

Speech by José Palma Andres (replacing Commissioner D. Hübner)

How could an EU Strategy for the Baltic Sea Region contribute to the Cohesion policy?

Baltic Euroregion conference, Brussels, 11 June 2008

Dear President of the Baltic Euroregion,

Dear State Secretary,

Dear Members of the European Parliament,

Dear Member of the Committee of the Regions,

Ladies and Gentlemen,

It is a great pleasure for me to speak at this conference organised by the Euroregion Baltic. Indeed, the Euroregion Baltic is a good example of an active cooperation between regions of several Member States, and even including regions from third countries, on issues of common interest.

I am sorry about having to tell you that due to a last minute obligation Commissioner Danuta Hübner cannot attend this morning as she had planned. She regrets this very much and sends you her best wishes and support.

- **Main contributions of Baltic Sea Strategy to EU Cohesion Policy**

Since the work on the EU Baltic Sea Region Strategy has now started, it is the right time to explain how it could contribute to EU Cohesion Policy.

Very briefly, Cohesion Policy is about bringing European regions to a comparable level of development. This is important in terms of building the European Union. The most important objective of the Cohesion Policy

is convergence – bringing all regions to comparable levels of development. Alongside convergence is competitiveness, underlining innovation and responding to global challenge. But there is also the objective of cooperation, which can provide platforms for developing ideas and action plans for larger geographical zones or "macro-regions" that can be implemented with the help of both convergence and competitiveness programmes.

The demand for a Baltic Sea Region Strategy has arisen from a need for more and better coordination between the Commission, MS, regions, local authorities and other actors in order to achieve an efficient coordination of policy instruments and programmes and a better alignment of investments. The result should be a competitive macro-region on a par with the larger MS of the EU, able to compete in a more globalised world. In short, good cooperation, be it between neighbours or between MS or regions in a larger area, is a prerequisite for success.

In other words, the work on the strategy has clearly showed that there is a need for **more efficient coordination**, in particular of Structural Fund intervention, and has helped to bring this higher up on the agenda.

Another important contribution of the Baltic Sea Strategy, is that it has demonstrated that **Cohesion Policy needs a "macro-region" perspective**, i.e. a vital new level of cooperation between EU-27 and the national or sub-national level.

Finally I would also like to mention that the EU Strategy for the Baltic Sea Region has also **raised the profile of Territorial Cooperation** and drawn attention to the strategic role it could have in a regional development context. It should be borne in mind that even if only 2.5% of resources

from the Structural Funds are channelled through the cooperation programmes, their catalyst and multiplier effects could be significant.

- **Territorial cooperation in the Baltic Sea Region**

Why is this cooperation now such a pressing need for the Baltic Sea Region? In terms of challenges, as you know, there are many. The region is experiencing considerable deterioration of its environment. Excessive levels of nitrates and other pollutants cause the water to turn from clear to "pea soup" like because of algae blooms, especially at this time of year. Risk Prevention is also crucial. An oil tanker disaster like the "Prestige" would take 30 years to clear up, with immense environmental consequences.

Nor are environment and Risk Prevention the only areas where there are problems. Transport and Communication issues are also important. In terms of freight, flows are growing rapidly, as trade both within the region, and to Russia, Central Asia and even the Far East is increasingly channelled through the Baltic gateway. Much of this is natural resources vital to the rest of the EU – e.g. oil. In addition, 90% of iron ore mined in the EU comes from the north of the Baltic region. The Baltic Sea region geography also leads to particular bottlenecks – roads in Latvia for truck traffic to Russia, or narrow channels between Sweden and Denmark for Baltic shipping, with all the related congestion, safety and environmental issues.

However, the Baltic Sea region also has considerable untapped potential. Post-2004, the perspective has changed from the security and external affairs concerns of the pre-enlargement time. There are now the post-enlargement opportunities of bigger markets, better research and development linkages, better and more efficient provision of services, and

a great opening up of wonderful touristic areas. People speak of the re-emergence of the old Hansa region.

