

A EUROPEAN STRATEGY FOR THE BALTIC SEA REGION – FOOD FOR THOUGHT

On 16 November 2006 the European Parliament adopted an own-initiative report on a Baltic Sea strategy. The Parliament aspires, by means of this resolution, to increase the internal EU focus on the region and make the most of the opportunities offered by the dynamic economies of the Baltic Sea region while systematically developing the region into one of the most attractive and competitive areas in the world. The Parliament urges the Commission to come up with a proposal for an EU Baltic Sea Strategy. Similarly, at its ministerial meeting in Malmö on 13 June 2007 the Council of the Baltic Sea States declared that it would welcome the development of a strategy for the Baltic Sea region with a focus on clear priorities.

Sweden very much welcomes these initiatives and, with a view to its upcoming Presidency in 2009, would like to work closely with the European Commission in developing concrete proposals and ideas as to the possible scope and content of a European Strategy for the Baltic Sea Region. Some tentative principles and suggestions are outlined below for further discussion.

Promote deeper integration and competitiveness in the Baltic Sea region

First – as also stressed by the European Parliament – a strategy should clearly reflect the fact that today eight out of nine Baltic Sea littoral states are EU Members, which also implies a fundamental change of the situation as compared with the 1990s, when most of today's cooperation initiatives were taken. This means that there is both the need and the opportunity to address many of the main challenges to the region through EU policies and instruments open to EU and EEA members.

Many of the specific challenges to this EU region are related to the vast geographical size of the region in combination with its relatively sparse population, its post-war division, resulting in different levels of economic development, and the high ecological sensitivity of the Baltic Sea. Against this background the first, and overriding, aim of a strategy should be to strengthen the Union's actual integration in the Baltic Sea region, as well as between the EU and EEA members of the region on the one hand and the other parts of the EU on the other. It would be in line with this aim to reinforce the region's competitiveness and growth and thereby also its contribution to overall EU competitiveness and to the fulfilment of the Lisbon targets. One of the key objectives in this respect would be to contribute to common long-term planning in policy areas crucial to economic development, such as infrastructural and major environmental projects.

More specifically, this goal includes a harmonised approach to the full implementation among the region's Member States (and EEA members Norway and Iceland to the extent applicable) of key EU directives, linked to the functioning and development of the internal market. Drawing extensively on concrete instruments such as SOLVIT and making efforts among the Member States to improve interoperability of company law, social security, labour market and tax regulations are examples of how to attain this objective. Similarly, a strategy could also promote a stronger joint regional approach to R&D, innovation and SME network development.

Finally, in order to facilitate the region's deeper cohesion as well as its stronger interconnection with the other parts of the EU, key issues of mutual accessibility (infrastructure, transport, logistics, ICT) priorities need to be addressed. Plans and projects already agreed upon or being implemented, such as Highways of the Seas, the Fehmarn Belt bridge and the construction of regional energy links, have a strong potential for further development and will be to the reciprocal benefit of all EU Member States.

In these respects, models allowing for a more efficient utilisation of existing funds, i.e. EU financial resources and the region's own resources, could be worked out. Of particular relevance is the fact that the Nordic Investment Bank recently expressed a strong ambition to increase its contribution to the competitiveness and environment of the Baltic Sea region. The strategy should also serve as a vehicle to discuss and document the transboundary benefits of TEN projects, as well as projects connecting to the major transport corridors. In the absence of a strategic framework for the region, such projects suffer from unacceptably long delays

It should be stressed that strengthened integration and competitiveness is not only a matter of local importance. It would increase the contribution of the region to long-term economic growth and the competitiveness of the Union as a whole. Moreover, stronger growth and a more efficient utilisation of the various EU instruments should, in a longer perspective, reduce the need for EU support to the region. Continued integration between new and mature Member economies should inspire similar efforts in other regions of the EU.

Address the acute ecological challenges to the Baltic Sea

Second, the highly sensitive Baltic Sea is currently facing a number of extraordinary challenges. On the one hand, there is hardly a lack of regional institutions and instruments for environmental cooperation working hard won a number of different ecological problems. On the other hand, there are a number of acute and profound challenges to the survival of the Baltic Sea which pose profound threats to the marine environment on such a scale that they need to be addressed in a broader European context and should be seen as concerns for Europe as a whole.

