas and electricity markets; full implementation of the third energy package; market integration; construction of necessary infrastructure; synchronisation of the Baltic States with the continental European network; and implementation of the European Energy Security Strategy.

The political guidelines of the reform of the BEMIP initiative, where a new BEMIP Action Plan is an integral part for its technical implementation, are agreed in the new Memorandum of Understanding on the reinforced Baltic Energy Market Interconnection Plan – BEMIP (MoU). The MoU was agreed by the BEMIP HLG on 28-29 May 2015 and signed by the Sides on 8 June 2015.

This is a common Action Plan for the BEMIP initiative and the EU Strategy for the Baltic Sea Region in Energy policy implementation.<sup>49</sup> The detailed projects ('flagships') contributing to the agreed actions will be identified at a later stage and will form an integral part of the Action Plan.

This Action Plan defines actions to be implemented mainly in the areas of energy infrastructure, gas and electricity markets, power generation, security of energy supply, energy efficiency and renewable energy. The Action Plan encompasses the period to 2020. However, the implementation of specific actions and projects may be extended beyond 2020 according to the ten year network development plans (TYNDPs elaborated by ENTSO-E and ENTSO-G) or other relevant documents.

The Action Plan may be updated, in particular to take into account of relevant developments in the energy sector, following agreements between the Member States of the Baltic Sea region and the European Commission.

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<sup>48</sup> Participating Member States: Denmark, Germany, Estonia, Latvia, Lithuania, Poland, Finland, and Sweden. Norway participates as an observer.

<sup>49</sup> The Memorandum of Understanding on reinforced Baltic Energy Market Interconnection Plan "BEMIP" of June 2015 states that working methods of the working groups should be defined in their terms of reference by the European Commission and the Member States and when deciding on methods, those laid down by the TEN-E Regulation (Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009 Text with EEA relevance, OJ L 115, 25.4.2013, p. 39), may be considered.

Objectives, indicators and targets are fully in line with and contribute to the attainment of the Europe 2020 energy and climate strategy and the objectives of the 2030 framework for climate and energy, as well as reflect the specific needs of Member States in the Baltic Sea region. Concrete actions are to be developed to reach objectives and sub-objectives, and these are set out in the table below. In order to ensure that the statistical information is used, the years 2013 or 2014 respectively are selected as baseline years.

### **Targets and indicators**

<b>Objective/sub-objective</b>	<b>Base-line</b>	<b>Indicator</b>	<b>Target/deadline</b>	<b>Implementing body</b>
Better interconnected electricity market.	2014	Compliance with the interconnection target of 10%.	Achievement of at least 10 % interconnection target by all the Member States by 2020.	National ministries, TSOs, project promoters.
	2014	Electricity price difference between bidding areas.	Alleviating congestion and maximising the possibility for the markets to use the existing interconnections by 2017.	National ministries, TSOs, project promoters.
Level playing-field for market participants.	2014	Gradual phase-out of regulated prices for households.	National electricity price regulations mechanisms abolished by 2017/2020.	National ministries, NRAs.
	2014	Electricity network codes and guidelines implemented.	National implementation in time.	National ministries, NRAs, TSOs.
	2014	Compatible approach towards rules applied in trade with electricity between FI-RU and Baltic-RU/BY.	Compatible trading principles and platform towards non-EEA countries by 2017.	National ministries, NRAs, TSOs.
	2014	Common Baltic Nordic balancing market.	Baltic – Nordic Coordinated Balancing Area 2018.	TSOs, NRAs.
Baltic States integrated to the EU internal electricity market.	2014	Deepening of the Baltic States integration with Nordic and Central Europe electricity markets, including identification of preconditions for Baltic synchronous operation with the network of Continental Europe and elaborating an Action Plan for synchronisation	Baltic synchronous operation with the network of Continental Europe 2025.	National ministries, NRAs, TSOs, project promoters.

		activities.		
Interconnected gas grid.	2014	State of isolation.	Finland and Baltic States connected to the European grid by 2019 (GIPL & Balticconnector) by 2019.	National ministries, TSOs, project promoters.
	2014	State of interconnected gas networks.	Enhanced interconnection with bi-directional flows between neighbouring Member States by 2020 and mainly between FI-EE, EE-LV, LV-LT, LT-PL.	National ministries, TSOs, project promoters.
	2014	State of diversification of gas supplies.	Reducing dependency on a single gas supplier, mainly of Estonia, Latvia, and Finland. Increased number of gas sources by 2019.	National ministries, TSOs, project promoters.
	2014	Preparation of a regional gas market model in the Baltic states and interconnected gas market with Finland.	Agreement on the regional gas market model in the Baltic states and interconnected gas market with Finland and its implementation measures (Action Plan on regional gas market development) by 2015.	National ministries, Regulators, TSOs (Regional Gas Market Coordination Group).
	2014	Harmonisation of gas measurement units.	Harmonization of measurement of gas flows for commercial purposes in energy units (kWh at gross calorific value) by 2016.	National ministries, Regulators, TSOs.
	2014	State of interconnected gas networks, reverse gas flows.	Connection of the Polish transmission network with the Danish transmission system by 2022.	National ministries, TSOs, project promoters.
Level playing field for market participants.	2014	Network codes implemented.	East Baltic states regional gas market with interconnected Finnish gas market operational and effectively functioning by 2020.	National ministries, Regulators, TSOs.
	2014	Transparent and non-discriminatory access to gas infrastructure.	National legislation adopted by the end of 2015 (excluding derogations in Finland).	National ministries, Regulators, TSOs.
	2014	A unified trading platform for the regional gas market.	Common East-Baltic trading platform created for exchange and capacity allocation platform by 2020.	National ministries, Regulators, TSOs.
	2014	A common entry-exit tariff regime (wholesale market).	A common Baltic entry-exit tariff regime adopted (wholesale market) by 2020.	National ministries, NRAs, TSOs.
	2014	Reverse gas flows.	2020 (taking into account derogations).	National ministries, NRAs, TSOs, project promoters.

				promoters.
	2014	Develop a Joint Preventive Action Plan and a Joint Emergency Plan for the three Baltic States and Finland and close coordination across BEMIP in the implementation of security of gas supply framework.	2015/2016.	National Ministries, energy agencies, regulators, TSOs/
	2014	Regional system adequacy assessment report prepared (electricity).	2020.	National ministries, TSO's, competent authorities.
Fuel switching in heating/ Increased use of Renewable Energy Sources (RES) in heating.	2014	Share of indigenous energy sources in heating.	2020.	National ministries.
	2014	Use of RES in heating.	Improved security of supply and reduced CO2 emissions.	
Promotion of the development of sustainable energy.	2014	Share of energy from renewable sources in gross final consumption of energy.	Achievement of national binding renewable energy targets under the RES Directive 2009/28/EC <sup>50</sup> .	National ministries, project promoters.
	2014	Share of renewable energy in transport sector.	Achievement of 10% renewable energy target in transport under the RES Directive by 2020.	National ministries, project promoters.
	2014	Integration of renewable energy in electricity system.	Reinforced electricity distribution and transmission grids, including improved interconnections, smart grids and storage facilities, incentivising flexibility through market design for integration of renewable energy by 2020 within the framework ENTSO-E TYND.	National ministries, TSOs, project promoters.

<sup>50</sup> Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC, OJ L 140, 5.6.2009, p. 16.

	2014	Cross-border cooperation on renewable energy.	Possibilities of exploring the potential of renewable energy in the region, including off-shore wind power identified.	National ministries, TSOs, project promoters.
Promotion of energy efficiency (EE).	2014	Level of energy savings.	Achievement 20% EE target by 2020 and national EE targets set in line with the EE Directive <sup>51</sup> .	National ministries.

Regarding promotion of the sustainable energy development and energy efficiency priorities, achievement of the 2030 targets for renewable energy and energy efficiency at the EU level will require enhanced regional cooperation among Member States. To this end, the BEMIP Action Plan will be coordinated with the governance system of the Energy Union, in particular with regard to the implementation of the 2030 framework for energy and climate.

The specific roadmaps, measures, projects and studies necessary to achieve, effectively and in good time, the objectives agreed for the identified energy priority areas will be defined at a later stage.

The Sides express their intention to coordinate their cooperation under the BEMIP initiative in the above-mentioned six energy priority areas and they agree to make best endeavours to meet the objectives defined for these areas. Each Side may decide not to take part in the work on an energy priority area when this is of no relevance to its territory.

## 1. Electricity and gas markets

The Sides intend to work together towards establishing an open, competitive and fully integrated regional energy market in the Baltic Sea region in both the electricity and gas sectors. Its operation will be fully compatible with the Union's third energy legislative package.

### ➤ Electricity markets

The main common objectives of regional cooperation in the electricity markets of the Baltic Sea region are:

- equal market conditions (no discrimination among market participants and no obstacles for new entrants);
- free, cross-border, intra-EU trade and market opening;
- free competition in each country with effective third party access regimes;

<sup>51</sup> Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC Text with EEA relevance, OJ L 315, 14.11.2012, p. 1.

- a flexible electricity market better adapted to the energy transition, both on the supply and demand side, thus enabling the market integration of new generation sources, in particular renewables, and removing market barriers;
- reduced market concentration through, for example, increased competition and cross-border trade;
- sufficiently high market liquidity;
- fair and effective price formation (competitive and transparent market price for electricity);
- transparent and effective capacity allocation according to the network code, based on implicit auction and flow-based methodology;
- facilitating the integration of new sources of electricity, notably renewables, into the market;
- transparent and easily accessible market information;
- efficient market monitoring; and
- regarding trade with non-EEA third countries: reciprocal principles and a common approach towards rules applied in trade with non-EEA third countries within the framework of the Union's intergovernmental agreements.

The Sides express their intent to work to develop competitive energy markets that provide incentives for investments in new, competitive power generation capacity in the Baltic Sea region, and to work on measures regulating electricity imports from third countries to ensure that EU electricity producers have a level playing field *vis-à-vis* third country producers.

#### ➤ Synchronisation

The Sides acknowledge that synchronisation of the Baltic States with the continental European network that contributes to achieving a fully functioning and connected internal energy market and to the increase of energy security in the electricity sector of the Baltic States is included in the scope of the Baltic Energy Market Interconnection Plan initiative as a self-standing objective given, in particular, its legal, technical and financial complexity and political importance. A BEMIP working group is established to discuss various aspects of the integration of the electricity network of the Baltic States into the continental European network. Such aspects include the synchronous operation and all related issues, such as the security of operation of the power systems of BEMIP countries, adaptation needs of existing and planned production sources in the region (including planned nuclear power plants), expansion of transmission networks (including significant investments needed) in all those BEMIP countries concerned, and electricity trade with third countries, including a future role of connections with third countries.

## ➤ Gas markets

Efforts should be continued to implement the most economically viable solution to connect Finland and the three Baltic States to the continental European gas network and to new gas supply sources, and to accelerate market opening in the Member States applying derogations from the Union's third energy legislative package.

Following the decision in Tallinn on 5 December 2014 of the Prime Ministers of the three Baltic States, Estonia, Latvia and Lithuania commit to work together towards:

- i. the creation of an effectively functioning regional gas market in their territories;
- ii. achieving the full implementation of the Union's third energy legislative package in the Baltic States; and
- iii. the integration of their gas market with the continental European market and the Finnish market. Finland commits to participate in this work, which aims at interconnecting its gas market to the Baltic States regional gas market.

## **2. Security of supply**

The Sides agree on working together to develop energy security measures in the Baltic Sea region and to enhance regional cooperation on risk assessment, including a regional system and security of supply adequacy assessment and emergency preparedness. In the first stage, the work will concentrate on regional system and security of supply adequacy assessments in the electricity sector, and on the proper implementation of the Union's legislation on security of supply in all relevant sectors.

Representing a region that is highly vulnerable to potential gas crises, the Member States of the Baltic Sea region should work, if possible on the basis of a common approach, towards strengthening the Union's policy in the security of supply area. Based on the principles of solidarity, the interested Sides should work to put in place a consistent preventive strategy and emergency response systems to effectively address potential disruptions of gas supply — particularly in the power and district heating sectors — and to develop regional preventive action plans and emergency plans.

The Sides recognise the potential for increasing security of supply through energy efficiency measures and fuel switching in the heating sector.

## **3. Energy infrastructure**

The Sides recognise the need for market-based investments in electricity, gas and oil infrastructure to achieve the objectives of the Union's energy policy, including: ending energy isolation of Finland and the Baltic States; integrating the Baltic States' markets; increasing diversification of energy supply; enhancing security of supply; ensuring market opening; integrating renewable energy; and delivering



electricity interconnection targets.

The Sides agree to coordinate their work on energy infrastructure projects identified in the BEMIP action plan. Projects should include Projects of Common Interest included in the first and subsequent Union lists of Projects of Common Interest and other energy infrastructure projects that have critical importance for meeting the Union's energy policy or for the functioning of the regional electricity and gas market.

The Sides intend to make best endeavours to implement in good time the infrastructure projects located on their territory. They also intend to provide necessary support to, and coordinate their work on, cross-border projects directly crossing the border of, or having a significant cross-border impact on, two or more Member States. In this context, the BEMIP high-level group should regularly monitor and discuss the implementation of critical energy infrastructure projects.

#### **4. Nuclear energy**

The Sides express their intent to work together with regard to three aspects of nuclear energy policy, i.e. nuclear safety, nuclear safeguard and nuclear security.

The Sides express their willingness to exchange information and views on their plans to construct new nuclear power plants in the Baltic Sea region and on the decommissioning process of existing nuclear power plants.

#### **5. Renewable energy**

The Sides commit to take measures, as defined in their national laws and national renewable energy action plans, to achieve the binding, national, overall renewable energy targets set in Part B of Annex I to the RES Directive 2009/28/EC, and sectoral targets for electricity, heating and cooling, and transport. They commit to exchange information and best practice to this end.

The Sides intend to work together to achieve the EU's binding 20% renewable energy target and national targets for 2020 laid down in the Renewable Energy Directive, with a view to continuing the work towards achieving the binding EU-level renewable energy target of at least a 27% share by 2030. In this regard, the Sides intend to discuss the possibility of setting up a macro-regional roadmap for contributing to the EU renewable energy target for 2020, and with a view to 2030.

The Sides intend to discuss the potential and possible measures for an improved cooperation between the Member States in the Baltic Sea region, and their cooperation with other Member States, through the

use of cooperation mechanisms provided for in the Renewable Energy Directive in order to harness the full potential of renewable energy sources.

The Sides may discuss cross-border support projects including joint support schemes between individual or several Member States in the Baltic Sea region. Cooperation will be on a voluntary basis only, upon mutual agreement between the countries involved and should take into account existing grid capacities.

The Sides intend to work together in the area of research and development of renewable energy technologies. They intend to facilitate further cooperation between the region's research centres and companies, which would result in a better and more cost-effective use of R&D infrastructure and capacity and EU financing instruments, including those designed for territorial cooperation. This should result in exploiting the innovation potential in the region that would alternatively be left uncaptured if addressed on a single country level.

The Sides intend to work together towards improving access to finance for renewable energy projects that have the potential to better harness the renewable energy potential in the Baltic Sea region. Such projects would include projects increasing the use of local renewable energy in district heating and improving the security of supply in the heating sector, and use of renewable energy sources in municipal infrastructure projects in urban centres.

The Sides intend to work together by exchanging information and best practice and by cooperating to increase the contribution of renewable energy in the transport sector.

## **6. Energy efficiency**

The Sides should work together to increase energy efficiency at all stages of the energy chain from generation to final consumption. This will help to achieve energy efficiency objectives defined in the Union's legislation and the 2020 and 2030 energy and climate strategies and in the strategy on the Energy Union.

The Sides intend to share information and best practices on – and to cooperate on measures that aim at – improving their energy efficiency, and which include in particular:

- achieving new savings each year of 1.5 % of the annual national energy sales;
- energy efficient renovations to be undertaken in at least 3 % of buildings owned and occupied by central governments each year, or an alternative approach, such as other cost-effective measures, including deep renovations and behavioural change of occupants, in accordance with the Energy Efficiency Directive;
- requirements on buildings, including mandatory energy performance certificates in accordance with the Energy Performance of Buildings Directive;

- developing efficient district heating to improve energy efficiency and security of supply, in accordance with Article 14 of the Energy Efficiency Directive;
- minimum energy efficiency standards and labelling requirements for a variety of products such as boilers, household appliances, lighting and televisions, and effective market surveillance related to these ecodesign and energy labelling requirements;
- the preparation of national energy efficiency action plans every three years;
- the planned rollout of smart meters for electricity and gas;
- energy audits carried out at least every four years by large companies;
- protection of the rights of consumers to receive easy and free access to data on real-time and historical energy consumption.

The Sides will also exchange information, experience and best practice on the possibility of using the Union's financial instruments, including the regional and structural funds and the European Fund for Strategic Investments, for energy efficiency measures and projects.

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

*Coordinated by: Sweden*

<http://www.swedishepa.se/hazards>

Because of its natural features the Baltic Sea is particularly vulnerable to pollution by hazardous substances. The large catchment area, small water volume and slow water exchange make the shallow and semi-enclosed Baltic Sea predisposed for high concentrations and long term accumulation of chemical pollutants, as well as impacts on the environment. The brackish water ecosystem is sensitive to environmental changes due to the naturally low biodiversity. Bioaccumulation and adverse effects in organisms caused by exposure to hazardous substances can have consequences for the balance of the whole food web and thereby affect the Baltic Sea's ability to provide valuable ecosystem goods and services. Consequences that are magnified when combined with other current anthropogenic stressors such as eutrophication, high fishing pressure and climate change.

