

Opinion of the Committee of the Regions on 'Revised EU strategy for the Baltic Sea region'

(2012/C 391/03)

THE COMMITTEE OF THE REGIONS

- emphasises that the EU Baltic Sea strategy offers a sound basis for testing to what extent a specific strategy for a wider geographical macro-region can actually strengthen EU competitiveness and underpin smart, sustainable and inclusive growth;
- welcomes efforts to bring the revised objectives of the EU Strategy for the Baltic Sea Region - to save the sea, connect the region and increase prosperity - more into line with those of the Europe 2020 Strategy;
- points out that in order to strengthen economic cohesion and competitiveness there must be stronger links between research, innovation and industry stakeholders. Regions and universities should co-operate across the whole Baltic Sea macro-region to make it a model of smart specialisation networks;
- considers that attention should continue to be paid to supporting the initiatives for sustainable development and to bringing forward more measures to increase employment and skills and strengthen prosperity and inclusion;
- emphasises that although the EU Strategy for Baltic Sea is an internal EU strategy, cooperation with non-EU countries and especially Russia is key to the strategy's success;
- stresses that the structures of the Northern Dimension should be used as much as possible in the context of closer cooperation between the EU and Russia in the Baltic Sea region;
- is concerned about municipalities and regions' lack of visibility in the strategy's implementation and suggests that both the strategy and the updated action plan should specifically state that the multilevel governance principle must be at the heart of their implementation;
- stresses that the political stakeholders must show clear commitment and assume a leading role if there is to be progress in implementing the strategy in all participating countries;
- points out that the contribution of national Structural Fund programmes to the implementation of the EU Strategy for the Baltic Sea Region must be clarified, taking account of the differences between regions within Member States and their development needs.

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I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. welcomes the Commission communication of 23 March 2012 and regards the measures it puts forward as a step in the right direction, towards improving the focus of the EU Strategy for the Baltic Sea Region, aligning policies and funding, clarifying the responsibilities of different actors and improving communication;

2. points out that the EU Strategy for the Baltic Sea Region seeks to improve policy coordination and cohesion between the regions in the area with a view to solving common problems affecting the Baltic Sea region and strengthening the region's prosperity on a sustainable basis. The strategy deals with issues which individual regions and Member States are unable to solve alone. A key factor is cooperation and coordinated action among the macro-region's Member States, regions and municipalities, the EU, pan-Baltic organisations, financing institutions and non-governmental bodies;

3. points out that the Committee of the Regions opinion on the *Role of local and regional authorities in achieving the objectives of the Europe 2020 Strategy* (CdR 72/2011 fin) highlights the potential of the Baltic Sea region to be a European pathfinder;

4. emphasises that, as the first integrated macro-regional strategy, the EU Baltic Sea strategy offers a sound basis for testing to what extent a specific strategy for a wider geographical macro-region can actually strengthen EU competitiveness and underpin smart, sustainable and inclusive growth. These experiences must play an active role in the debate on European cohesion policy in particular, with an eye to the next programming period;

5. draws attention to the position of the European Commission, which is that implementing macroregional strategies should not entail the creation of new rules, setting up of new bodies, or approval of new funding; believes, however, that there should also be "three yeses": jointly agreed application and monitoring of existing rules in the macro-region; creation – for which EU bodies should be responsible – of a platform, network or territorial cluster of regional and local authorities and Member States which also brings in stakeholders; agreed use of existing Union funding for developing and implementing macro-regional strategies;

Links between an approach based on a macro-regional strategy and the Europe 2020 objectives

6. welcomes efforts to bring the objectives of the EU Strategy for the Baltic Sea Region more into line with those of the Europe 2020 strategy. The three overall objectives for the strategy presented in the communication – to save the sea, connect the region and increase prosperity – tie in well with the Europe 2020 goals of smart, sustainable and inclusive growth. In addition, from the point of view of implementing the Europe 2020 strategy, it is essential to underline closer regional cooperation in innovation activity;

7. notes that translating the flagship initiatives of the Europe 2020 strategy into concrete activities is important for the implementation of the Baltic Sea strategy. Of the Europe 2020 flagship initiatives, special consideration should be given to the *Digital Agenda* and *Innovation Union* initiatives, with the updated action plan placing a stronger focus on promoting their objectives in the Baltic Sea region. The EU Strategy for the Baltic Sea Region and cooperation networks operating in that region provide an excellent basis for developing regional research and innovation strategies for smart specialisation;