It is in addressing these challenges – both threats and opportunities – that the Cohesion Policy, and especially the Territorial cooperation objective, has much to offer. It does not bring extra resources, but it offers the chance to align much better existing policies and actions. It is clear that most of these challenges cannot be addressed by any region or country individually – they require cooperation. The territorial cooperation objective analyses and programmes actions at cross-border and at macro-region level, which is what the Region needs. In addition, it brings the possibility to align better convergence and competitiveness investments, which often have considerable resources available.

THE EU STRATEGY FOR BALTIC SEA REGION

However, this larger scale alignment of policy and strategy needs a larger framework. There exists a cooperation programme "Baltic Sea Region" with a total of almost €300m available 2007-13, which serves as a good base. Indeed, this programme has already facilitated, during the 2000-2006 period, solid work in this respect – for example, the Baltic Coast project on "Integrated Coastal Zone Development in the Baltic Sea" has done much to promote economic development, urban expansion and nature protection simultaneously. It used inter alia satellite data to identify suitable areas for wind farms in Denmark, Sweden, Finland and Germany and developing a tourist port on island Rügen.

But a fuller design is needed. A comprehensive strategy needs to bring together alignment of investment policies and programmes operating in the Baltic Sea Region. E.g. the OP for Pomorskie has a total budget of €1.3bn, while the OP "Infrastructure and Environment" for Poland has a

total budget of €37.5bn. All instruments or programmes must be asked how they help the Baltic Sea region (and it is not just EU funding, but national and local funding, that could be coordinated). We also need to incorporate internal market implementation, external affairs aspects, safety and security concerns etc. It is this that will make up the EU Strategy for the Baltic Sea Region.

To build this, the Commission intends to involve all the stakeholders concerned, namely the Member States, as well as the regional authorities and inter-governmental bodies. This will be done through a series of stakeholder conferences and roundtables to be organised in the coming months. Neighbouring third countries (Russia, Norway) will be involved via the Northern Dimension. It all starts in Stockholm on September 30 and will finish in Rostock in early February 2009. In September we will open a website, with space to comment, and towards the end of the year we will also launch a public consultation.

Following the initial work done, it emerges that expectations are high from stakeholders. There is a clear will to move from political statements to concrete action on the ground. It is important to secure wide commitment and ownership of the strategy of all stakeholders in the Baltic Sea Region, which is an important condition for a successful practical implementation of the action plan which will be part of the strategy.

Four objectives have been identified around which the strategy will be structured:

- the first one is the urgency “to make the Baltic Sea region environmentally clean”;

- the second one, “to make the Baltic Sea region a prosperous place”, intends to reinforce the economic strength of the region and to ensure that all regions benefit in the same way;
- in support of this, the third objective is “to make the Baltic Sea Region an accessible and attractive place”;
- the fourth objective is “to make the Baltic Sea region a safe and secure place”.

So the EU Strategy will cover the environment, the single market, energy, innovation, education, transport, civil security, etc, but in a non-compartmentalised and action-oriented way. This will be complemented with a section on governance issues highlighting the importance of partnership. We will also benefit from the work done on the EU Integrated Maritime Policy.

We intend to put the accent on action, to remain as simple and straightforward as possible in what we propose, and to establish coherence between all work. The Strategy should not be static, but a "rolling action plan", and shall profit from regular review.

Conclusion

If the process of designing and implementing the EU Baltic Sea Region Strategy proves to be successful, in other words if it is able to bring concrete benefits, then we hope to be able to develop similar approaches elsewhere. In my mind, this is how the EU Strategy for the Baltic Sea Region can have a big effect on how EU Cohesion Policy develops in future.

For regions which are well advanced in terms of cooperation, transnational or macro-region strategies should be the way forward. In this process, the Commission can contribute by acting as a catalyst (to initiate action) and a facilitator (to ensure that actions are delivered). We can also bring all aspects of policy together, in a real "Action Plan" for a macro-region.

Thank you very much for your attention!