Hazardous substances include a wide range of industrial and household chemicals, metals, biocides, pharmaceuticals and unintentionally formed substances. They are emitted to the Baltic Sea both directly and indirectly through various diffuse and point sources from a wide selection of land-based and marine sources. There are some 85 million people living in the Baltic Sea catchment area, continuously contributing with high loads of hazardous substances from e.g. consumer products, agricultural and industrial activities. Persistent substances from historically contaminated sites and dumped hazardous objects continue to circulate in the environment. New potential sources and transport routes of chemicals to the Baltic such as marine litter require new knowledge. In addition to the local sources there is a substantial deposition of airborne pollutants from the European continent.

The task to protect the Baltic Sea from pollution by hazardous substances is multifaceted and requires joint efforts by the bordering countries and stakeholders at all organizational levels. Within the EU, a wide range of legislation to protect the marine environment from chemical pollution has been progressively implemented. With the adoption of the Marine Strategy Framework Directive in 2008 an integrated approach linking all relevant legislations to protect the marine environment was established; with the aim to achieve good environmental status by 2020. Several international policy agreements are important instruments in reducing the input of hazardous substances to the Baltic environment. Notably the Baltic Marine Environment Protection Commission (HELCOM), specifically addressing the protection of the Baltic Sea environment and restoring good ecological status by 2021, covering the whole Baltic region including inland waters.

As environmental regulations, conventions and other measures and initiatives proliferate, so do the challenges of implementing them. While these commitments remain the responsibility of each sovereign State, the EUSBSR provides a platform for cooperation. The policy area 'Hazards' aims to provide a link between policy and actions, focussing on actions where an added value of cooperation to reach the common objective of good environmental status of the Baltic Sea can be identified. The national representatives of each Baltic Sea State in the steering group of the policy area 'Hazards', in combination with a close cooperation with the Baltic policy organization HELCOM, ensure the regional policy priorities. Based on these priorities, policy area 'Hazards' stimulate and assist stakeholders in the development of projects or other initiatives for active measures. Results are brought back to relevant policy forums. Problems and innovative solutions identified by stakeholders are strongly encouraged to be presented to the policy area, which could provide assistance in communication, contacts with regional networks and funding institutes and links to policy. When added value is identified, the policy area 'Hazards' also contributes to policy development in areas of specific importance for the Baltic Sea region and capacity building. Activities to reduce the input of hazardous substances to the Baltic Sea and its transition areas to the North Sea are encouraged in the whole catchment area, i.e. cooperation with neighbouring countries Russia, Belarus and Norway is desired.

The policy area 'Hazards' contributes to the EUSBSR objective 'Save the Sea', primarily the sub-objective 'Rich and healthy wildlife'. The actions within the policy area 'Hazards' are linked to all three key priorities of the EU 7<sup>th</sup> Environment Action Programme (EAP) guiding European environment policy until 2020 and an integrated part of EU 2020; to protect nature and strengthen ecological resilience, boost resource-efficiency and circular economy by eliminating toxic chemicals in products; and reduce threats to human health and wellbeing linked to pollution and chemical substances. The EAP also sets out a long-term vision of a non-toxic environment. In addition, the ambitions and objectives of the policy area 'Hazards' naturally contribute to realize the EU Marine and Coastal Policy and Integrated Maritime Policy, as well as the HELCOM Baltic Sea Action Plan. Activities within several other EUSBSR policy areas and horizontal actions are related to the objectives of the policy area 'Hazards', specifically the policy area 'Nutri'.

### **Targets and indicators**

The overarching targets of the policy area 'Hazards' are the same as the environmental targets for hazardous substances set by HELCOM, i.e. Concentrations of hazardous substances close to natural levels; all fish are safe to eat; and healthy wildlife. Indicators to follow-up on these targets have been developed by an expert group under HELCOM since 2010 within the policy area 'Hazards' flagship CORESET I. The indicators will be operationalised within CORESET II and used for assessing the environmental status of the Baltic Sea by HELCOM. The policy area 'Hazards' takes note of the

development. Specific targets and indicators to follow-up on the actions of the policy area ‘Hazards’ are presented below.

Sub-objective	Action objective	Indicator	Target/deadline
Rich and healthy wildlife; Increased cooperation.	Develop and implement non-regulatory measures and Baltic Sea region-wide policies to reduce the use and prevent emissions of hazardous substances to the Baltic environment.	A platform for dialogue and knowledge exchange on pharmaceuticals in the environment between stakeholders in the region.  An interdisciplinary and integrated scientific platform of business administration, environmental law and natural science that together with stakeholders and end-users will identify and solve problems related to the environmental impact of antifouling practices in the Baltic Sea.	Status report on pharmaceuticals in the Baltic Sea region; stakeholder conference (2016).  Site-specific recommendations to boat owners on effective antifouling techniques with low environmental impact (2017).
Rich and healthy wildlife; Increased cooperation.	Mitigation and remediation of historic contamination in the Baltic Sea region still causing negative effects in the Baltic ecosystem.	A platform for dialogue and knowledge exchange on dumped chemical and conventional weapons in the Baltic Sea.	Website and stakeholder conference (2016).
Rich and healthy wildlife; Increased cooperation.	Support implementation and compliance with EU Regulations and international agreements.	Indicators for the assessment of Good Environmental Status related to hazardous substances.	Operationalized indicators (2015); indicators used for environmental status assessment (2018).
Rich and healthy wildlife; Increased cooperation.	Increase the knowledge about effects and sources of specifically identified and emerging pollution problems relevant for the Baltic Sea, and support the development of innovative and cost-effective management options.	An action plan for activities relating to micro-litter and hazardous substances.  Capacity building workshop(s).	Project or other initiative on micro-litter (2017).  Workshop on enforcement and control of legislation on chemicals in products and articles (2016).

## Actions

The scope and objectives of the actions within the policy area ‘Hazards’ are very wide. For achievable and realistic results specific activities and topics are prioritised under each action.<sup>52</sup> However, this does not exclude other innovative ideas, projects and initiatives related to the objectives of the policy area

<sup>52</sup> For more detailed information see policy area ‘Hazards’ work plan 2015-2017.

‘Hazards’. Multilevel governance requires an extensive network and good communication. Whilst cooperation on policy level is largely established, closer contact with local and regional stakeholders needs to be developed.

### **1. Prevent pollution and reduce the use of hazardous substances**

Despite the comprehensive suite of chemical legislation now implemented throughout Europe, the wide use of chemicals in the society and their continuous release represent a major challenge in terms of the protection of the aquatic ecosystems and human health. Efforts to promote a more sustainable production and private and public consumption of chemicals and consumer goods are needed. Although compliance with rules and regulations should be fully exploited to reduce the emissions of hazardous substances to the Baltic Sea, the implementation of various other measures is also necessary, including e.g. advanced wastewater treatment, urban storm water controls, environmentally sound waste management, chemical substitution in products, capacity building, public awareness-raising and information exchange.

*Action objectives:* to develop and implement primarily non-regulatory measures and Baltic Sea region-wide policies to reduce the use and prevent emissions of hazardous substances to the Baltic environment.

During 2015-2017 the action will primarily focus on two substance groups: Pharmaceuticals and anti-fouling compounds. The occurrence of human and veterinary pharmaceuticals in the environment is of emerging concern. In the Baltic Sea, pharmaceuticals from a wide range of therapeutic classes can be detected in both water and sediment samples from most geographic areas. Data is however still scattered and there is no comprehensive review available of the status concerning pharmaceuticals in the Baltic environment. Toxic anti-fouling compounds used for preventing fouling organisms to attach to boat hulls or submerged constructions have to various degrees been regulated and successively strengthened in international law for decades. Still, high levels of e.g. TBT can be found in Baltic sediments and negative effects on organisms are observed. New and innovative measures to reduce the use and prevent spreading of toxic anti-fouling compounds are needed, e.g. change consumer practices, promote alternative techniques, analyse legal and market barriers and drivers for alternative practices. Projects and innovative management ideas addressing other aspects of this action are also encouraged.

### **2. Mitigate and remediate contamination**

Although the loads of some hazardous substances to the Baltic Sea have been considerably reduced over the past 20–30 years due to regulatory measures, problems persist. Former emissions of persistent substances continue to cause negative effects in the ecosystem by circulating in the environment. Contaminated sediments and soils, sea and land dumped waste and other hazardous objects act as

secondary sources to the environment. In addition, they can hamper maritime activities and reduce the potential of blue growth in the region.

*Action objectives:* mitigation and remediation of historic contamination in the Baltic Sea region still causing negative effects in the Baltic ecosystem.

Within this action the issue of dumped chemical and conventional weapons in the Baltic Sea is addressed. The topic is linked to the HELCOM expert group Environmental Risks of Hazardous Submerged Objects which works to compile and assess information about all kinds of submerged hazardous objects (contaminated wrecks, lost or dumped dangerous goods, etc.) and assess the associated risks. Additionally, a specific interest in the pollutants dioxins, PCB, cadmium and mercury should be noted within this action. Despite extensive regulation these contaminants continue to be present in the Baltic environment in high levels and contribute to the assessed low environmental status. Both historic, such as contaminated soils and sediments, and present sources, such as combustion processes and agriculture, contribute to the current situation. Innovative projects and initiatives addressing these issues are encouraged.

### **3. Facilitate implementation of regulatory frameworks and conventions**

A range of legislation and policy on international, EU and national level is in force to address the use of hazardous substances, and their release and levels in the environment. Proper implementation of and compliance with legislations and conventional agreements is fundamental in protecting the environment and the responsibility of each national state. Exchange of experience and good practices, capacity building and coordination of certain activities are examples of actions that may support implementation and compliance of policies relevant for in the Baltic Sea region.

*Action objectives:* support implementation and compliance with EU Regulations and international agreements.

Activities to support the implementation and follow up on the progress towards achieving Good Environmental Status related to hazardous substances according to the Marine Strategy Framework Directive (2020) and HELCOM Baltic Sea Action Plan (2021) are prioritised within this action. Projects and innovative management ideas addressing challenges in developing, using and implementing specific legislative acts, such as the Water Framework Directive, Industrial Emissions Directive, REACH, Urban Waste Water Treatment Directive, Ecodesign Directive, etc., are encouraged. Beyond this, the action will mainly be addressed through capacity building and knowledge exchange initiatives.



#### **4. Promote research and innovative management**

There is still a lack of comprehensive knowledge about the environmental impact of most chemicals and hazardous substances, their sources and management options. Issues relevant for the Baltic Sea include, but are not limited to, cocktail-effects of chemical substances, sources and effects of endocrine disrupting chemicals, and amounts of micro-plastic litter and its potential effects of associated hazardous substances. Policy makers need more information on these issues to make informed decisions. There is also a need for new and more innovative management options to reduce the use, release and effects of hazardous substances in an efficient and cost-effective way on a macro-regional level.

*Action objectives:* increase the knowledge about effects and sources of specifically identified and emerging pollution problems relevant for the Baltic Sea, and support the development of innovative and cost-effective management options.

This action is mainly implemented through communication and cooperation with relevant stakeholders, providing a link between the scientific community and policy level when needed. A specific interest in increased knowledge about marine micro-litter and its potential of being a new source and transport route of hazardous substances to the Baltic Sea and into the organisms of the ecosystem should be noted. Also, initiatives supporting the communication and knowledge transfer (science-policy) between stakeholders at all levels are encouraged. Advantage will be taken of the structures and activities of the planned European Human Biomonitoring Initiative (EHBMI), which will allow the investigation of exposures of human populations in the Baltic Sea region to environmental hazards, especially chemicals.

## **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://www.ndphs.org/?eusbsr\\_introduction](http://www.ndphs.org/?eusbsr_introduction)

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, the growing threat posed by non-communicable diseases and the spread of infections, including infections caused by antibiotic-resistant bacteria, three of the greatest macro-regional challenges in the 21<sup>st</sup> century.

Unless counteracted, a decline in the working-age population and a higher number of people with chronic communicable and 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.

The Baltic Sea region is still 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. 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 policy 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 main challenges are: 1) demographic changes, 2) accessibility of services in certain remote areas and 3) 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. Furthermore, antibiotic resistance costs lives and money, and threatens to undermine modern basic health care and advanced medicine.

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 more pressure on health care systems and are leading to calls for the rationalisation of these systems.

As to the individual risk factors, 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. Use of illegal drugs is relatively stable, but new threats are coming from 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 capacities of the health care systems are insufficient to effectively 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 to medical treatment and the quality of services vary a lot among – but also within – Baltic Sea region/Northern Dimension (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 Baltic Sea region/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**

<b>Objective</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target</b>	<b>Data sources</b>
To reduce premature avoidable loss of human capital.	The number of potential years of life lost (PYLL; lost years per 100,000 population, aged 0-69 years old) in the Baltic Sea region/ND countries.	<p>Lost years per 100,000 females/males aged 0-69 years old<sup>53</sup> in 2010:</p> <p>Iceland: 1616/3178  Sweden: 1883/3073  Norway: 2117/3411  Finland: 2191/4903  Germany: 2219/4030  Denmark: 2710/4653  Estonia: 2879/8720  Poland: 2988/7763  Russia: 4463/10592  Latvia: N.A./N.A.  Lithuania: N.A./N.A.</p> <p>(Additionally, PYLL-rates can be translated into economic terms by using GDP data, and by doing so at least 66 billion EUR are lost in the Baltic Sea region every year due to premature loss of life of preventable causes).</p>	<p>By year 2020 at least:</p> <p>1) 10% reduction has been reached in premature avoidable mortality (PYLL) in the Baltic Sea region/ND countries.</p> <p>2) 10% reduction has been reached in the difference between the lowest (best) and the highest (worst) PYLL rates for women and men among the Baltic Sea region/ND countries.</p>	WHO, OECD, national statistics.

## **Actions**

### **1. Reduce the impact of HIV/AIDS, tuberculosis and associated infections among populations at risk**

By contributing to improved and better coordinated preventive responses of the national health and social care systems as well as to an equal access to treatment to mitigate the impact of HIV/AIDS, tuberculosis and associated infections through:

- a. increased awareness and knowledge among decision makers and other relevant stakeholders about the complexity of the epidemiological situation of HIV/tuberculosis/associated infections and their consequences;
- b. enhanced international and multi-sectoral stakeholder cooperation on

<sup>53</sup> For Latvia and Lithuania, data is not available yet, but will be calculated during 2013 separately from national death registries of 2010. For Russia, data is available only for St. Petersburg. For Iceland, data is available for 2009. For Denmark, data is available for 2006.

HIV/tuberculosis/associated infections related issues;

- c. improved effectiveness of HIV/tuberculosis/associated infections prevention actions;
- d. improved monitoring, data collection and reporting of the situation of HIV/tuberculosis/associated infections among key populations at risk and policy/action response.

## **2. Contain antimicrobial resistance**

By contributing to the achievement of more rational use of antibiotics through:

- a. development of more representative and comparable AMR surveillance systems;
- b. improved measurement and monitoring of antibiotic use;
- c. increased awareness of prescribers and policymakers on the antibiotic resistance situation and on specific measures to be taken, including the area of animal health.

## **3. Adequately address health needs of chronically ill patients and needs related to demographic changes**

By contributing to the enhancement of people-centred, integrated care, including the empowerment of patients and their families in the care of their own health through:

- a. better awareness among national health policy-makers of the increasing prevalence of multi-morbidity in the elderly population and of an effective policy response;
- b. better understanding and commitment of national policy makers to strengthen the role of patients and their families in the implementation of integrated care plans;
- c. more in-depth knowledge among health and social care administrators on the resource allocation and incentives to support integrated and better coordinated care;
- d. better identified psychosocial causes of non-communicable diseases-related risky behaviour among children and adolescents.

## **4. Reduce impact of non-communicable diseases (NCDs)**

By contributing to the reduction of premature mortality from NCDs, strengthening prevention of economic losses from avoidable causes and contributing to the reduction in prevalence of behavioural risk factors of NCDs through:

- a. higher awareness and improved decision-making basis for addressing the NCD burden and economic losses;
- b. better implementation of Health-in-All Policies at the local level for more effective prevention of non-communicable diseases;
- c. strengthened stakeholder involvement in preventing overweight and obesity among school age children;
- d. better comprehensive national health system response to reduce NCD burden.

## **5. Reduce social and health harm from alcohol, tobacco and illicit use of drugs**

By contributing towards the reduction of alcohol-related harm, decreasing of the total consumption of alcohol and curbing the growth trend of cannabis use among the 15-16 year old population through:

- a. improved knowledge of effective community-based interventions targeting the use of tobacco, misuse of alcohol and the use of illicit drugs among local level policy makers and authorities;
- b. improved implementation of early identification and brief intervention programmes/measures to reduce alcohol- and drug use-related harm;
- c. strengthened knowledge base for the planning of public health policies on alcohol and drugs;
- d. increased knowledge and awareness regarding the public health impact of cross-border trade of alcoholic beverages.

## **6. Strengthen occupational safety and health and well-being at work**

By contributing to the improvement of working conditions by reducing occupational accidents and diseases through a coordinated national system response, including:

- a. tripartite situational occupational safety and health (OSH) analysis for better decision-making basis for addressing OSH challenges;
- b. coordinated national policy frameworks for health and safety at work and for the provision of working conditions conducive to health and well-being;
- c. coordinated national policy for special national programmes for the development of occupational health services for all working people;
- d. higher national commitment to combatting accidents and ill-health at work;
- e. strengthened training framework for OSH staff;
- f. better practical implementation of policies by improved information dissemination.