8. encourages both Member States and players at local and regional level to reflect on how the updated objective of increasing prosperity in the EU Baltic Sea Region strategy is to be transformed cooperatively into concrete measures. In the future, the action plan will have to outline clearly measures designed to increase employment and skills and strengthen prosperity and inclusion. At present, the action plan is only loosely connected to the Europe 2020 strategy's flagship initiatives in these areas;

9. considers that the Europe 2020 strategy priority *Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion* should be borne in mind when implementing the Baltic Sea strategy, since there are still considerable differences in prosperity and economic performance between different parts of the Baltic Sea region. Attention should continue to be paid to promoting measures to improve the environment and supporting the flagship initiatives for sustainable development;

10. emphasises that it will be more important in future to consider synergies between different funding programmes with a view to achieving the Europe 2020 objectives. In relation to the upcoming Horizon 2020 programme for research and innovation, there should be close and integrated coordination with the cohesion policy instruments being deployed

by Member States in the Baltic Sea region, so as to highlight the regional perspective and encourage regions to increase their research and innovation activity;

11. wishes to point out that the EU Strategy for the Baltic Sea Region has provided the local and regional level with fresh opportunities to strengthen their regional competitiveness and innovation potential and to promote regional smart specialisation. Regions and universities should therefore cooperate across the whole Baltic Sea macro-region to make it a model for smart specialisation networks, with a focus on the core issues and activities of each region and achievement of excellence and critical mass through networking. Developing and strengthening the triple helix and quadruple helix innovation systems in cooperation with academia, the public sector, the private sector and citizens from the Baltic Sea region is crucial here;

12. proposes that the EU Member States in the Baltic Sea region encourage research centres to focus on areas of research that support smart specialisation in their own region, and to share their expertise as part of a cooperation network across the Baltic region. It would be important to encourage non-EU countries which border the Baltic Sea region to participate in this research cooperation as well, for example in environmental and energy questions affecting the common sea basin;

13. would like to point out that in order to strengthen economic cohesion and competitiveness there must be stronger links between research, innovation and industry stakeholders. Business and industry, as well as universities must have the chance to play a more active role in any work carried out on the strategy;

14. recommends stepping up innovation and cluster cooperation between EU and non-EU countries as well as promoting cooperation on marketing in the Baltic Sea region with a view to boosting non-EU investment and tourism. These measures, together with the strategy's strong environmental dimension, represent an effective step towards achieving the Europe 2020 objectives in the Baltic Sea region;

15. stresses that, in light of the above, countries in the Baltic Sea region should address those questions in their own National Reform Programmes (NRPs) and that local and regional authorities should be closely involved in this preparatory work;

16. notes that the primary objective of the EU Strategy for the Baltic Sea Region is to clean up and improve the state of Europe's most polluted sea, which also means ensuring harmonious social and economic development in both EU and non-EU neighbouring regions;

Importance of the strategy's external dimension and cooperation

17. emphasises that although this is an internal EU strategy, cooperation with non-EU countries and especially Russia is key to the strategy's success;

18. would like to highlight that in 2011 Russia approved at federal level its *Strategy for the social and economic development of Russia's North-West District to 2020*. The strategy for north-west Russia sets out objectives for the region's economy, infrastructure and logistics. It is hoped that this strategy will promote closer strategic cooperation between the EU Baltic Sea region and Russia, especially on the environment, the economy, transport, energy, tourism and civil protection;

19. stresses that the structures of the Northern Dimension should be used as much as possible in the context of closer cooperation between the EU and Russia in the Baltic Sea region. Northern Dimension policy views the entire northern region as single entity, with the aim of strengthening coordination between the different cooperation mechanisms in the Baltic Sea and Barents regions;

20. welcomes and supports the concrete steps taken by the local and regional level to develop practical cooperation, especially with the city of St. Petersburg and the Leningrad region. A good example of such a bottom-up approach is the so-called Turku Process, which is a joint initiative between the city of Turku, the region of South-West Finland and the cities of Hamburg and St. Petersburg;

Multilevel governance and the role of municipalities and regions in implementing the strategy

21. welcomes the fact that the Commission communication takes account of the views on strengthening flexible but purposeful implementation and governance of the strategy, as set out in the CoR opinion on the Baltic Sea strategy (CdR 255/2009 fin), when it specifies the roles and responsibilities of key stakeholders (national contact points, priority area coordinators, horizontal action leaders and flagship project leaders);

22. regards the Commission proposals to clarify the strategy's governance structure and make it more effective as a step in the right direction, but is concerned about municipalities and regions' lack of visibility in the strategy's implementation; therefore suggests that both the strategy and the updated action plan should specifically state that the multilevel governance principle must be at the heart of their implementation;