The first of these is the concern that the Baltic Sea may have reached the point of no return and levelled off in a state of permanent eutrophication with disturbed ecosystems and a collapse in fisheries. At the same time there is a promising potential for increased efforts to find a solution, as eight out of nine littoral states today belong to the EU and considerable improvement can be achieved through a coordinated and targeted investment programme. Measures are needed to reach full compliance with EU environmental requirements in all EU Baltic Sea states in order to reduce nitrogen and phosphorus and to reduce the level of nutrients from agriculture that reach the sea. There is also a need to achieve the highest possible standards as regards the removal of phosphorus from waste water. A coordinated and sustainable approach to agriculture is essential, as the EU agricultural and structural funds play a significant role in the development of agriculture around the Baltic Sea as well as in the mitigation of associated environmental implications.

The implementation of the new Marine Strategy Directive as well as the Water Framework Directive should be done with a Baltic wide perspective. The Pilot Area

concept within the Marine Strategy Directive should be made operational for the Baltic Sea.

Another challenge is the rapid expansion of energy transit, in particular oil shipments, through the Baltic Sea, which in a few years will double to 150 million tons of crude oil annually. An accident involving a 100,000 ton tanker in the Baltic Sea would risk creating a far greater disaster in this shallow, closed sea than the 70,000 ton *Prestige* catastrophe in the Gulf of Biscaye in 2002 and could – if not handled decisively – lead to the collapse of the Baltic Sea for a period of 30 years.

European ability to deal with this acute threat must be seen not only as an environmental task but also as a means to strengthen Europe's security. A major tanker disaster in the Baltic Sea could potentially lead to severe tensions with the major transit source, the Russian Federation, for which oil shipments through this route plays a growing economic and strategic role. It is essential that preventive measures are taken so as to minimise the risk of a catastrophe of this kind.

Ensure compatibility with the external policy (Northern Dimension)

Third, even though a European Strategy for the Baltic Sea Region would have its main focus on strengthening the internal EU aspects among the region's EU and EEA members, as well as between them and the other parts of the Union, it would still need also to include a perspective on the further development of cooperation with the region's only non-member littoral state, the Russian Federation. This will concern areas such as the environment, maritime safety, border crossings and the fight against various cross-border problems such as communicable diseases, trafficking and organized crime.

To a large extent this external dimension is being successfully covered and developed by the EU's Northern Dimension and by related initiatives such as the Northern Dimension Environmental Partnership (NDEP) and the Northern Dimension Partnership in Public Health and Social Wellbeing (NDPHS). There are also regional non-EU cooperation organisations such as the Council for Baltic Sea States (CBSS) and the Helsinki Commission (HELCOM) which are actively working in these areas.

In Sweden's view, a European Baltic Sea Strategy has to ensure that intensified internal EU processes and projects in the region which, as suggested, should be a clear focus of this strategy, will be reasonably compatible with the development of the Northern Dimension which, in turn, could be regarded as the EU's external policy instrument for the Baltic Sea region.

Draw on the development of informal regional cooperation and reform of CBSS

It goes without saying that much of the responsibility for the development of the Baltic Sea region lies with the region's EU and EEA members themselves who have homework to do in order to remove incompatibilities and other bottlenecks in economic development and increased competitiveness, as well as to meet the environmental challenges, including a stronger implementation of the EU Lisbon Strategy and the EU Strategy for Sustainable Development. An EU strategy for the Baltic Sea region could serve in this regard as a trigger for the region's EU/EEA Members, to enhance their informal cooperation and coordination in order to play their part in the implementation efforts needed to make a success out of a new strategy. In this context, the Commission will of course play a crucial role in promoting

timely implementation of a European Baltic Sea strategy and in facilitating effective use of available EU instruments.

Regular contact with similar groups of countries, such as the Visegrad Group and the Benelux countries, on questions of common interest may further underline the important role of regional cooperation in strengthening the European Union.

Practical supportive instruments could hopefully also be drawn from the Council of Baltic Sea States in the wake of the reform of the CBSS that was initiated in Malmö in June and where concrete proposals will be presented in June 2008. It will be the objective of the CBSS Chairmen's troika (Sweden, Latvia, Denmark), tasked with the reform process, to promote a compatibility of the CBSS with an EU strategy for the Baltic Sea region in a way that ensures a high level of interoperability between a reformed CBSS and an EU Baltic Sea Strategy.