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, International Labour Organization, Baltic Region healthy cities association, etc.).

**PA Innovation – Exploiting the full potential of the region in research, innovation and SME, utilising the Digital Single Market as a source for attracting talents and investments**

*Coordinated by: Poland and Sweden*

The focus of the policy area ‘Innovation’ is to promote global competitiveness and growth in the Baltic Sea region through support for entrepreneurship, business development, science and increased innovation capacity. Research, innovation, entrepreneurship, small and medium sized (SMEs) and single market, are closely inter-linked themes, which are of key importance in achieving the objective ‘Increase Prosperity’. Since policy areas ‘Innovation’ and ‘SME’ were to a large extent thematically overlapping, the two areas, as well as partly policy area ‘Internal Market’ and horizontal action ‘Promo’, have been put into the policy area ‘Innovation’.

The greatest added value for policy area ‘Innovation’ will be achieved if priority is given to challenges where the Baltic Sea region is or has the potential to become stronger in a global context. The potential for smart and sustainable growth and new jobs should be explored in many sectors, including the marine and maritime sector. To further explore regional strengths, innovative milieus, the cluster and SME-network cooperation approach at transnational level will be cornerstones when applying the smart specialisation concept (including joint initiatives involving cluster organisations to form cross-regional European cluster partnerships), combining strengths, competences, research and development (R&D) and players in the whole Baltic Sea region in a smart way. In doing so, there are good opportunities for actors such as companies, universities and public organizations, to become globally leading innovation players in several specific fields.

This could increase the creation of a number of smart, cross-sectoral and cross-regional partnerships involving cluster organisations from related industries, similar to efforts undertaken by the Vanguard initiative regions (<http://www.s3vanguardinitiative.eu/>).

This will make the Baltic Sea region an attractive region for partnership and cooperation with other strong innovative regions in the world and it will support companies in the Baltic Sea region to increase their global competitiveness. For SMEs in particular, Baltic Sea region as a home market will be an important step in becoming active on the global market.

Due to the small markets in the Baltic Sea region, it is essential that appropriate measures will be taken to upgrade the business environment. In order to enhance the business environment it is essential to fully exploit the possibilities of the digital economy and innovation and to ensure equal access and a removal

of barriers to the digital markets for SMEs and consumers. A policy framework conducive to investors and a dynamic business environment offers the best options for sustaining high levels of development in the Baltic Sea region. The current economic situation makes it especially important to stimulate further integration of the markets in the Baltic Sea region to make the area attractive to new start-ups and investors. In order to build up fully functioning Single Market the solution lies in maximum harmonization in the fields of goods, services and digital.

The digital economy can be a source of innovation and growth in the Baltic Sea region, but there is a need to explore and better exploit the global strengths in the region through increased macro-regional collaboration in order to create a European digital economy and society with a long-term growth potential.

The division between more established R&D institutions on the northern and western shores versus 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 2014. The Baltic Sea region 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. The Baltic Sea region Members States intend to perform on well-balanced and coherent approach aiming to bridge the existing gaps in the innovation performance and take into the consideration the broader scope of utilizing mutual open innovation processes and best practice/knowledge-sharing platforms.

Such a focus on innovation has the added advantage of developing the Baltic Sea region 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).

### **Targets and indicators**

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2016 under the responsibility of the policy area coordinators. The still missing targets and deadline, baseline, and statistics/data 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>
Improved global competitiveness of the Baltic Sea region, through a) increased	Innovation capacity/performance for each EUBSR country.	Innovation Scoreboard 2010 (data from 2009) Baltic Sea region Innovation	2016: SE, FI, DK, DE to keep the ranking as being among the top 4 countries in EU. 2016: PL, ES, LT, LE;	Innovation Union Scoreboard Baltic Sea region Innovation Monitor (FORA).



innovation capacity/performance.		monitor 2012 (FORA).	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.	
b) A global competitive position in research and innovation and on global markets has been achieved, by Baltic Sea region actors in cooperation, within a number of areas with an expected high market volume.	The globally attractiveness of innovation milieus within Baltic Sea region (measured as a) number, per 3-year period, of cooperations with actors outside Baltic Sea region; b) investments, per 3-year period, from outside Baltic Sea region into innovation milieus within Baltic Sea region; c) number of high competence people from outside Baltic Sea region moving to strong innovation milieus within Baltic Sea region).	Baseline 2009.	Numbers of cooperations 2016; + 20% 2020; + 40%.  Investments into Baltic Sea region; 2016; + 15% 2020; + 30% Number of high competence people moving into Baltic Sea region; 2016, + 20% 2020, + 40%.	Questionnaire, sent each 3-4 year to strong innovation milieus within Baltic Sea region as listed by national innovation agencies.
c) EUSBSR contributing to the implementation of Europe 2020, specially smart specialisation and	Volume (- number and - aggregated size/budgets) of	Baseline 2009.	Number of trans-national cooperations; 2013; + 25% 2016; + 100% 2020; + 150%.	Funding programs and bodies on EU, national and regional level.

smart, inclusive and sustainable growth through long term transnational cooperation on research and innovation within Baltic Sea region, focusing areas with large future market-potentials, including marine resources.	long term (3 years or more) transnational cooperation on research and innovation within Baltic Sea region (with actors from 3 or more countries).		Aggregated size of transnational cooperation's; 2013; + 25 % 2016; +100% 2020: +150%.	
Enhancing the Digital Single Market: Interoperability of cross-border e-services within the Baltic Sea region.	Number of Baltic Sea region countries and intensity of using interoperable cross-border e-services applications.	Year 2009, no interoperable applications. In 2013 one cross-border e-service application (tax information exchange) between Finland and Estonia. And one service (Company Registration Portal) between Lithuania and Estonia.	Active usage of cross-border e-services applications in 8 Baltic Sea region countries.	Number of Baltic Sea region countries and intensity of using interoperable cross-border e-services applications.
Creation of preconditions for Nordic Digital Infrastructure Innovation Institute	Creating of preconditions for Nordic Digital Infrastructure Institute in the area of data exchange through promoting and rising awareness the possibilities of the X-Road Baltic Sea countries.	Year 2015, no preconditions established.	Necessary road map and actions are defined for creating the Nordic Digital Infrastructure Institute.	Creation of preconditions for Nordic Digital Infrastructure Institute

## **Actions**

### **1. Contributing in building an ecosystem for innovation and entrepreneurship by 2020 in the Baltic Sea region, based on smart specialisation and sustainable growth for increased competitiveness.**

The ecosystem is based on the results of all the flagships which address the following four challenges:

- a. reduce existing innovation barriers, including the harmonization 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. utilize 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, and explore synergies with current COSME cluster activities (Cluster Excellence and Cluster Internationalisation Programmes for SMEs), Horizon 2020-related Industrial Leadership section (Innovation in SMEs – INNOSUP-2015-1 ‘Cluster facilitated projects for new industrial value chains’) as well as previous cluster related actions in CIP-Competiveness and Innovation Programme.

**A strategic action plan for 2016-2020** will be developed during 2015 in order to achieve the policy focus set forth in the policy area. The main activity will be to initiate dialogue with the EU Member States and stakeholder in three different areas, research & innovation, entrepreneurship, digital market with attractiveness of talent and investments. These working groups will contribute to mobilize actors and train policy people in transnational cooperation. A main activity is to develop and implement an effect logic and monitoring system for measuring added value of transnational cooperation in the field of innovation and entrepreneurship. High quality flagships and involvement of companies, researcher and public stakeholders are important. The focus theme 2015-2016 for the policy area will be information and communications technology (ICT) development and enhancing a digital single market, where priority will be set to identify and promote removal of remaining unjustified barriers to the cross-border provision of services & applications, digital networks & ubiquitous access to high-speed connectivity, as well as e-skills & demand stimulation of research centres/universities, businesses or citizens.

## 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 nutrient leakage from anoxic sea bottoms (internal loading) has also increased as the extension of dead zones has multiplied.

Almost the entire open Baltic Sea is eutrophied<sup>54</sup> and the effects of eutrophication are particularly acute in the southern, central 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 often undesirable changes in species composition of e.g. fishes, birds, and planktonic organisms.

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. According to the latest HELCOM assessment total normalised nitrogen and phosphorus inputs to the Baltic Sea have decreased with 18% and 23%, respectively, since the mid-1990s.<sup>55</sup> However, to save the sea, further and continued action is needed<sup>56</sup>, especially in the agricultural sector and waste water treatment.

Full implementation of the relevant EU legislation is necessary in restoring the ecosystem status of the sea. This legislation includes the Water Framework Directive (WFD)<sup>57</sup>, Nitrates Directive (NiD)<sup>58</sup>,

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<sup>54</sup> HELCOM, 2014. Eutrophication status of the Baltic Sea 2007-2011 – A concise thematic assessment. Baltic Sea Environment Proceedings, No. 143.

<sup>55</sup> Svendsen, L.M., Pyhälä, M., Gustafsson, B., Sonesten, L. and Knuuttila, S., 2015. Inputs of nitrogen and phosphorus to the Baltic Sea. HELCOM core indicator report. [http://www.helcom.fi/Documents/Baltic%20sea%20trends/Eutrophication/CORE\\_indicator\\_nutrient\\_inputs\\_1995-2012.pdf](http://www.helcom.fi/Documents/Baltic%20sea%20trends/Eutrophication/CORE_indicator_nutrient_inputs_1995-2012.pdf).

<sup>56</sup> Bo G. Gustafsson et al. 2012, Reconstructing the Development of Baltic Sea Eutrophication 1850–2006, *Ambio* 41:534–548.

<sup>57</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, OJ L 327, 22.12.2000, p. 1.

Urban Waste Water Treatment Directive<sup>59</sup>, Industrial Emissions Directive (IED)<sup>60</sup>, Air Quality Directive<sup>61</sup>, National Emission Ceilings Directive<sup>62</sup> as well as the Marine Strategy Framework Directive (MSFD)<sup>63</sup>. In implementing the WFD, the Member States are to develop River Basin Management Plans that contain measures to reduce land-based loads and aim at reaching good ecological status (GECS) in coastal waters. The main objective of the MSFD is to develop and implement programs of measures to reach or maintain good environmental status (GES) in Europe's seas by 2020, using the ecosystem approach. One of 11 descriptors to guide evaluation of GES is eutrophication ('Human-induced eutrophication is minimised, especially adverse effects thereof, such as losses in biodiversity, ecosystem degradation, harmful algae blooms and oxygen deficiency in bottom waters'). 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 Nitrates Vulnerable Zone designation and Action Programmes. Also, the measures agreed upon in the Baltic Sea Action Plan (BSAP) of the Baltic Marine Environment Protection Commission (HELCOM), going beyond the requirements of EU legislation such as those for improved waste water treatment, 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 policy areas and actors in non-EU Member States in the region and HELCOM, 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, policy area 'Bioeconomy' is a particularly important stakeholder for policy area 'Nutri'. Since reducing hazardous substances and nutrients often go hand in hand, policy area 'Hazards' is also an important stakeholder. Cooperation between the three policy areas and HELCOM is facilitated *inter alia* under HELCOM working groups:

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<sup>58</sup> Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources, OJ L 375, 31.12.1991, p. 1.

<sup>59</sup> Council Directive 91/271/EEC of 21 May 1991 concerning urban waste-water treatment, OJ L 135, 30.5.1991, p. 40.

<sup>60</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control), OJ L 334, 17.12.2010, p. 17.

<sup>61</sup> Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe, OJ L 152, 11.6.2008, p. 1.

<sup>62</sup> Directive 2001/81/EC of the European Parliament and of the Council of 23 October 2001 on national emission ceilings for certain atmospheric pollutants, OJ L 309, 27.11.2001, p. 22 (revision proposed in the Air Package on 18 December 2013).

<sup>63</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, OJ L 164, 25.6.2008, p. 19.

PRESSURE<sup>64</sup>, STATE<sup>65</sup> and AGRI<sup>66</sup> and relevant back-to-back meetings, where HELCOM serves as the policy forum setting priorities and targets based on scientific data. Synergy in the work of policy areas and HELCOM and promoting implementation of WFD and MSFD are crucial.

The main problems can be summarised as follows:

1. Continued and still too high nutrient loads into the Baltic Sea:
  - a. insufficient recycling of nutrients;
  - b. insufficient nutrient removal in urban waste water treatment plants;
  - c. structural changes in agricultural production, including centralisation of domestic animal farms and oversupply of manure in some areas;
  - d. difficulties in achieving rapid results due to complex cycle of nutrients and the long time lag between implementing the measure and observing an effect in the water;
  - e. massive storage of nutrients in the Baltic Sea sediments and deep water and occasional release of stored nutrients to the surface water (internal loading), and slow permanent burial of nutrients to the sediments;
  - f. increases in run-off and thus eutrophication and other impacts due to climate change.
2. Challenges in cooperation across the macro-region:
  - g. conflicting policy targets of environmental and agricultural policies;
  - h. varying levels of commitment to implement the BSAP;
  - i. lack of clear support at the highest political level;
  - j. low awareness of costs and benefits of nutrient load-reducing measures;
  - k. low awareness of the large net benefits of reaching the objectives of BSAP;
  - l. lack of resources for high-quality monitoring of nutrient loads from diffuse sources like agriculture;
  - m. difficulties with providing HELCOM with accurate data due to lack of institutional capacity in some countries;
  - n. challenges in coordinating efforts with third countries.

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<sup>64</sup> The Pressure working group provides necessary technical basis to the work on inputs of nutrients and hazardous substances from both diffuse and point sources on land, including follow-up of the implementation of the HELCOM nutrient reduction scheme.

<sup>65</sup> The State and Conservation working group covers monitoring and assessment functions as well as issues related to nature conservation and biodiversity protection in HELCOM.

<sup>66</sup> The Agri working group enhances dialogue between agricultural and environmental authorities on the development and application of sustainable agricultural practices with the least environmental impact on the Baltic Sea.

### **Targets and indicators**

Policy area ‘Nutri’ contributes to the first main objective of the EUSBSR, ‘Save the Sea’. More specifically, policy area ‘Nutri’ is connected to two sub-objectives of the Strategy: ‘Clear water in the sea’ and ‘Rich and healthy wildlife’. The success in meeting these sub-objectives can be assessed by the targets. Targets and indicators have been developed in line with existing and developing targets and indicators in the HELCOM BSAP (reviewed in 2013) and the MSFD. The monitoring and the follow up of indicators and targets will be followed in the annual Work Plan (WP) of policy area ‘Nutri’.

<b>Sub-objective</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target</b>	<b>Data sources</b>
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 putting in place the necessary measures by 2016 or jointly by 2020 at the latest as agreed in BSAP 2007 and revised by HELCOM in 2013.	HELCOM data (PLC-water, PLC-air/EMEP). HELCOM eutrophication core indicators.
Clear water in the sea; rich and healthy wildlife.	Share (km <sup>2</sup> , %) of the sea area in good environmental status as defined by criteria of MSFD descriptor 5 Eutrophication and jointly assessed using HELCOM core indicators.	Initial joint regional assessments as required by MSFD and HELCOM.	Whole Baltic Sea is in a path to a full recovery to good environmental status by 2020 due to fully implemented measures and further decreased loads achieved.	Country reports 2012, 2018. HELCOM eutrophication core indicators.

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

### **Actions**

#### **1. Managing nutrients more efficiently**

Promote measures and practices which support nutrient recycling and reduce nutrient losses from agriculture, aquaculture, forestry, and waste-water treatment sludge, as well as contribute to reducing nutrients that have already reached the sea. 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 and to reach or maintain GES of MSFD and GECS of the WFD, as well as to reaching compliance with EU limit values for air quality under Air Quality Plans in the case exceedances and with National Emission Ceilings (notably NH<sub>3</sub> and PM). It will also promote the full implementation by farmers of these measures, by increasing support through extension services and better controls.

## **2. 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 crucial 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 means to reduce nutrient loads. Furthermore, the action promotes new innovative methods in waste water treatment to reduce nutrient loads to the sea and contribute to better collection and processing of the end waste.

## **3. 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 reduction of nutrient loads, even though changes in e.g. food consumption patterns and losses of nutrients as food waste could result in remarkable reductions in nutrient loads. Enhancing cross-sectoral dialogue requires co-operation with other policy areas, e.g. with policy area 'Bioeconomy' regarding agro-environmental dialogue and policy area 'Hazards' in reducing hazardous substances and nutrients. Possible platforms for dialogue include the HELCOM working groups, relevant back-to-back meetings and conferences. In addition to international and national dialogue, local and e.g. river-basin level cooperation, such as water users' partnerships, is encouraged.

## **4. 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 in joint coordination efforts. 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.



## **5. Cooperate with non-EU Member States**

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

## **6. Investigate cost-efficient nutrient reduction mechanisms**

Study and cooperate in developing new sustainable innovative economic frameworks as means to promote efficient sharing and allocation of costs of nutrient load reductions. These tools could include new mechanisms to allocate the cost of nutrient reduction to different actors of sectors or among the Baltic Sea region countries in a fair and efficient way. This action also promotes restorative techniques, e.g. oxygenization, chemical precipitation, dredging and recycling nutrients in organic substrates at the sea, to improve the environmental status of the Baltic Sea, provided these techniques pass sustainability and risk assessment procedures.