23. stresses that the success of macro-regional strategies across Europe depends largely on the commitment and contribution of local and regional stakeholders to meeting objectives. Getting the private sector involved is also crucial. Political stakeholders must show clear commitment and assume a leading role if there is to be progress in implementing the strategy in all participating countries;

24. points out that wider involvement of local and regional stakeholders in implementing the Baltic Sea strategy is still required. This must be taken into account not only when the strategy action plan is updated but also when the role of the various stakeholders is defined. At present, a large number of priority area coordinators, for example, are from sectoral ministries or other central government bodies. The national contact points in particular should be required to be in regular contact with local and regional authorities and organisations;

Funding; monitoring and evaluation system

25. notes that although the EU Strategy for the Baltic Sea Region was not approved until the current EU programming period was already under way, various Structural Fund programmes have enabled a large number of projects to be carried out that support the strategy. European territorial cooperation programmes implemented in the Baltic Sea region have been a key funding tool in driving forward measures at local and regional level in particular;

26. draws attention to the dearth of funding instruments suitable for transnational and multi-stakeholder projects. The fact that funding decisions for each partner are taken at different times becomes a problem when various financing sources are used, significantly slowing implementation. There is not necessarily any coordination between funding decisions and some partners remain without support, which can hamper a project launch;

27. considers it is important that the proposals for regulations published by the Commission in October 2011 oblige Member States to take account of a possible macro-regional strategy in drawing up and implementing new Structural Fund programmes, and stresses that the new transnational Baltic Sea Region Programme in particular must be in keeping with the priorities of the EU Strategy for the Baltic Sea Region. Programming for the next period should start at the very beginning of 2014 so as to avoid needless delays in ongoing project work;

28. points out that the contribution of national Structural Fund programmes to the implementation of the EU Strategy for the Baltic Sea Region must be clarified, taking account of the differences between regions within Member States and their development needs. Paying special attention to promoting regional smart specialisation in national programme activities offers tremendous opportunities for meeting the strategy's objectives. Likewise, the Partnership Contract between the Member State and the European Commission should also include reference to the EU Strategy for the Baltic Sea Region;

29. believes it is important to ensure seed funding, as proposed in the Commission communication, as a means of promoting project cooperation, since this would get both

local and regional stakeholders and representatives of organisations and civil society more involved in project activities;

30. stresses that in future it will be important to channel funding towards direct strategy implementation measures and to enable various forms of funding to be combined. In addition to public funding, the use of services offered by various financing institutions must be promoted, while emphasising the role of private funding. Techniques must be developed to allow more international cooperation measures to be included in projects funded under national Structural Fund programmes;

31. welcomes the indicators for monitoring the strategy's implementation proposed in the Commission communication, but stresses that the monitoring and evaluation system must be as simple as possible and based on indicators which can realistically illustrate the results achieved through strategy-based cooperation. The Committee of the Regions is prepared to participate in discussions on the creation and selection of indicators;

Promoting communication and involving stakeholders

32. emphasises that the implementation of macro-regional strategies requires transparent decision-making, comprehensive exchange of information and development of common practices at all levels. In particular, the flow of information must be improved both between the Member States of the Baltic Sea region and within those countries. This will promote a broader commitment to implementing the strategy's objectives;

33. stresses that increasing communication on the strategy will also generate a greater awareness of EU activities among the general public. The internet pages provided for the strategy and the public consultation on updating the strategy's action plan are a step in the right direction;

34. proposes that the Commission systematically gather and publish information on funding programmes so that financial advice can be offered centrally both at national and local level. The issue at present is that project stakeholders do not have adequate access to information. Knowledge on suitable funding tools should be disseminated more effectively so that stakeholders do not have problems selecting instruments matching their needs;

Conclusions

35. notes that the EU Strategy for the Baltic Sea Region has provided Member States, regions and municipalities with fresh opportunities to strengthen regional competitiveness and innovation as well as smart regional specialisation. The strategy has also got local and regional stakeholders more interested generally and more involved in Baltic Sea cooperation, and has strengthened and increased new forms of cooperation;

36. proposes that the Committee of the Regions continue to actively monitor implementation of the EU Strategy for the Baltic Sea Region on the basis of the updated action plan to be published in late 2012 and present its observations and conclusions in the wider debate on macro-regional strategies, particularly with a view to the EU's next programming period (2014-2020).

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*The President
of the Committee of the Regions*
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