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

*Coordinated by: Denmark and Finland*

<http://pa-safe.dma.dk>

The countries of the Baltic Sea region are heavily dependent on shipping for imports and exports as well as for internal trade. Passenger transport and cruise tourism is also considerable. 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. Simultaneously, vessels are growing in size and draught.

Such dense traffic inevitably presents a risk of maritime accidents, which can be detrimental and have substantial negative consequences for the Baltic Sea states, due to their dependence of the sea and the fragile ecosystem. Fortunately, the Baltic Sea region already has a relatively good level of maritime safety.

Due to its strategic position, the Baltic Sea region is a natural route for oil transport, in particular from Russia. This is reflected in the considerable amount of oil transported through the Baltic Sea. Between 2008 and 2013, oil shipments via the Great Belt of Denmark increased to reach 181 mt.<sup>67</sup> As regards oil shipments in the Gulf of Finland, the amount more doubled from 80 mt in 2000 to reach 180 mt in 2013.<sup>68</sup>

While there is a trend towards larger tankers, the number of laden tankers is still considerable. In 2005, approximately 2706 tankers passed the Great Belt. By 2013, this number had grown to 4925 tankers.<sup>69</sup> It is expected, that the region will witness an increase in LNG carriers in the coming years.

The commercial maritime traffic in the Baltic is intense, but there are also other users of the sea. Fishing boats and recreational yachts also ply the waters of the Baltic. The seabed is often used for communication cables and pipelines and fish-farms have begun to appear in the Baltic too. The interrelations between different categories of users e.g. fishery and shipping or with the increased

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<sup>67</sup> Danish Maritime Authority.

<sup>68</sup> Baltic Port List 2014, Centre for Maritime Studies, University of Turku.

<sup>69</sup> HELCOM (2014), Annual report on shipping accidents in the Baltic Sea in 2013.

number of vessels providing service to off-shore windfarms can cause safety concerns and calls for increased situational awareness.

The waters of the Baltic Sea are not the easiest to navigate. The Baltic 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 brackish 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.

A high level of maritime safety and security contributes to the overall objectives of the EUSBSR 'Save the Sea', 'Connect the Region' and 'Increase Prosperity' by means of Blue Growth. The vision is that the Baltic Sea should become a leading region in maritime safety and security.

The region is already home to substantial competence in the field of maritime safety, e.g. at the maritime companies, universities and branch associations of the region. Important achievements such as the Automatic Identification System (AIS) have been invented in the region. In the new field of e-Navigation – a technology originating in the region – actors from the Baltic may also gain a comparative advantage. The opportunity for companies to develop and test new equipment in project cooperation with universities or public authorities can result in major technological progress which improves safety, beyond the reach of individual actors.

The current high level of vessel traffic combined with the expected growth increases the risk of maritime 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 to prevent dangerous situations.

Maritime surveillance data collected by the respective maritime authorities often serve a specific purpose for an individual sector. Better information sharing between sectors at national level 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. Search and rescue services are, according to International Maritime Organization (IMO) regulation, a national responsibility. There is a potential for better safety and more efficient use of the resources by cooperation in such fields as coordinated surveillance, adoption of agreed standards and terminology, joint training or even capacity sharing.

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 help reduce the risk of shipping accidents in the Baltic Sea region.

There is already regional cooperation on maritime safety and security within the Baltic Marine Environment Protection Commission,<sup>70</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, Baltic Marine Environment Protection Commission (HELCOM) role includes acting as a platform for harmonised regional implementation of IMO regulations. Also other regional forums 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 while avoiding duplicating efforts in the region. The strength of the policy area on maritime safety and security in the midst of the other regional cooperation forums is its focus on a project-based policy dialogue and ability to help aligning EU funding with the agreed objectives.

Since the inception of the EUSBSR in 2009, a broad range of policy activities and flagships have been conducted in the framework of the policy area on maritime safety and security, and a series of results have been achieved. These results are either being used directly for the benefit of maritime safety and security in the region, or have helped pave the way for new project activities, developing the already achieved results further.

The results include *inter alia*:

- three projects on e-Navigation, which have helped in the development of services and testing of infrastructure to dynamically provide the helmsman with updated information and allowing authorities in land to monitor and manage traffic better. The results of these projects have helped shape a global policy process on e-Navigation in the IMO as well as create the Baltic Sea region e-Navigation Forum;

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<sup>70</sup> The Helsinki Convention is signed and ratified by Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Sweden, the Russian Federation and the European Union.

- two projects on information exchange among maritime authorities and coast guard functions, contributing to a Common Information Sharing Environment;
- three projects on resurveying shipping routes and ports of the Baltic Sea with modern technology, providing more accurate sea charts and safer maritime operations;
- a number of other projects on such topics as reducing accidents in fisheries, minimizing the risks related to the transportation of dangerous goods at sea and facilitating exchange of knowledge and innovation in the field of maritime safety;
- creation of a regional project-based policy dialogue among maritime authorities, researchers, project makers and regional organisations which convene in the policy area international Steering Committee to discuss, select and use projects and their results.

Results like these forms the background of the policy area and sets the starting point for future activities.

The primary aim of the policy area is for the Baltic Sea region to become a leading region in maritime safety and security, thereby i.e. contributing to reducing the risk of maritime accidents in the Baltic in accordance with the below target. This aim is pursued through implementation of actions by means of a project based policy dialogue. This dialogue helps to identify gaps in the cooperation, identify projects and encourage project makers to fill those. The policy area may provide advice on funding opportunities and on liaising with relevant project partners including authorities, private enterprises and the academia. An important part of the policy area is to strive for alignment of funding with the set policy objectives and to assist in conveying results and recommendations of projects to the policy level for consideration. The Strategy and its Action Plan can be funded by many different financial sources (Horizon 2020, BONUS Joint Baltic Sea Research and Development Programme, the LIFE programme, Education and Culture programmes, Baltic Sea Region Programme etc.), as well as national, regional, private sources. It follows, that the policy area also helps ensuring that new projects are building on the results and recommendations of successfully completed projects in order to avoid duplication. It is therefore important to ensure cooperation with relevant organisations and stakeholders throughout the region.

### **Targets and indicators**

<b>Objective/ sub-objective</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target/deadline</b>	<b>Data sources</b>
Policy objective: Reduction in the number of maritime accidents.	Number of maritime accidents.	Average number of accidents between 2009-2012.	Measurable reduction/decreasing trend in the number of maritime accidents per 1000 ships by 2020.	Calculated on the basis of HELCOM annual statistics.

This objective is rather ambitious, since external factors such as the ice coverage, the strength and number of winter storms and the global economic situation directly impacts the number of vessels operating in the Baltic Sea and thus also the risk of accidents, while the activities of the policy area by means of dialogue and projects mostly indirectly contributes to higher maritime safety.

The following actions of the policy 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 achieved. The actions are to be pursued by means of ongoing policy dialogue in the policy area, through the flagships as well as through coordination with other bodies. In addition to existing flagships, the policy area coordinators will regularly consider proposals for new flagships that have a high macro-regional impact, contribute to fulfilling the objectives of the EUSBSR – ‘Save the Sea’, ‘Connect the Region’ and ‘Increase Prosperity’ – and are related to the implementation of one or more policy area actions.

The actions are chosen taking into account a number of international policies, including, but not limited to:

- the International Maritime Organization;
- the International Association of Aids to Navigation and Lighthouse Authorities (IALA);
- the Integrated Maritime Policy including blue growth and other maritime policies of the European Union;
- the Baltic Marine Environment Protection Commission, in particular its Baltic Sea Action Plan adopted in 2007;
- the activities of other regional forums, such as the Council of the Baltic Sea States (CBSS), the Baltic Sea Parliamentary Conference, the Baltic Sea Hydrographic Commission and the Baltic Sea e-Navigation Forum.

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

## **Actions**

### **1. Develop co-operation in maritime surveillance and information exchange**

Better co-operation in the field of maritime surveillance and information exchange between countries and between different authorities can not only bring about to better maritime safety and security, but may also help to reduce costs.

At European level, the process towards a Common Information Sharing Environment (CISE) has started, aiming at increasing the efficiency, quality, responsiveness and coordination of surveillance operations in the European maritime domain and to promote innovation. At Baltic Sea region level,

initiatives to better exchange maritime surveillance and maritime data can help to underpin this process. New initiatives should build on existing surveillance and information exchange systems, such as the European Border Surveillance System (Eurosur) and future system integration initiatives and pilots, taking into account developments at EU level.<sup>71</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.

## **2. Ensuring safe navigable fairways by improving resurveying of shipping routes**

Many of today sea charts are based on somewhat inaccurate measurements made more than 100 years ago. In contrast, modern surveys are carried out with multi-beam echo sounders or airborne LIDAR-technology and provide a detailed image of the seabed. As the size and draught of vessels is increasing, shoals and shallow areas which used to be below the reach of ships are now becoming a risk factor. Therefore, it is a priority to resurvey the mostly used routes and ports of the Baltic. In the northernmost parts of the Baltic, ice conditions may cause commercial shipping to take place outside the most commonly used routes.

Resurveying is a time consuming activity, requiring substantial resources. Cooperation on planning the resurveying of the Baltic is politically adopted in HELCOM and practically handled by the Baltic Sea Hydrographic Commission. In the context of the EU Strategy, discussions on the alignment of funding required to actually implement the plans adopted by HELCOM has taken place and resulted in a number of project initiatives.

## **3. Improve safety of navigation by means of e-Navigation and new technology**

This action aims to enhance the overall navigational safety for the vessels operating in the Baltic Sea by improving e-Navigation services, Vessel Traffic Services (VTS) as well as by the development and testing of other new technology. e-Navigation is intended to increase safety of navigation in commercial shipping through better organisation of data on ships and on shore, and better data exchange and communication between ships and the ship and shore. The pilot infrastructure for e-Navigation was originally developed and tested by a series of projects in the Baltic Sea region, and has since then matured into a policy process in the IMO.

Further coordination and information-sharing mechanisms between existing systems to ensure their interoperability is desirable. Coastal states may jointly consider whether new measures (routing/traffic separation schemes/mandatory reporting systems) would be advantageous to introduce. Decisions on

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<sup>71</sup> In the framework of HELCOM Response and the CleanSeaNet initiative, in accordance with Directive 2009/123/EC of the European Parliament and of the Council of 21 October 2009 amending Directive 2005/35/EC on ship-source pollution and on the introduction of penalties for infringements, OJ L 280, 27.10.2009, p. 52.

these measures should be based on the analysis of the risks and effectiveness of the measures based on a formal safety assessment drawing on research projects where relevant. Jointly utilise improved satellite navigation systems, such as Galileo, to support maritime positioning and navigation, especially for Automatic Identification Systems (AIS), Vessel Traffic Management Systems (VMS), hazardous-cargo monitoring, for port approaches, ports and restricted waters and for search and rescue systems. Sometimes, also ease or simplification of the administrative burdens through the use of information and communication technology can positively influence safety on board.

#### **4. Winter navigation**

Shipping in the northernmost parts of the Baltic Sea is during winter challenged by ice, which occasionally covers most of the Baltic. This action aims to 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 include: 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.

#### **5. Enhancing the safety of transportation of oil, hazardous and noxious substances**

This action aims to improve the safety of maritime transport of oil and other maritime fuels including LNG as well as hazardous and noxious substances (HNS), with a view to ensure that vessels transporting such goods are up to the highest maritime safety standards. At the same time there is a need to strengthen the capacity to handle oil- and chemical accidents should they occur. This entails a need to develop response actions and situation management by increasing co-operation and transfer of knowledge between countries, in order to create practices and exchange of good ideas of response and remediation methods.

#### **6. Ensure that crews serving onboard vessels are well trained**

Most accidents happen due to human error. This action aims to decrease the risks of maritime accidents characterised by human and organizational factors, which can be counteracted partly by increasing the competence and improving the attitudes of seafarers and by developing the safety culture onboard. Also the working environment and occupational health situation impact safety onboard. A safety culture in which crew and management do report and learn from incidents is a key. This is i.e. in line with the framework of EU efforts on quality shipping and in the light of the third EU maritime safety package adopted in 2009.



## **7. Develop preparedness for emergency situations**

Due to the heavy vessel traffic in the Baltic, efficient search-and-rescue services are essential to maintain a high level of safety in the event of a maritime emergency. Preparedness for emergency situations or oil spills can be improved by enhanced cross-sectoral and cross border co-operation and coordination of the resources, as well as the development of international standard operation procedures (SOP). This also includes rescue personnel such as firefighters and divers. Recent disasters outside the Baltic have indicated a need to develop capacities to search for survivors or bodies trapped inside the hulls of shipwrecked vessels. The size of modern passenger ferries and cruise vessels imply that in case of a major accident, hardly any state is capable of handling a disaster by itself, for which reason coordination of national competences, equipment and joint training is increasingly important.

## **PA Secure – Protection from land-based emergencies, accidents and cross-border crime**

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

<http://www.bsr-secure.eu/>

The new structure of the EUSBSR Action Plan provides incorporation of elements of the former policy area ‘Crime’ into the policy area ‘Secure’. This profound change implies embedding the whole activity of policy area ‘Secure’ on the societal security paradigm that covers prevention, preparedness, response to all sorts of threats, regardless whether their origin is natural disaster, made-man disasters or intentional, organised action of human beings. By applying this concept, policy area ‘Secure’ promotes a comprehensive and coherent approach to reduce trans-boundary vulnerabilities and to build common capacities for societal security in the Baltic Sea region. This holistic approach allows addressing broad spectre of challenges, from civil protection to prevention of criminal exploitation and trafficking in human beings, as well as combating organized and serious crime.

The extended scope of policy area ‘Secure’ needs to be clearly settled in values constitutive for a common area of security and guiding principles which steer strategic activities. It also must be divided into clearly cut, separate but interconnected sections, which on one hand will be oriented to specific kinds of activities, and on the other will reinforce ability to achieve general objective: making the Baltic Sea region a safe place to live. All actions will be oriented to enhancing the well-being of individuals while ensuring full respect of fundamental rights and freedoms, in line with the principles which lie at the foundation of the whole policy area:

- save human lives as well as protect physical and psychological integrity of human beings;
- protect public and individual properties against destruction, serious damages or illicit transfer;
- preserve vital public functions by protecting critical infrastructure.

All activities will be organized along two lines: addressing the human dimension of security and establishing efficient institutional mechanisms to tackle emergencies. These two threads will be duly reflected in four section of policy area ‘Secure’:

- a) strengthening capacity to respond and to recover from major emergencies and accidents: better risk assessment and crisis management;
- b) build up resilience and prevention towards emergencies and threats at the local level;
- c) enhancing effective cooperation in protecting human beings against criminal threats, including trafficking in human beings from all forms of exploitation

- d) prevent and detect serious crime through developing efficient framework for law enforcement strategic and operational cooperation.

**A. STRENGTHENING CAPACITY TO RESPOND AND TO RECOVER FROM MAJOR EMERGENCIES AND ACCIDENTS: BETTER RISK ASSESSMENT AND CRISIS MANAGEMENT**

The core issue for this policy area is civil protection cooperation in a macro-regional and cross-border context where: a) countries are linked to each other through geographic proximity, similar threats, functional interdependencies or other mechanisms; b) assistance capacity and host nation support 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 Union Civil Protection Mechanism and take into account EU cooperation in the area of prevention, including the European Commission 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. The behavioural cultures, physical environments, health systems and other factors affect considerably the number of injuries and their consequences and thus they are preventable.

More efficient mutual assistance and continued Baltic Sea region 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 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) could together with other similar bottom-up processes be applied to the Baltic Sea region. This experience could also serve as a model for capacity building in other macro-regions.

Work in this policy 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. The international Steering Group of the policy area is open ‘to other partners, including representatives of third countries, willing to contribute to the work of the Steering Group’. In addition, the coordinators of this policy area will seek cooperation with those of other policy areas and horizontal actions, notably policy area ‘Safe’ which has many common issues that can be explored as well as policy areas ‘Bioeconomy’ and ‘Health’, and horizontal actions ‘Climate’, ‘Spatial Planning’, ‘Neighbours’ and ‘Capacity’. Other connections will also be made to exchange ideas and best practices between projects from different policy areas.

### **Targets and indicators**

<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 Baltic Sea region.	Joint training and exercises, explicitly aimed at enhancing interoperability.	Situation in 2012: no targeted training.	Training and exercises launched by 2014.	Policy area coordinators report on policy area implementation.
Increased impact of SOCIAL PREVENTION activities.	Joint regional prevention programmes aimed at communities and individuals, raising awareness on risks and proper behaviour in case of threats.	Situation in 2014: some Member States have organised social prevention campaigns on local or national scale.	Regional prevention programme launched by 2018.	Policy area coordinators report on policy area implementation.
INSTITUTIONALIZED cooperation on civil protection in the Baltic Sea region.	Number of Baltic Sea region countries participating in macro-regional operational structures.	Situation in 2012: (1) Existing bilateral and trilateral cooperation processes and agreements. (2) Established Nordic cooperation on civil protection (on land and at sea), nuclear safety and maritime safety,	Full participation of all Baltic Sea region countries in a demand driven forum for evaluating macro-regional risks and launching relevant Baltic Sea region-wide projects/by 2020.  Clear definitions of	Policy area coordinators report. Feasibility study on Institutionalisation of the EUSBSR policy area 14 (EUSBSR Action Plan 2009) was completed in 2014.

		including agreements. (3) Functional Council of the Baltic Sea States Civil Protection Network.	standard operational procedures when cross-border assistance is requested/by 2020.	
Baltic Sea region – Leader in Civil Protection Cooperation among macro-regions of the EU.	Number of participants in the Baltic Leadership Programme.	Situation in 2014: Two programmes in place.	Baltic Leadership programme reached representatives in all Baltic Sea region countries/by 2014. Institutionalisation of the BLP by 2016.	Policy area coordinators report. The Swedish Institute – Baltic Leadership Programme reports/statistics.

## **Actions**

### **1. 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 Union 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.

### **2. 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.

**B. BUILD UP RESILIENCE AND PREVENTION TOWARDS EMERGENCIES AND THREATS AT LOCAL LEVEL**

**Action**

**1. 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.

**C. ENHANCING EFFECTIVE COOPERATION IN PROTECTING HUMAN BEINGS AGAINST CRIMINAL THREATS**

The focus will be put on trafficking in human beings for all forms of exploitation. Other forms of severe, harmful and persistent crimes against human rights that exert a deep impact on society will also be addressed. Particular challenges relate to the protection of vulnerable groups facing new economic, social and cultural realities when they cross borders and need to settle in a new social environment. Cooperation among relevant authorities and other stakeholders both nationally and across borders is necessary to ensure the protection of people in mobility.

Following the EU Anti-trafficking Strategy there is a need for improved coordination and cooperation among key actors working in the field of trafficking in human beings. Efficient cooperation among relevant public authorities, NGO's and law enforcement agencies at all levels is necessary in order to effectively combat offences in which a dominant feature is an infringement of integrity and dignity of human beings. With regard to children, due regard should also be paid to the work of the Council of Baltic Sea States and that of its expert group for cooperation on children at risk, for example with regard to child protection matters or access to justice.

From the perspective of trafficking in human beings for all forms of exploitation the Baltic Sea region is composed of source, transit and destination countries. The same applies to other forms of criminal threats. The ways of tackling the challenges posed by the trafficking in human beings are diversified among the countries in the region. This evokes a strong need for a macro-regional cooperation and an application of a multifaceted and multi-sectoral approach.

In order to efficiently address trafficking in human beings and other forms of severe, harmful and persistent crimes against rights a complex and coherent set of measures should be applied, with preventive measures as the key tool, and well-functioning strategies should provide the framework to

assist and protect victims, and prosecute the perpetrators. In this respect, key priorities are: to identify victims and provide them with adequate assistance, disseminate the knowledge on the risk factors and vulnerabilities facilitating trafficking in human beings (such as recruitment practices, methods of deception and the role of employment agencies and employers in trafficking in human beings for labour exploitation etc.). These measures should strengthen understanding of relevant aspects of the trafficking industry, including an evidence-based knowledge on the *modus operandi* of perpetrators, patterns of victims' behaviour and their mutual relationships. Prevention of trafficking in human beings includes ensuring functioning of social safety nets that are capable to measure, monitor, and improve the provision of social services for vulnerable groups. They must also work together to ensure international human rights regimes are introduced into national law and are enforced.

### **Targets and indicators**

<b>Objective/ sub-objective</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target/deadline</b>	<b>Data sources</b>
Better cooperation to prevent trafficking in human beings for forced labour and to protection of the victims.	National and regional inter-institutional networks. Knowledge of the mechanisms that facilitate THB for labour exploitation in the Baltic Sea region.	ADSTRINGO project baseline research.	Use of established and enhanced national and regional partnership and improved knowledge. Guidelines to prevent abusive recruitment, exploitative employment and trafficking of migrant and mobile workers in the Baltic Sea region. Preventive activities designed by June 2014 and launched in spring 2015.	ADSTRINGO project reports. CBSS TF-THB reports. HEUNI reports. National reports and statistics.
Strengthening the capacity and role of municipalities in the chain of assistance to victims of trafficking in human beings in the Baltic Sea region.	Enhanced cooperation and coordination among the municipalities of the Baltic Sea region to prevent THB Strengthened efforts to protect victims of THB in the Baltic Sea region Extended	Situation in 2013: Municipalities do not have a prominent role in the strategies against human trafficking. Baseline assessment of the role of municipalities in a chain of assistance to victims of THB.	Guidelines for the municipalities providing local stakeholders with expert knowledge and tools needed to deal efficiently with THB cases at the local level/ by the end 2015.	STROM project report. CBSS TF-THB reports. Baseline assessment study.

	involvement of different social actors into the development of a multi-disciplinary anti-THB policy Increased awareness of the line officers at the local level to identify actual and potential victims of trafficking.			
Developing a state-of-the-art understanding of criminal, social, economic, psychological as well as and political processes behind trafficking in human beings.	Better understanding of the relationship between THB and the broader organized crime trade. Identification of the geographical and modus operandi trends. Understanding the role of ICT in the modus operandi used by traffickers. Improved knowledge on the emerging trends in trafficking in human beings.	TRACE project baseline research.	Stakeholders' engagement workshops. Policy recommendations for combating THB. A handbook 'Trafficking in human beings: analysis of criminal networks for more effective counter-trafficking'. By May 2016.	TRACE project reports  CBSS TF-THB reports
The Baltic Sea region is a model region in the provision of comprehensive and sustainable social services and human rights to vulnerable groups born outside their country of residence.	% of adults and children of adults who were born outside their country of residence and are at risk of poverty or social exclusion, average rates in Baltic Sea region vs EU average.	Age 18+ in 2009. EU 30.4%. Baltic Sea region 31.4%.	Change in average rates in Baltic Sea region is improved 5% more than change in EU rate by 2020.	EUROSTAT – People at risk of poverty or social exclusion by broad group of country of birth. EUROSTAT – At-risk-of poverty rate for children by country of birth of their parents.



## **Actions**

### **1. Develop joint macro-regional approach to prevent trafficking in human beings and assist victims of trafficking**

Trafficking in human beings is a serious form of crime and a grave violation of human rights. It is essential to address each aspect of this crime in order to efficiently prevent it and establish a sustainable foundation for the well-being of citizens and fair social relationships across the whole region. To this end the CBSS Task Force against Trafficking in Human Beings (TF-THB; its mandate runs till the end of 2017) provides an intergovernmental platform for macro-regional cooperation as the central information hub on counter-trafficking activities in the Baltic Sea region. Eight of the eleven CBSS Member States are EU Member States and the activities are implemented in the spirit of the EU Directive 2011/36/EU<sup>72</sup> on preventing and combating trafficking in human beings and protecting its victims as well as the EU Strategy towards the Eradication of Trafficking in Human Beings (2012-2016). Through joint collaborative projects the CBSS TF-THB aims to strengthen, build upon and improve current policies, operative, preventive and protective work in the region. The CBSS Expert Group for Cooperation on Children at Risk (EGCC, its mandate runs till the end of 2017) is the complimentary reference point in the Baltic Sea region for trafficking in children.

### **2. Strengthening capacity of municipalities to eradicate THB and mitigate its impact on society**

Municipalities are in the prime position to implement a variety of measures targeted to combat THB and limit its consequences. Local governments, their social services and NGO's are key actors in the chain of assistance to victims of all forms of trafficking in human beings. Developing comprehensive anti-trafficking policies at the municipal level and strengthening capacity of local stakeholders are priorities in this area.

### **3. Develop the Baltic Sea region as a model region in the provision of comprehensive and sustainable social services and human rights for vulnerable groups crossing borders**

Cooperation among authorities, civil society and advocates – both nationally and across borders – plays a crucial role in protecting individuals and groups moving across borders from harm, if it is embedded in mutual understanding of the legal frameworks and social situations of each country involved. Sharing information and experiences should reinforce establishing and enforcing laws as well as administrative practices that are in line with the EU and international human rights.

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<sup>72</sup> Directive 2011/36/EU of the European Parliament and of the Council of 5 April 2011 on preventing and combating trafficking in human beings and protecting its victims, and replacing Council Framework Decision 2002/629/JHA, OJ L 101, 15.4.2011, p. 1.

#### **D. PREVENT AND DETECT SERIOUS CRIME THROUGH DEVELOPING AN EFFICIENT FRAMEWORK FOR LAW ENFORCEMENT STRATEGIC AND OPERATIONAL COOPERATION**

The Baltic Sea region is exposed to various serious cross-border crime threats due to intensive trade and economic relations connecting all countries, high level of mobility of persons as well as dense network of transport and communication links. Another important feature of the region is the long external borders, which is a significant source of criminal threats, in particular related to drugs trafficking, smuggling excise goods and to facilitating smuggling of human beings. To respond effectively to crime threats, it is necessary to meet challenges linked to exchange of information and data between law enforcement agencies as well as to detect modus operandi of criminal networks operating in the region. To this end, capacity for joint risk analysis and operational cooperation will be developed as well as common professional culture will be promoted.

Strengthening security in the Baltic Sea region depends to the great extent on an ability of law enforcement agencies to cooperate at the macro-regional level. To this end, possibilities generated by existing cooperation structures, such as the Baltic Sea Task Force against Organised Crime<sup>73</sup> and the Baltic Sea Region Border Control Cooperation (BSRBCC)<sup>74</sup> should be fully utilised. The further refinement of cross-border co-operation structures in the Baltic Sea region should contribute greatly to addressing the ‘security deficits’ in the region.

#### **Targets and indicators**

<b>Objective/ sub-objective</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target/deadline</b>	<b>Data sources</b>
Tailored macro-regional cooperation mechanisms to prevent and combat serious crime.	Number of joint operation.  Trainings provided to law enforcement staff.	Situation in 2014: couple joint operations implemented.	Permanent common joint analysis and investigations and law enforcement cooperation platform by 2018.	Baltic Organised Crime Threat Assessment.

<sup>73</sup> BSTF is a intergovernmental regional cooperation against organised crime with direct mandate from the heads of government of the Baltic Sea countries.

<sup>74</sup> The BSRBCC is a flexible regional tool for daily inter-agency interaction in the field of protection of borders and to combat cross-border crime in the Baltic Sea region, with a maritime focus.

Prevent serious crime by enhancing surveillance mechanisms.	Established mechanism to monitor security situation on borders.  Established standard for exchange of information and communication.	Situation in 2014: several joint operations and exercises have been conducted last couple of years. Further activities are envisaged for incoming years.	Institutionalised cooperation and make mechanism fully operational.	The BSRBCC reports on threat assessment.  Project TURNSTONE reports.
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## **Actions**

### **1. Strengthening efficient framework for law enforcement cooperation to combat serious crime**

To tackle organised and serious cross border crime, in particular with drugs trafficking, organised property crime, trafficking in human beings, money laundering and fraud, which are also priorities of the EU Policy Cycle to tackle organised and serious international crime, requires consistent long-term strategy and consequent joint implementation of approved measures. Any progress in this area can be achieved only within macro-regional cooperation framework. The Regional Strategy 2015-2016 has been recently adopted by the BSTF in Oslo, and its effective implementation will contribute to improvement of security related aspects of the Baltic Sea region standing.

### **2. Step up border security through developing efficient framework for law enforcement operational cooperation to combat serious crime**

The functioning of the Schengen area poses significant challenges associated with ensuring an adequate level of security. There are several specific criminal threats linked with abolishing control on internal border, e.g. mobile criminal groups, hit and run criminality and illegal immigration, which have to be addressed firmly and effectively. There is a need for regional approaches and new platforms of cooperation, especially in border regions, in order to combat the criminality and organised criminal groups attracted to the region. To set efficient and well-functioning law enforcement cooperation mechanism, measures should be applied which will increase mutual trust and understanding between the border agencies and their officials at all levels as well as will streamline operative day to day cross border co-operation between border and crime fighting agencies. Due to significant differences between legal systems of the countries, there is a demand to embed further development of operational cooperation on research and academic studies which may provide practitioners with well-tailored solutions for existing obstacles and limitations for cross-border combating crime.

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

*Coordinated by: Denmark*

<http://pa-ship.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.<sup>75</sup> 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 can still have negative effects on the environment through e.g. emissions to the air and the sea.

Numerous new technologies to reduce negative environmental effects from maritime transport are currently being developed in the region. In fact, the Baltic Sea region is home to global champions in shipping and maritime equipment manufacturing. Thus, there is a significant potential for growth by enabling a transition towards greener and cleaner shipping in the Baltic Sea region.

In view of the importance of maritime traffic in the Baltic Sea and the necessary focus on protection of the marine environment, the countries in the Baltic Sea region need to act jointly to minimise ship-based pollution, while maximising the positive impact of maritime transport on the region. The work in policy area 'Ship', supplements the work in other regional forums, e.g. the Baltic Marine Environment Protection Commission (HELCOM), which has a stronger focus on regulation and policy measures. The strength of policy area 'Ship' in the midst of other regional cooperation forums is its focus on a project-based policy dialogue and ability to help aligning EU funding with the agreed policy objectives, and in turn develop projects to address these objectives.

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 'Save the Sea', 'Connect the Region' and 'Increase Prosperity', and can be achieved in part through strengthened regional cooperation.

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<sup>75</sup> [http://www.marine-vectors.eu/factsheets/FS-05\\_transport.pdf](http://www.marine-vectors.eu/factsheets/FS-05_transport.pdf).

In the coming years the maritime sector in the Baltic Sea region is facing a challenge to comply with already adopted and upcoming environmental regulations. There is a risk that new environmental regulations could lead to a modal backshift in transport, making truck transport more competitive at the expense of shipping. This could lead to closure of ro-ro and ferry routes and might result in an increase of the carbon footprint of goods transported in the region.

Against this dilemma, it is therefore important that maritime stakeholders in the region work together to ensure that conditions for a competitive and greener maritime industry are in place. The goal is to turn the required transition to cleaner shipping into a positive business opportunity while boosting green and blue growth in the region. The maritime industry in the region has the opportunity to be first-movers within clean maritime transport in terms of e.g. availability of alternative fuels, provision of green port facilities and introduction of smart solutions for efficient shipping. At the same time the region can function as a test-bed for new and innovative products and services before they are marketed globally. The vision is that the Baltic Sea should become *a model region for clean shipping*.

Since the adoption of the EUSBSR in 2009, a broad range of policy activities and flagships have been conducted in the framework of the policy area on clean shipping, and a series of results have already been achieved. These results are either being used directly for the benefit of clean shipping in the region, or have helped pave the way for new project activities, developing the already achieved results further.

The results include *inter alia*:

- three projects on development of infrastructure and value chain of LNG in the Baltic Sea region. The projects build on each other's results and have gradually moved closer and closer to concrete infrastructure investments;
- two HELCOM policy processes and elements of two concrete projects working to enhance port reception facilities of sewage and waste in the ports of the Baltic Sea region;
- two projects focusing on the cost of more environmentally friendly shipping in the Baltic Sea region and on economic incentives for maritime stakeholders;
- creation of a regional project-based policy dialogue among maritime authorities, researchers, public and private project makers and regional organisations which convene in the policy area international Steering Committee to discuss, select and use projects and their results.

Results like these forms the background of the policy area and sets the starting point for future activities.

Through a project-based policy dialogue, the policy area seeks to support the below overall targets and fulfil the Actions. The policy area primarily does this by identifying gaps in the cooperation, identifying

projects and encouraging project makers to fill those. The policy area may assist with advice on funding opportunities and in liaising with relevant project partners. An important part of the policy area is to strive for alignment of funding with the set policy objectives and to assist in conveying results and recommendations of projects to the policy level for consideration. The policy area also helps to ensure that new projects are building on the results and recommendations of successfully completed projects or policy processes in order to avoid duplication. It is therefore important to ensure close cooperation with relevant organisations and stakeholders throughout the region.

### **Targets and indicators**

<b>Objective/sub-objective</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target/deadline</b>	<b>Data sources</b>
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.	<u>Indicator:</u> 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 industry, ports and municipal wastewater treatment plants.	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 Area of MARPOL Annex IV.	HELCOM (Cooperation Platform on port reception facilities).

Although the policy area is not directly involved in developing regulations or policy measures as such, the work of the policy area is influenced and guided by the introduction of new international environmental regulation in the maritime field.

International cooperation in such forums 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. So far regulation has primarily focused on reductions of air emissions (of primarily SO<sub>x</sub> and NO<sub>x</sub> particles), ballast water, waste water and garbage. However, apart from these topics, it is expected that more focus will be put on topics such as CO<sub>2</sub>, underwater noise, new types of waste or discharges of hazardous substances to the sea.

Although introduction of new regulation is one of the strongest incentives for making shipping more environmentally friendly, it can have other negative side-effects, such as modal back shift. The role of the policy area is to ensure a smooth transition towards more environmentally friendly shipping through continued focus on a balanced approach between environmental concerns and growth and prosperity and a closer and more direct link between policy makers and other maritime stakeholders in the region.

The policy area strives to move beyond regulation, encouraging innovative techniques, approaches and methods, testing new solutions as well as paving the way for smooth and efficient implementation of necessary regulation.

A number of international policies exist, which have special relevance to the work in the area and which the policy area should naturally align itself with, these include i.e.:

- the work of the 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 Integrated Maritime Policy of the EU, incl. Blue Growth;
- the HELCOM Baltic Sea Action Plan adopted in 2007.

The work of the policy 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**

The below actions aim to reduce ship pollution through measures on board vessels as well as through land- based measures for instance in ports. Using the fragile condition of the Baltic Sea and the existing regulatory framework as a starting point, the actions aim 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 reduce shipping pollution in the Baltic Sea region and beyond.

### **1. To create infrastructure for alternative fuels in the Baltic Sea region**

In order for shipping in the Baltic Sea to comply with environmental regulations of emissions, and to move beyond regulation in reduction of harmful particles from ship fuels while avoiding a modal backshift towards land based transport, it is necessary to ensure a greater availability of alternative environmentally friendly marine fuels. In the first place the focus will especially be on availability of LNG (Liquefied Natural Gas) and to a lesser extent methanol as well as potentially other types of gas fuels such as e.g. CNG (Compressed Natural Gas) and LBG (Liquefied Bio Gas). The activities in this action should contribute to the development of a regional infrastructure for the provision of alternative fuels to shipping allowing ships access to facilities where alternative fuels, especially LNG, are available in most parts of the region, thus increasing competitiveness of alternative fuels.

### **2. To support measures reducing emissions from ships**

In order to establish the Baltic Sea region as a model region for clean shipping it is necessary to support a broad range of clean shipping measures involving relevant stakeholders. The Baltic Sea region has an excellent tradition of transnational and cross-sectoral cooperation and the role of the policy area is to support the actors in developing clean shipping measures in the region. Strategic priorities in this action include e.g.:

- actions to develop or improve technical installations on board ships to clean harmful emissions from ships. Harmful emissions can include exhausts, chemicals, oily water as well as untreated ballast water and sewage;
- issues of enforcement of environmental regulation for ships operating in the Baltic Sea in order to ensure compliance and a level playing field for all ship owners in the Baltic Sea region;
- improve monitoring of ship emissions in order to target actions and regulations better in the future;
- improving energy efficiency as an effective method of reducing CO<sub>2</sub> emissions from ships;
- development of efficient economic incentive schemes to reduce the environmental impact of ships, such as e.g. port or ship indexes or differentiation of port dues;
- improve capacity and competences to address clean shipping issues among maritime stakeholders in the Baltic Sea region.



### **3. To develop shore-side facilities to foster clean shipping measures**

The land-based aspects of clean shipping are equally important. When a vessel is at port, the possibility to switch off the engines and instead receive electricity (entitled On-shore Power Supply (OPS) or cold-ironing) for its port operations from a clean, land-based source of power could reduce the environmental impact of the ship. Moreover, the use of cleaner land-based power sources can further reduce harmful emissions if used for propulsion in battery-driven or battery-assisted hybrid vessels.

Similarly, ships' waste is off-loaded in ports, therefore the ability to receive and treat the different types of ship generated 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. Furthermore, new cleaning methods and treatment systems on board vessels might possibly lead to new types of waste which should be handled by ports in the years to come. The ability of ports to address these challenges and supply the necessary waste facilities should be supported by this action.

The above actions address a broad range of issues pertaining to clean shipping. These actions and accompanying flagships attached to them have been selected through a consultation process in the policy area international Steering Committee. However, the actions described should be considered a guideline rather than an exhaustive list.

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

*Coordinated by: Mecklenburg-Vorpommern (Germany)*

[http://www.baltic-sea-strategy-tourism.eu/cms2/EUSBSR\\_prod/EUSBSR/en/start/index.jsp](http://www.baltic-sea-strategy-tourism.eu/cms2/EUSBSR_prod/EUSBSR/en/start/index.jsp)

Tourism plays an important role in the European economy, especially in generating growth and jobs. The diversity of the tourism sector – which is comprised of a great number of different industries and activities – allows for estimating its total contribution to EU's economy at 8,4% of the EU-wide GDP.<sup>76</sup> One in seven enterprises in the European non-financial business economy belongs to the tourism industries. These 3,4 million enterprises often serve tourists as well as locals and employ an estimated 15,2 million persons.<sup>77</sup>

Europe is the most visited region in the world. International tourist arrivals in Europe rose by 5% in 2013 on top of a strong 2012 and 2011 (+3 and +6%), a remarkable result in view of the lingering economic difficulties. Accounting for 52% of all international arrivals worldwide, Europe reached 563 million tourist arrivals in 2013, 29 million more than in 2012.<sup>78</sup> However, Europe, as a destination, competes with many new destinations that have now emerged particularly in the Asia and the Pacific regions. While this is a growing market – in the future, international tourist arrivals worldwide is predicted to increase by 3.3% a year from 2010 to 2030 to reach 1.8 billion by 2030 according to World Tourism Organization (UNWTO) estimations – the strongest growth will be seen in Asia and the Pacific, while Europe is forecasted to experience a decline in its share of international arrivals.

The overall aim of policy area ‘Tourism’ is to develop the Baltic Sea region as a common tourism destination. Coastal and Maritime play a significant role.

In this regard the ‘European Strategy for more growth and jobs in coastal and maritime tourism’ by the European Commission 20 February 2014,<sup>79</sup> aims at stimulating the economic and sustainable

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<sup>76</sup> Travel & Tourism Economic Impact 2013, European Union, WTTC(2013)  
[http://www.wttc.org/site\\_media/uploads/downloads/european\\_union2013\\_1.pdf](http://www.wttc.org/site_media/uploads/downloads/european_union2013_1.pdf).

<sup>77</sup> Tourism industries – economic analysis, Statistics Explained, Eurostat (2013)  
[http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Tourism\\_industries\\_-\\_economic\\_analysis](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Tourism_industries_-_economic_analysis)

<sup>78</sup> UNWTO World Tourism Barometer, Volume 12, World Tourism Organization (2014).

<sup>79</sup> A European Strategy for more Growth and Jobs in Coastal and Maritime Tourism. COM (2014) 86.

development of the sector and at unlocking its great potential for growth and jobs. The Strategy is based on 14 concrete actions at EU level that are gradually being implemented.

Several studies have already clearly highlighted that coastal and maritime tourism is a key factor for Blue Growth in terms of employment and gross value added.

Furthermore tourism is often a key sector in rural areas. 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<sup>80</sup> as well as lone travellers. That means there are very individual requirements. 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 and sports. So tourism sector has by its very nature to be sustainable, responsible, 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 For a (BSTC) are essential.

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

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<sup>80</sup> A study on the ‘Economic impact and travel patterns of accessible tourism’ (demand-side and ‘Mapping the skills needs and training offer for accessible tourism’ have been finalised. The results are published on the Commission's website: [http://ec.europa.eu/enterprise/sectors/tourism/accessibility/index\\_en.htm](http://ec.europa.eu/enterprise/sectors/tourism/accessibility/index_en.htm).

the identity of the inhabitants of the macro-region. In this regard, there already are in place several ongoing tourism initiatives and actions, launched by the Commission at European level.

The objectives of those calls are to support projects promoting transnational tourism routes/itineraries/trails, either physical or virtual, products combining industrial heritage and living industry (visit of enterprises and their museums), stimulate competitiveness of the tourism industry and encourage the diversification of the supply of tourism products and services by the development of sustainable tourism products

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**

To give its work a clear direction the following targets were defined:

Overall target: Establishing the Baltic Sea region as a common and coherent tourism destination.

Subtargets:

1. first step is to find areas of mutual interests within existing national tourism strategies as a basis to work on for future targets. Second: aspects of the future European Tourism Strategy (in process) should be considered;
2. establish a well working network of stakeholders on public and private sector;
3. design tourism products and services for the Baltic Sea region as a coherent destination;
4. increase the number of jointly developed tourism strategy and policy documents focusing on more specific aspects of tourism in the Baltic Sea region.

To have a basis for measurement the following indicators were defined:

1. number of fora, workshops etc.;
2. number and level of partners, especially enterprises, in flagships;

3. number, targets, level of transnationality of flagships especially those which focus on maritime and coastal tourism in all its facets;
4. evaluation of established BSTC and its structure and work by stakeholders in the Baltic Sea region.

Measuring quality aspects: regularly executed surveys.

A comprehensive system for the design, the monitoring and the follow-up of indicators and targets will be set up in 2015/16, under the responsibility of the policy area coordinator. Targets and deadline, baseline, and statistics/data sources related to the above indicators will be defined.

## **Actions**

### **1. Facilitate networking and clustering of tourism stakeholders**

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.

In line with Action 4 of the Maritime and Coastal Tourism Communication which supports the ‘development of transnational and interregional partnerships, networks, clusters and smart specialisation strategies’, the European Commission wanted to give impetus to the cooperation between coastal and maritime tourism stakeholders strengthen the role of cluster organizations and networks as drivers for growth and jobs in the maritime and coastal tourism sectors in Europe. Clusters and networks are powerful instruments for innovation and growth at regional and local level. Cluster organisations and transnational networks are often appropriate intermediaries to facilitate business cooperation also between other clusters and networks, operating in the same or different sectors.

Tourism policy and tourism-related activities are developed and run largely without joint objectives, approaches and standards on a macro-regional level. To give the work, the projects and network a kind of governance structure the Steering Committee was founded by national tourism ministries and national tourist organizations in the Baltic Sea region.

#### **1.1 Facilitate and strengthen the Baltic Sea Tourism Forum Process**

The BSTF process started in 2008 with the first Baltic Sea Tourism Summit in Rostock/Germany. Under the label of Baltic Sea Tourism Forum, follow-up conferences have taken place on an annual basis. The Forum was organised by the financial resources of the host countries in Vilnius – 2009, Kaliningrad – 2010 and Sopot in 2011. The 5<sup>th</sup> BSTF (2012, Rostock) and 6<sup>th</sup> BSTF (Ringsted/Denmark) were mostly financed through the financial assistance granted by the European Commission to policy area ‘Tourism’

in 2011. Since then, policy area 'Tourism' has become an integral part of the BSTF process. Today, Scandinavian partners are actively involved in the forum which was not the case before. EUSBSR Seed Money projects like VIABAL (maritime heritage) or BSTC are closely related to the BSTF as the central event in tourism cooperation in the region.

The 8<sup>th</sup> BSTF will take place in Gdansk on the 22-23 September 2015 under the umbrella of the Polish CBSS presidency. This is in line with the new long term priorities of the organisation which also takes account of the importance of a sustainable tourism development. The coordinator of policy area 'Tourism' will be involved in the preparations by the Polish Ministry of Sport and Tourism.

For the implementation of policy area 'Tourism', the BSTF plays a key role by offering a platform for exchange of practitioners in the tourism sector. In addition, it also constitutes an interface for discussions with the tourism policy level and the political level. In the future, the character of the BSTF as a link pin of the operational and the policy level should be strengthened: the forum should be embedded in the activities of the 'to be established' BSTC. It should also be the sounding board for the priorities agreed on by the Steering Committee with regard to tourism policy cooperation in the Baltic Sea region.

## **1.2 Promote the establishment of a Baltic Sea Tourism Center**

The successful establishment of a Baltic Sea Tourism Center (BSTC) in 2016 is essential for the implementation of policy area 'Tourism'. Next to the Steering committee that works at strategic level, the BSTC works at operational level. With the BSTC, the practical aspects of tourism cooperation could be organised in a more coherent and powerful way than today. It could be referred to as an umbrella for the coordination of flagships and the organization of the BSTF. In addition, a regular exchange with the Steering Committee could be organized.

The involvement of the coordinator of policy area 'Tourism' as a partner in this project will safeguard that the overall context of tourism cooperation is taken account of in the definition of the BSTC concept.

## **2. Help to 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 neighboring countries when appropriate 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.

## **2.1 Facilitate coordination with stakeholders through joint workshops**

There is the need to communicate future tourism projects (or applications) with the aim to use resources efficiently, and to develop a set of projects that match to the overall profile of the Baltic Sea region as a tourism destination. It is proposed to have workshops with the members of the Steering Committee of policy area ‘Tourism’ and the relevant funding institutions and programmes. Further aspects to be considered in this context are the involvement of representatives of the private sector and non-EU countries from the Baltic Sea region.

## **2.2 Step up communication for policy area ‘Tourism’**

In addition to the website of policy area ‘Tourism’, there is a need for using other media to inform about the Baltic Sea region to attract more tourists and, of course, more stakeholders and the private sector. For that purpose a brochure shall be printed. Values, data and flagships show the attractiveness of the Baltic Sea region and may inspire for new ideas, projects and networks.

## **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.

85 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.

Strategic framework for a synchronised infrastructure development in the EU was provided by Regulation (EU) No 1315/2013<sup>81</sup> on Union Guidelines of Transeuropean transport network in 2013 and Regulation (EU) No 1316/2013<sup>82</sup> establishing the Connecting Europe Facility, which adopt the model of

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<sup>81</sup> Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU Text with EEA relevance, OJ L 348, 20.12.2013, p. 1.

<sup>82</sup> Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010, OJ L 348, 20.12.2013, p. 129.



future development of the TEN-T based on the dual structure, consisting of core and comprehensive layers. Additionally, they established the nine core network corridors out of which four – *Baltic-Adriatic*, *North Sea-Baltic*, *Orient/East-Med*, *Scandinavian-Mediterranean* – have a direct coverage within the Baltic Sea region. Implementation of these Corridors will result in a significant improvement of transport links in the region and more sustainable transport in terms of energy sources.

The further development of a sustainable and efficient 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. Directive 2014/94/EU on the deployment of alternative fuels infrastructure<sup>83</sup> provides additional strategic framework to the Member States of the Baltic Sea Region for the coordinated action in this field, especially the evaluation of the necessity to introduce LNG terminals in ports according to market needs.

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. Northern Dimension Partnership for Transport and Logistics should provide a suitable framework for cooperation in this area.

It is important for stakeholders in the Baltic Sea region to be able to exchange information on policy issues and best practise experiences, whilst taking into account the results of the work of the nine Corridor fora as regards the implementation of the nine TEN-T core network corridors. As a result, as well as through the input of regional projects, a common view and coordinated policy actions will be facilitated.

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<sup>83</sup> Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure, OJ L 307, 28.10.2014, p. 1.

### **Targets and indicators**

<b>Objective</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Target/deadline</b>	<b>Data Sources</b>
Improved connectivity within Baltic Sea region and outside through coordinated infrastructure planning and development.	Implementation of Core Network Corridors.	Tbc.	MoUs between Member States on development of cross border projects along the Core Corridors in the region. 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 core network, other technical characteristics provided in TEN-T Regulation.	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 checked with NDPTL).	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.

Innovations and sustainable transport solutions.	Implementation of telematics applications along the core TEN-T network as well as development of Motorways of the Seas, LNG facilities in the ports, installation of other alternative fuels infrastructure along the core TEN-T network.	Tbc.	A number of MoS projects. A number of LNG facilities in the ports Other alternative fuels facilities. Advanced technology and sustainable logistics solutions.	Transport ministries. Green corridor Manual, performance indicator of each green corridor.
Enhancement of cooperation between Member States.	Identification of the most relevant topics for discussion with the aim to exchange views on them, share best practice experiences and develop common positions in view of undertaking coordinated policy actions.	Tbc.	A number of common positions of the Baltic sea Region developed and coordinated policy actions implemented.	Transport ministries.

## **Actions**

### **1. Implementation/Monitoring of TEN-T network**

Macro-regional cooperation to develop transport infrastructure networks as defined by the TEN-T policy (TEN-T Regulation) is essential. 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. As an area for action, the Steering Committee of policy area ‘Transport’ will prioritise to follow the implementation of the Core Network Corridors of relevance for the interconnectivity of the Baltic Sea region. The main relevant fora for the implementation of the Core Corridors are the nine Corridor fora for issues relating to particular corridors, and the TEN-T Committee for horizontal issues relating to all nine Core Network Corridors as well as Motorways of the Sea and European Rail Traffic Management System (ERTMS). It is important that the work of the Steering Committee does not overlap the work taking place in these fora. The Steering Committee will, however, follow the progress of the implementation of the Core Network Corridors on issues such as of cross-border connectivity, intermodality, deployment of new technologies

aimed at e.g. decarbonisation of transport, and the reduction of emissions of air pollutants improving traffic safety and optimizing the use of infrastructure within the framework of Core Network Corridors. While leaving coordination of implementation of Core Network Corridors to Corridor Fora, specific issues, of horizontal nature, common to each of the Corridor, can be looked at into more detail manner at Steering Committee meetings. In addition to that, the Steering Committee will attend to the bottlenecks and missing links in the comprehensive TEN-T networks, as it relate to cross-border dimension.

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).

Attention will be paid to linking transport measures with Air Quality Plans under Directive 2008/50/EC on ambient air quality<sup>84</sup> in case of exceedance of EU limit values and with National Air Pollution Control Programmes to ensure compliance with National Emission Ceilings.

## **2. External links: improvement of connections with EU neighbouring countries**

The Northern Dimension policy (with specific Northern Dimension Partnership on Transport and Logistics) is a suitable platform, when concerning border crossings shared with neighbouring countries, 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 on EU external border in the region. Member States should also explore options for new connections to the East and Far East (the gateway to Asia) and to the Arctic.

## **3. Innovations and sustainable 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.

A revived concept of Motorways of the Sea, which was enforced by the Motorways of the Sea Work Plan (European coordinator – B. Simpson), should provide a basis for a more efficient use of maritime logistics in the Baltic Sea. Green Corridors, MoS, together with the forthcoming network of LNG

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<sup>84</sup> Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe, OJ L 152, 11.6.2008, p. 1.

refuelling points, as well as development of other alternative fuels, will provide a focused area of action aimed at bringing innovation perspective into transnational transport policy.

#### **4. Enhancement of cooperation between the Member States**

It is important for stakeholders in the Baltic Sea region to be able to exchange information on policy issues and best practise experiences, whilst taking into account the results of the work of the nine Corridor fora as regards the implementation of the nine TEN-T Core Network Corridors. As a result, as well as through the input of regional projects, a common view and coordinated policy actions will be provided.

## HORIZONTAL ACTIONS

### HA Capacity – Capacity building and involvement

*Coordinated by: the Baltic Sea NGO Network, the Union of the Baltic Cities and the Swedish Institute*

<http://groupspaces.com/eusbsr-governance/>

A key factor of success for the EUSBSR is the integrated and coordinated governance of the Baltic Sea region, between sectors of society as well as between regional and local authorities, business, academia, civil society organisations and other stakeholders in the respective countries. Through active involvement of all potential stakeholders in promoting and implementing the goals of the EUSBSR and its Action Plan we can ensure, that the words are translated into action.

Understanding and being able to make use of the cobweb of multilevel governance in a project driven reality, within the respective policy areas involved in the implementation of the EUSBSR, is the heart of its success. Multilevel governance strengthens openness, participation, coordination and joint commitment to delivering targeted solutions. The Council of the European Union calls *‘the Commission and the Member States to actively support the multi-level governance approach recognizing the potential substantial contribution from all levels of society in implementing the macro-regional strategies’*.<sup>85</sup>

The EUSBSR has created a useful framework for joint action to address common challenges in the Baltic Sea region. Our challenge is to ensure, that we can utilize its full potential and ensure participation of all potential stakeholders in promoting our common goals.

In the EUSBSR, it is not just the Actions to fulfil the Strategy’s objectives that are complex. The funding and management of the Strategy are equally complex: e.g. no explicit funding is allocated for the implementation of the EUSBSR. Instead, the Strategy is integrated in the hierarchy of European and Member state strategies and funding.

This implies that the EUSBSR as a European macro-regional strategy is fully integrated in the European long-term growth strategy entitled the EU 2020. Therefore, it is also reliant upon strategies at national, regional and local levels (for various policy areas) throughout the Baltic Sea region. Furthermore, funding does not always follow the strategy. The implementation of the EUSBSR depends on successful

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<sup>85</sup> Council Conclusions on the governance of macro-regional strategies of 21 October 2014.

alignment of funding, e.g. from the European Territorial Cooperation (ETC) programmes or from the operational programmes of the European Regional Development Fund, from national or regional European Social Fund or European Agricultural Fund for Rural Development funding (like the Community-led Local Development approach in the Rural Development Programme), from European sector programmes (such as Horizon 2020, Connecting Europe Facility or COSME), from various national state budgets, from regional and local government budgets, etc.

As the Partnership Agreements attempt to coordinate national, regional and local strategies and funding with the objectives in the EU2020 and with European funding, the purpose of the EUSBSR is to coordinate strategies and funding in order to efficiently address the challenges for the Baltic Sea region identified in the EUSBSR. This means that the people and organisations involved in the implementation of the EUSBSR, in its policy areas, need not only to understand the multilevel governance system of the region, but also how the programming and funding structure works in the 2014-2020 programming period.

This means that for the implementation of the EUSBSR to be successful, the key-actors need not only to be able to identify and address gaps within their thematic area of the Strategy and address those by means of projects but also, be able to navigate in the multilevel governance system of the region, as well as to have a good overview of the 2014-2020 programming period in order to attract the funding required. This calls for capacity building for actors involved in the implementation of the Strategy.

In order to address these challenges, horizontal action ‘Capacity’ is designed to meet the needs for professional and partnership-based management of the EUSBSR, by focusing on building knowledge, competencies and leadership skills for implementation of the Strategy in a complex multilevel governance system.

Likewise, it is essential to ensure that all partners in the multi-level governance structure have possibilities and incentives to participate in the implementation of the EUSBSR. Partners at all levels should be enabled to join in common activities and to find a role in contributing to the fulfilment of common goals. In order to achieve this, it is important to identify hindrances to such participation and address them.

### **Objectives**

The aim of horizontal action ‘Capacity’ is to offer capacity building support for the implementing stakeholders, using multilevel governance as an overall guiding principle. In practice, this will be carried out by means of:

- developing and operating a capacity building platform for the implementing stakeholders;

- involving and utilizing networks across sectors in the Baltic Sea region, supporting involvement of local- and regional authorities, NGOs, business and academia to ensure that all levels will be mobilised to the full extent.

### **Targets and indicators**

Objective	Indicator	Baseline	Target / deadline
Capacity building for implementing stakeholders.	Heightened capacity of implementing stakeholders.	Current situation/capacity in 2015.	Measured heightened capacity of implementing stakeholders. Examples below.*

\* In the EUSBSR, the implementing stakeholders are divided into five groups / examples of heightened capacities in each group:

- policy area coordinators and horizontal action coordinators – new flagships grounded in the multilevel governance, that generate lasting impact for multiple stakeholders;
- policy area focal points and members of steering committees/groups – new networks of relevant stakeholders are created in respective Member States, in the multilevel governance perspective;
- flagship leaders, project developers and project managers – new flagships/projects developed with larger perspectives, and consequently funded with blended financing;
- managing authorities and other representatives of financial programmes – increased awareness of the specific needs of the EU macro-regional strategies and their governance structure (e.g. multi-level governance), which will effectively facilitate emergence of projects that deliver results beyond those stipulated in the programme documents;
- local and regional authorities, NGOs, business and academia in the Member States – ability to integrate international perspectives, such as the EUSBSR, into their strategies.

Furthermore, an important target in this horizontal action is to increase the involvement of local and regional authorities as well as the involvement of civil society organisations in to the implementation of the Strategy.

### **Actions**

#### **1. Developing and operating a capacity building platform for the implementing stakeholders**

EUSBSR is a complex initiative, with multiple objectives at several levels; local, regional, national and macro-regional. Managing the EUSBSR is an adaptive challenge regarding the complexity, ambiguity and uncertainty of tasks relating to a manifold of parallel processes at different levels. Implementing stakeholders need to have adaptive capacities in order to cope with these challenges. Capacity should here be understood as a combination of knowledge, competencies and leadership capabilities. The proposed answer to this need is a platform for capacity building.



The capacity building platform offers tailor-made programmes including seminars (also online), action learning (practical training on real cases) and coaching (individually or in groups).

In the EUSBSR, the implementing stakeholders are divided into five groups:

- policy area coordinators and horizontal action coordinators;
- policy area focal points and members of steering committees/groups;
- flagship leaders, project developers and project managers;
- managing authorities and other representatives of financial programmes; and
- local and regional authorities, NGOs, business and academia in the Member States.

Each of the five groups will be offered a capacity building programme. The first group comprising coordinators of policy areas/horizontal actions will receive a specially tailored programme which will be provided separately. The development of the programmes for the remaining four groups will be carried out in working groups involving key stakeholders. The programmes are planned to be partly financed by the European Social Fund.

This action focuses on developing capacity building programmes for the implementing stakeholders.

## **2. Involving and utilizing networks across sectors in the Baltic Sea region, supporting involvement of local- and regional authorities, NGOs, business and academia**

Multi-level governance (MLG) is an overall guiding principle for the Strategy and should be an integrated methodology for all implementing stakeholders. That is why MLG is an important part of the platform for capacity building. However, MLG calls for more than capacity building activities. Horizontal action 'Capacity' will be instrumental in involving and utilizing networks across sectors in the Baltic Sea region, supporting involvement of local and regional authorities, NGOs, business and academia into EUSBSR.

This action focuses on:

- building knowledge amongst implementing stakeholders on MLG in relation to EUSBSR;
- involvement of local and regional authorities, NGOs, business and academia in the implementation of EUSBSR. Developing proposals and recommendations on how to increase the effectiveness of the EUSBSR by enabling participation of all potential stakeholders;
- providing support to coordinators of policy areas in their task of building long-term flagship processes, rather than projects while using MLG as the guiding principle.

## HA Climate

*Coordinated by: Council of the Baltic Sea States Secretariat*

Human influence on the climate system is clear and recent climate changes have had widespread impacts on human and natural systems on all continents and across the oceans. Future climate scenarios show increasing annual and seasonal temperatures of about 3-4 degrees by the end of this century for the Baltic Sea region, a projected warming that is higher than the global mean. The Baltic Sea region is highly industrialized and populated – around 85 million people live in the Baltic Sea catchment area. That makes the Baltic Sea region highly vulnerable to the climate change, e.g. sea level rise would affect at least 16 million people that live on the coast.<sup>86</sup> Furthermore socio economic impacts are foreseen to be considerable with various degrees of resilience among regions and sectors. All Baltic Sea region countries are therefore concerned by vulnerability to a changing climate. However, awareness and preparedness to climate change differ across the Baltic Sea region.<sup>87</sup>

The EU has supported the overall objective for reducing global greenhouse gas emissions by 50% up to 2050 in order to meet 2C target.<sup>88</sup> Agreement on cutting the EU greenhouse gas emissions to 20% below 1990 levels by 2020 is one of the targets of the Europe 2020 Strategy, which is about delivering smart, sustainable and inclusive growth, implemented through the EU climate and energy package. Following the EC proposal on the EU Climate and Energy Policy framework till 2030, at the European Summit in October 2014, European leaders agreed that the EU should step up its efforts and domestically reduce its emissions by at least 40% compared to 1990 by 2030. The fight against climate change has increasingly been reflected also in other EU policy areas, such as energy, agriculture or transport; it has been agreed that at least 20% of the EU budget for 2014-2020, as much as €180 billion, will be spent for climate-related actions.<sup>89</sup> In order to achieve these ambitious EU goals, to advance the mainstreaming process in the region and to make the Baltic Sea region more resilient, macro-regional approaches to a low-emission development are needed. Many Baltic Sea region countries, municipalities and cities in this region have made cutting green-house gas emissions their main environmental priority. We need to intensify and integrate these efforts to develop joint cost-efficient and innovative solutions to transform the Baltic Sea region economy to be more resource efficient and resilient.

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<sup>86</sup> Report 'Evaluation of Low-Carbon Development policy implementation in the Baltic Sea Region 2014' (EUSBSR HA Sustainable Seed Money project BALLOON).

<sup>87</sup> EU Environment Council Conclusions, 18<sup>th</sup> June 2013.

<sup>88</sup> European Council Conclusions, 1st December 2009.

<sup>89</sup> [http://ec.europa.eu/clima/policies/budget/index\\_en.htm](http://ec.europa.eu/clima/policies/budget/index_en.htm).

While effective mitigation action is crucial, adaptation has to be the other aspect of comprehensive climate work, on all levels of governance. Both the EU Strategy on Adaptation to Climate Change and the Council's conclusions on this subject<sup>90</sup> emphasize the importance and value added of knowledge and good practice exchange between member states, regions, cities and other stakeholders.

However, adaptation and mitigation are complementary strategies for reducing and managing the risks of climate change. Effective adaptation and mitigation responses will depend on policies and measures across multiple scales, supporting technology development, diffusion and transfer, as well as finance for responses to climate change.

The horizontal action aims to:

1. facilitating integrative cross-sectorial policy discussions and alignment of policies in the Baltic Sea region countries, including mainstreaming of climate change mitigation and adaptation into relevant sectoral policies;
2. promoting low emission and climate resilient development through targeted strategic investments and integrated planning;
3. promoting regional cooperation in creating and empowering the EU climate and energy policy development and implementation by ensuring secure energy supply and efficiently using potential of renewable energy sources and promoting energy efficiency;
4. promoting sustainable production and consumption-oriented measures and economy measures such as resource efficiency and sustainable lifestyles in order to lower the region's carbon footprint;
5. increasing coordination and synergy among initiatives and projects dealing with climate adaptation and mitigation in the Baltic Sea region by consolidating findings and disseminating good examples, methods and experiences in the field as well as clustering already existing activities and projects and promoting science-policy-business dialogues.

## **Actions**

### **1. Low-emission development**

Human activity contributes to climate change, and the consequences are serious. Curbing global warming requires a drastic reduction in emissions. The next few years will be critical for enacting international climate mitigation agreements as well as regional and national strategies. Many Baltic Sea region countries have made cutting greenhouse gas emissions their main environmental priority. However, further actions on emission reduction need to be taken not only to address climate change but

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<sup>90</sup> [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/envir/137508.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/envir/137508.pdf).

also to facilitate low-emission development, social security and environmental sustainability. Therefore it is necessary that Baltic Sea region countries establish the enabling conditions under which individuals, businesses and organizations can benefit from the opportunities offered by new low-emission markets, technologies, products and services. A mix of policies will be required to achieve this.<sup>91</sup>

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. However, great disparities remain with respect to both socio-economic developments and the implementation of sustainable practices. Some national/ local plans are more focused on short term sets of solutions (2020/30), others focus on the long term (2030/50) resulting in different approaches and instruments. Therefore, enhanced coordination by national and local governments and by different stakeholders as well as sharing of expertise and best practice between national, regional and international stakeholders is needed.

In order to support the Baltic Sea region transformation into a low carbon economy, the Action is focusing on the following activities and initiatives:<sup>92</sup>

- 1.1. establishing a strategic dialogue between governments for supporting the development and implementation of national low carbon development policies in order to:
  - 1.1.1. support harmonization of rules and plans between Baltic Sea region planning authorities to ensure progress of the Baltic Sea region towards long-term (2050) low carbon development (LCD);
  - 1.1.2. promote climate-resilient and resource efficient solutions through exchanging best available data, approaches and measures in LCD;
  - 1.1.3. accelerate the transition to a circular economy by facilitating policy-science-business dialogues and dissemination of knowledge and deployment of best available technologies on green and low carbon technologies and social innovations, especially in urban areas (incl. solutions for integrated renewable energy, energy efficiency in buildings and improved waste management);
  - 1.1.4. stimulate green public procurement to facilitate demand for environmentally friendly goods, services and investments;

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<sup>91</sup> Report 'Evaluation of Low-Carbon Development policy implementation in the Baltic Sea Region 2014' (EUSBSR HA Sustainable Seed Money project BALLOON).

<sup>92</sup> The proposed activities are based on the proposals and recommendations made in the Report 'Evaluation of Low-Carbon Development policy implementation in the Baltic Sea Region 2014' (EUSBSR HA Sustainable Seed Money project BALLOON).

1.2. support the LCD research cooperation in order to provide planning authorities with comprehensive information on long term alternatives; development of e-based harmonization and improvement tools and databases for research and policy development needs including project financing.

1.3. Raise the public awareness on climate change and low-emission lifestyles.

As many low emission climate measures are also beneficial for other policy areas, notably air quality, attention will be paid to coherence and possible synergy effects e.g. with Air Quality Plans under Directive 2008/50/EC in case of exceedance of EU limit values and with National Air Pollution Control Programmes to ensure compliance with National Emission Ceilings.

## **2. Climate change adaptation**

Adaptation can reduce the risks of climate change impacts and contribute to the well-being of populations, the security of assets, and the maintenance of ecosystem goods, functions and services now and in the future. A first step towards adaptation to future climate change is reducing vulnerability. Integration of adaptation into sectoral policy planning, design and decision making, including establishing synergies with preparedness and disaster risk reduction, is of high importance. Building adaptive capacity that essentially comprises a sound knowledge base and effective exchange of information among the various levels of governance, science and policy is crucial for effective selection and implementation of adaptation options. Adaptation planning and implementation can be enhanced through complementary actions across levels. Ensuring synergies with EU-wide initiatives, macro-regional cooperation should focus on issues of cross border interest in the region. In addition, it is important to consider cross-border issues in the development and implementation of the National Adaptation Strategies as well as in the national impact and vulnerability assessments. The development and implementation of the Baltic Sea region climate adaptation strategy and action plan<sup>93</sup> strengthens efforts to such cooperation, based on understanding and coping with specific climate impacts within the Baltic Sea region. In the future, the private sector has to play a more distinct role in adaptation efforts. This means adapting existing businesses to a changing climate and developing new businesses based on expected future adaptation needs. Macro-regional cooperation in this respect can facilitate innovation, increased competitiveness and market access.

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<sup>93</sup> A result of the EUSBSR flagship Baltadapt [www.baltadapt.eu](http://www.baltadapt.eu).

In order to support the Baltic Sea region capacity to adapt the climate change, the Action is focusing on the following activities and initiatives:

2.1 facilitating the Baltic Sea region climate change dialogue platform in order to:

2. 1.1 promote and support the implementation of the Baltic Sea region climate adaptation strategy and its action plan;

2.1.2 support development, implementation, monitoring, and evaluation of national climate adaptation strategies and action plans as well as sharing of ‘best practices’ in adaptation for specific sectors;

2.1.3 initiate and promote joint adaptation actions between all the relevant stakeholders across the region following the recommendations as outlined in the Baltic Sea region climate adaptation strategy and action plan.

2.2 develop a more robust evidence base on the impacts and consequences of climate change, including sharing of common knowledge and data by building a Baltic Sea region climate adaptation inventory including project financing.<sup>94</sup>

2.3 raise awareness on the need for action through capacity building with a special focus on adaptation on local and regional level.

2.4 initiate Baltic Sea region climate forums bringing together a multidisciplinary group of people to reflect on climate adaptation in a policy-science-business set-up.

### **Targets and indicators**

Objective	sub-objective(s)	Indicator	Baseline	Target/ deadline
Cooperation.	Support the work of the Baltic Sea region climate change dialogue platform & sharing of ‘best practices’ in adaptation for specific sectors;	No. of Climate policy forums/other events.	2	4
	Initiate and promote joint adaptation and mitigation actions between all the relevant stakeholders across the region.	No. of new flagships.	1	5
Climate adapted	Support development, implementation,	No. of the national CCA strategies or action plans	6	Existence in all Baltic Sea region

<sup>94</sup> The adaptation inventory will form a collection of data, (impact) scenarios and good solutions from the Baltic Sea region countries with relevance for adaptation action on macro-regional level. It informs the update of the Baltic Sea region section in the EU Climate-Adapt website, ensuring that information on this website it up to date and provides relevant data and knowledge on adaptation in a transnational context.

region.	monitoring, and evaluation of national climate adaptation strategies and action plans.	developed or up-dated.		countries by 2017.
	Raise awareness on the need for action through capacity building with a special focus on adaptation on local and regional level.	No of capacity trainings and awareness raising activities.	0	2
	Develop a robust evidence base on the impacts and consequences of climate change, including sharing of common data by further developing a Baltic Sea region climate adaptation inventory.	Maintaining the macro-regional knowledge base in the Baltic Sea region part of the EU Climate-Adapt platform.	1	Information regularly updated.
Low Emission region.	Facilitate discussions between the Baltic Sea region stakeholders for supporting the development and implementation of the national low emission policies and related strategies.	No. of national low emission strategies and/or action plans.	Tbc.	In place in all the Baltic Sea region countries by 2020.
	Accelerate the transition to a circular economy & promoting climate-resilient and resource efficient solutions and measures.	<p>No. of national circular economy strategies and joint actions.</p> <p>The GHG emissions for non-ETS sectors in the Baltic Sea region reduced compared to 2015.</p> <p>Energy efficiency as % of total energy consumption in the Baltic Sea region.</p> <p>The Baltic Sea region share of EU energy consumption produced from renewable resources.</p>	<p>Tbc.</p> <p>Change in emissions in the Baltic Sea region (%)</p> <p>Average for the Baltic Sea region in 2015 = xy %.</p> <p>1990 levels.</p>	<p>In place in all the Baltic Sea region countries by 2020</p> <p>20% below 1990 levels by 2020</p> <p>20% savings by 2020.</p> <p>20% RES in the energy consumption by 2020.</p>

	Support the LCD research cooperation & development of e-based tools and databases for research and policy development needs;	Number of tools/ methods/measures developed/tested within the Flagships	0	4
	Raise the public awareness on climate change and low-carbon emission lifestyles.	No of awareness raising activities	0	2



## **HA Neighbours – Creating added value to the Baltic Sea cooperation by working with neighbouring countries and regions**

*Coordinated by: City of Turku (Finland) and the Council of Baltic Sea States Secretariat*

Although EUSBSR is a strategy of the European Union (EU), it is clear that many of the issues can only be addressed in constructive cooperation with non-member neighbouring countries in the region. This applies to both common challenges and to the mobilisation of the development potential of the Baltic Sea region.

The Council Conclusions on the governance of macro-regional strategies (October 2014) *‘stressed that macro-regional strategies are of interest to all EU Member States and contribute – inter alia – to further promote economic, social and territorial cohesion as well as integration of the internal market, to the stability of certain areas, to foster cooperation between EU and non-EU countries, and to assist participating candidate and potential candidate countries on their path towards the EU, and recognised that the macro-regional strategies should maintain their focus on the development of EU countries and may contribute to European integration where the participation of non-EU countries constitutes an added value towards achieving the goals of the macro-regional strategies.’*<sup>95</sup>

However, the Strategy cannot dictate action to third parties. Instead, it indicates issues on which cooperation is desirable and proposes platforms to this discussion and cooperation. These include the Northern Dimension, a common policy of the EU, Russia, Norway and Iceland, international bodies such as the Council of Baltic Sea States (CBSS), the Baltic Marine Environment Protection Commission (HELCOM) and the Nordic Council of Ministers as well as the Baltic Sea Parliamentary Conference (BSPC). In addition, regional non-state organisations such as the Union of Baltic Cities (UBC), the Baltic Sea Region University Network (BSRUN), the Baltic Sea States Sub-regional Cooperation (BSSSC), the Baltic Sea NGO Network and others are providing useful platforms for dialogue and cooperation. In times of international tension, the role of people-to-people contacts can gain in importance.

Horizontal action ‘Neighbours’ was included in the EUSBSR Plan of Action in February 2013. It was based on two independent but parallel streams of activities: the extensive work of CBSS to promote regional cooperation between its Member States, and the ‘Turku process’, a joint initiative by the cities

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<sup>95</sup> Council Conclusions on the governance of macro-regional strategies of 21 October 2014.

by Turku/Regional Council of Southwest Finland, St. Petersburg and Hamburg (Secretariat by the Centrum Balticum Foundation) to promote practical cooperation between EU and Russian partners, building on the trust and experience accumulated during over six decades of twin city cooperation.

The main goal of horizontal action ‘Neighbours’ is to promote dialogue and cooperation between multilevel stakeholders in the EU and the North Western territories of the Russian Federation, Belarus, Norway and Iceland, in a mutually advantageous manner. It works especially to facilitate cooperation ‘across the borders’ in the policy areas where such cooperation is needed and improves the efficiency of the EUSBSR or addresses the interests of both, the EU and non-EU participants.

Accordingly, the horizontal action ‘Neighbours’ works in close cooperation with the relevant policy areas to identify potential partners for joint action in neighbouring countries. The same applies in reverse: by promoting knowledge about the EUSBSR and its potential for joint action in neighbouring countries, the horizontal action ‘Neighbours’ encourages interested stakeholders to get involved with EU partners. Thus, it brings added value to the EUSBSR by mobilizing new stakeholders into mutually advantageous cooperation.

Experiences from such events (for example, seminar in Oslo in May 2014 for Norwegian stakeholders, joint event with policy area ‘Education’ in October 2014 in St. Petersburg) have proved very useful, and similar initiatives are planned with other EUSBSR stakeholders. The horizontal action ‘Neighbours’ can also help to introduce good initiatives – such as the Baltic Sea Challenge working to ‘Save the Sea’ – to new countries (co-organising a promotional event in St. Petersburg).

The horizontal action ‘Neighbours’ promotes also dialogue and exchange of experiences with other neighbouring regions, thus enabling Baltic Sea region actors to find common solutions to mutual challenges and to seek synergies and links between various regions. For example, the Arctic region has strong links with the Baltic Sea region through its interaction with the Barents Euro-Arctic region. Likewise, dialogue and sharing of experiences with representatives of other EU macro-regional strategies can be beneficial for everyone. Such joint events are under planning.

With time, the list of current neighbouring countries – Belarus, Iceland, Norway and Russia – could in the future be expanded depending on the topic and related needs.

Additionally, the horizontal action ‘Neighbours’ implements selected projects contributing to the EUSBSR objectives led by the horizontal action coordinators, in cases where these can bring added value to the goals of the horizontal action ‘Neighbours’ and the EUSBSR. Examples of such initiatives are the CBSS Secretariat’s Baltic Sea Youth Dialogue and the ROMINT projects, and the seed-money supported projects by the ‘Turku process’.

The coordination of horizontal action ‘Neighbours’ is done in close contact and full transparency with relevant involved actors such as, for example, the Baltic Sea Region and the European Neighbourhood Instrument Cross-Border Cooperation programmes, the Nordic Council of Ministers, the Northern Dimension partnerships, the Swedish Institute and other relevant actors, which are funding many projects involving Baltic Sea region non-EU actors.

**The main objectives of the horizontal action:**

**1. Ensuring good horizontal action ‘Neighbours’ coordination and governance:**

- a. confirming representation of Member States and relevant stakeholders in the Coordination Group; close contact with Member States, European Commission/ European External Action Service (EEAS) etc.;
- b. ensuring broad participation in and proper functioning of the Coordination Group through active communication;
- c. defining targets and indicators;
- d. regular coordination (teleconferences, face-to-face meetings etc.) between both horizontal action coordinators.

**2. Encouraging partnerships between EUSBSR stakeholders and neighbouring countries:**

- a. joint events with policy areas to inform non-EU stakeholders about EUSBSR and possibilities of cooperation (1-2 similar events annually, upon agreement with coordinators of policy areas);
- b. the horizontal action ‘Neighbours’ will reach out to relevant policy areas and assist them in finding project partners especially in North-Western Russia but also in other non-EU countries.

**3. Promoting dialogue and cooperation along ‘neighbouring country tracks’:**

- a. continue dialogue and cooperation with Russian partners to enable practical and mutually beneficial cooperation in the framework of the overall guidelines of the EUSBSR;
- b. continue dialogue and cooperation with Belarus;
- c. country meetings with Norwegian stakeholders;
- d. consultations/country meetings with Icelandic authorities and partners about potential joint activities.

**4. Following developments and liaising with neighbouring regions and other macro-regions:**

- a. follow developments in Arctic and Barents regions, and seek possible synergies;
- b. follow developments and pursue exchange of experiences with other macro-regions and their strategies; joint events.

**5. Promoting knowledge about the EUSBSR and the possibilities it offers to coordinated action:**

- a. participation in major international Baltic Sea region events (EUSBSR Annual Fora, BSPC meetings, Baltic Development Forum Summit, UBC General Assembly, BSSSC Annual meeting, Baltic Sea NGO Forum etc. and in other relevant events;
- b. participation in Russian events dealing with Baltic Sea cooperation, links between the EUSBSR and Russian North West Strategy; relevant events of EU-Russia relations etc.;
- c. liaising with European institutions (Commission, European Parliament, Committee of the Regions, Committee for Economic and Social Affairs) to inform the about developments and engage these institutions and their members;
- d. liaising with Member States and their decision makers to make EUSBSR better known and actively supported.

**6. Improving communication about ‘cooperation across borders’:**

- a. updating the horizontal action ‘Neighbours’ promotional materials in key languages;
- b. improving visibility in the internet;
- c. enhancing media presence.

**7. Project facilitation and financing:** initiating a small number of new flagships of relevance to horizontal action ‘Neighbours’ and supporting existing ones/ensure good impact of project results.

**8. Fulfilling the tasks of the horizontal action coordinators (as defined in the Plan of Action)**

- a. monitoring development and implementation;
- b. proposing updates when necessary;
- c. facilitating policy discussion in the Baltic Sea region;
- d. conveying relevant results and recommendations of the horizontal action to the policy level, when relevant, etc.

**Targets and indicators**

The main target of the horizontal action ‘Neighbours’ is to broaden cooperation between EU and non-EU countries in the Baltic Sea region in fields where this is mutually advantageous. This is done especially by providing useful services for the EUSBSR stakeholders.

The success of this work can be measured by various indicators. These can include, among others:

- reports on implementation of the horizontal action ‘Neighbours’ ‘Objectives and activities’ and other agreed plans;

- activities and events organised by horizontal action ‘Neighbours’ and their attendance;
- response by relevant policy area coordinators;
- number of joint projects with neighbouring country stakeholders and their success;
- number and quality of stakeholders involved in cooperation;
- sectoral diversity (including MLG aspects) and geographical spread of cooperation, etc.

While evaluating the results of the horizontal action ‘Neighbours’ and, more general, development of cooperation with the neighbours, it is important to remember that this dimension of the EUSBSR is to a significant degree dependent on the overall development of international political climate.

## **Actions**

### **1. Continued dialogue and coordination with key partners of the EUSBSR on development of the horizontal action ‘Neighbours’**

Cooperation with neighbours shall be developed in constant dialogue with the Member States and other relevant Baltic Sea region states, policy areas coordinators, DG REGIO and the EEAS, other European Union institutions as well as interested multilevel stakeholders to identify common priorities and opportunities for mutually advantageous cooperation. Regular contacts with relevant funding instruments will be pursued.

### **2. Joint promotion of the added value of Baltic Sea region cooperation ‘across the borders’**

Participation in key Baltic Sea region events to promote practical achievements and potential of cooperation with neighbouring countries and their stakeholders. Active communication about the EUSBSR and the horizontal action ‘Neighbours’

### **3. Mobilising awareness and potential stakeholders in neighbouring countries**

In order to mobilize potential partners in neighbouring countries – Belarus, Iceland, Norway and Russia – the horizontal action ‘Neighbours’ representatives, when relevant together with policy areas coordinators – will participate in various national events. Also specific information/mobilization events shall be organised together with national partners, such as a successful mini-seminar in Oslo, May 2014.

### **4. Developing dialogue and exchange with other macro-regions/neighbouring regions and relevant organisations**

The EUSBSR is the first EU macro-region of its kind, but since its adoption, other strategies have been adopted and prepared. The Russian Federation has adopted its own Strategy for Social and Economic Development of the North-western Federal District for the period until 2020. Regional cooperation in the Barents and Arctic regions has strong links with the Baltic Sea region. For the future success of the EUSBSR it is important to build dialogue, exchange experiences and seek synergy between all these

regional strategies and initiatives. In addition there is a need to communicate, learn from and cooperate also with other regions in Europe having similar strategies and institutional set-ups, e.g. the Danube, Adriatic – Ionian and Alps regions.

**5. Developing and implementing practical cooperation processes and flagships beneficial for the development of EUSBSR/ horizontal action ‘Neighbours’ goals**

While the main direction of the horizontal action ‘Neighbours’ is horizontal and cross-cutting, towards supporting and facilitating policy areas/horizontal actions in their efforts to involve neighbours, the horizontal action ‘Neighbours’ and its coordinators shall develop and implement processes and flagships which are deemed beneficial for the achievement of overall goals of the horizontal action ‘Neighbours’ and the EUSBSR.

**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://helcom.fi/action-areas/maritime-spatial-planning>

<http://www.vasab.org/index.php/eu-bsr-strategy>

This horizontal action is of key importance in ensuring consistency of actions and in maintaining an integrated approach in Baltic Sea region. Comprehensive overview of the Region and knowledge of sensitive areas, populations, economic pressures and other factors, both at sea and on land, are prerequisites for feasible sustainable development.

Augmentation of activities in the Baltic Sea have led to increased 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>96</sup> Maritime Spatial Planning and Integrated Coastal Management (ICM) are an important tool and process for improved decision making. It helps various 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 establishment and implementation of MSP by applying the ecosystem approach is required by the EU MSP Directive. Other regulatory frameworks and policy initiatives in the Baltic Sea, addressing both MSP and ICM, can be further facilitated by 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 region countries within VASAB<sup>97</sup> and Baltic Marine Environment Protection Commission (HELCOM).

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. VASAB Tallinn Declaration sets out future tasks in MSP for the ministries responsible for spatial planning and development of the Baltic Sea region countries.

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<sup>96</sup> See e.g. WWF Baltic Ecoregion Programme, Future Trends in the Baltic Sea, WWF 2010.

<sup>97</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.

The joint HELCOM-VASAB Maritime Spatial Planning Working Group, which was established in 2010 and consisting of the nine coastal countries, Norway and the EU, is the regional platform for cooperation between Baltic Sea region countries to ensure coherent MSP processes in the cross-border context and pro-active implementation of the MSPD as far as EU countries are concerned. An EU assistance mechanism is launched and financing is made available to support the countries in the implementation of the Directive (e.g. Baltic SCOPE project) Regional Baltic MSP Roadmap 2013-2020, adopted by the 2013 HELCOM Ministerial Meeting and endorsed by the VASAB Ministerial Conference in 2014, includes the necessary steps to achieve a goal to draw up and apply maritime spatial plans throughout the Baltic Sea region which are coherent across borders and apply the ecosystem approach.

Land-based spatial planning has been carried out by all Baltic Sea region countries at national, regional and local level. VASAB has established a common platform, which allows partners to meet, network, exchange knowledge and experiences. VASAB 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>98</sup> (LTP) is the latest contribution to these efforts. The coordinators of policy areas should take the LTP into account when addressing 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 maritime spatial planning. It also calls to overcome territorial disparities and socio-economic divides between parts of the Baltic Sea region.

In order to implement LTP within the EUSBSR and achieve coherent development of the Baltic Sea region, horizontal action aims to:

1. contribute to better adaptation of strategies to different types of areas and propose specific approaches for a diverse urban pattern by ensuring pan-Baltic dialogue and input to the EU Urban Agenda process;
2. underline the need to apply place-based approaches to territorial development policies as well as effective use of functional area’s concept and territorial impact assessment tools by acting as a platform for sharing knowledge and best practices;
3. observe the territorial development processes in the Region by using and advancing territorial development monitoring solutions, *inter alia* developed within projects of the ESPON programme;

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<sup>98</sup> Adopted by the Ministers responsible for spatial planning and development of Baltic Sea region countries in October 2009 in Vilnius.



4. encourage transnational actions improving accessibility and connectivity of the Region using potential of TEN-T for regional development and observe regional effects of the European transport infrastructure development.

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.

### **Targets and indicators**

The overall goal of this horizontal action is to achieve territorial cohesion perspective in the Baltic Sea region by 2030. In 2030 the Region shall be well-integrated and coherent macro-region, overcome the socio-economic development divides between its individual parts and turned the global challenges into assets.

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’.

<b>Indicator</b>	<b>Baseline</b>	<b>Target/deadline</b>	<b>Data sources</b>
Drawing up maritime spatial plans, applying trans-boundary ecosystem-based approach.	None in 2011.	Pilot plans in 2013.  Drawing up and application throughout the Region in 2020/2021.	European Commission, DG MARE, national ministries, HELCOM-VASAB Maritime Spatial Planning Working Group, European Territorial Cooperation programmes’ reports where relevant: Plan Bothnia, BaltSeaPlan projects.

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 other 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).

## **ANNEX I: EUSBSR FLAGSHIPS**

Based on the decision of the national coordinators of the EUSBSR, all approved ongoing and completed flagships are included in a separate document, as an Annex to the Action Plan, and published on the EUSBSR and DG REGIO websites. As the Annex is a technical document, it is not subject to the rules for updating the Action Plan.