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## **EU strategy for the Baltic Sea region – position of the Swedish Association of Local Authorities and Regions**

### **Summary**

**The Swedish Association of Local Authorities and Regions (SALAR) is of the view that the strategy should**

- be drafted and implemented in close co-operation with the regional and local level,
- focus on sustainable growth and competitiveness in accordance with the Lisbon Strategy.

**Environmental issues** are of particular importance in the strategy, which should

- be based on locally supported analyses of prevailing conditions
- focus on the efficient implementation of the initiatives decided within the framework of the HELCOM Baltic Sea Action Plan
- focus on initiatives which have the greatest impact in the Baltic Sea seen from an overall perspective
- be based on a focused learning process based on good examples.

The strategy should also ensure that **local and regional development** are characterised by the insight that overall levels of sustainable growth are determined by the sustainable growth created locally and regionally and

- include initiatives to cope with a continued strong pressure to change
- complete the internal market
- reflect the fact that functional regions do not always follow national borders
- be based on a proper infrastructure for the entire Baltic Sea region
- be based on well developed networks that enable the exchange of experience and knowledge.

**Strategic partnerships** operating vertically between the local, regional, national and European levels are important but so are horizontal partnerships between

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different sectors of society, e.g. between the business sector, schools, universities, civil society and political institutions.

**An infrastructure** that supports the dynamic regional economy and at the same time is environmentally sustainable, which means that the strategy should

- be based on the assumption that maritime transports will be the most important mode of transport
- be based on an integrated infrastructure in the field of IT.

**Safety and security** based on a concerted approach to the handling of preventive measures and the capacity to identify and cope with incidents and catastrophes.

### **Points of view**

The EU Commission has been assigned the following task of drafting a proposal for an EU strategy for the Baltic Sea region. The proposal will be presented during the Swedish EU Presidency in 2009. The task was expressed as follows by the Summit held in December 2007:

*“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.”*

### **The Association would like to express the following points of view**

The Swedish Association of Local Authorities and Regions welcomes the idea of a European strategy specifically for the Baltic Sea region and that it will be treated as a priority during the Swedish EU Presidency in 2009.

An EU strategy for the Baltic Sea should be based on principles of sustainable growth and competitiveness.

The drafting of an EU strategy for the Baltic Sea region provides an appropriate opportunity to enhance the Northern Dimension, particularly in financial terms.

One of the recurring themes for the entire strategy should be systematic learning through an exchange of experience and good examples. A number of projects are being implemented within the framework of the territorial programmes dealing with the practical implementation of EU policy. These projects serve as good examples in the learning process.

SALAR would like to focus its comments on five areas:

1. Environment
2. Regional sustainable development and growth

3. Strategic partnerships
4. Infrastructure
5. Common safety and security

SALAR would like to underline that all activities related to this strategy as well as the efforts to launch it during the Swedish EU Presidency in 2009 should proceed as part of a close dialogue at local and regional level in the Baltic Sea region. In Sweden, few people would currently dispute the fact that implementation in the field and support among citizens presupposes strong local and regional commitment. This is also the case with a Baltic Sea strategy. SALAR would therefore like to propose that representatives of the local and regional level in the Baltic Sea region are invited to participate in formulating the strategy. Further, the view of the Association is that if the strategy is to be launched at a particular event during the Swedish EU Presidency, then this should be together with local and regional representatives. The successful conference in Ronneby during the Swedish EU presidency in 2001 could serve as a model.

#### **Environment**

The environmental situation in the Baltic Sea is critical. In November 2007, the HELCOM Baltic Sea Action Plan was adopted and this contains some ambitious and necessary targets. An EU strategy for the Baltic Sea region should be based on this plan. Its efficient implementation should be a key element of a Baltic Sea strategy. In particular, more forceful measures than those taken to date will be required in order to save fish stocks.

Different parts of the Baltic Sea have different problems. For this reason, any strategy should be based on locally supported analyses of local conditions, not on an average assessment that bears no resemblance to reality anywhere in the Baltic Sea. Moreover, solutions are often local and are best implemented at local level.

The strategy should focus on initiatives which have the greatest impact seen from an overall perspective. These initiatives should not focus on solving the remaining percentage of environmental problems in a specific part of the Baltic Sea but rather look to address the larger problems.

There are many good examples of how municipalities, county councils and regions have solved environmental problems and contributed to sustainable development. These good examples should play a key part in a focused learning process based on good examples to spread knowledge and experience. We have a rich tradition of local and regional co-operation in which the exchange of experience and knowledge transfer have been key elements.

One consequence of the growing economic activity around the Baltic Sea is an increase in transports. One of the central challenges will be to resist relaxing the demands for both efficient and environmentally sustainable transport systems. The

only mode of transport which in a credible manner can cope with an increase in economic co-operation in the Baltic Sea region is maritime transportation. Ferry traffic between Sweden and Finland has shown that it is possible but also that certain demands are involved, not least from an environmental angle.

This presupposes a co-ordinated – and ideally joint – research effort, common standards and requirements and common methods for monitoring and following up.

Energy issues are important in an EU strategy for the Baltic Sea region. The municipalities, county councils and regions around the Baltic Sea have an important part to play, particularly with regard to more efficient use of energy and preparations for future environmental pressures and environmental incidents.

The development of environmentally sustainable tourism around the Baltic Sea should be a strategic goal. Attract tourists is an important part of regional development, but it is also important to encourage citizens in the countries around the Baltic Sea to remain in the Baltic Sea region rather than travelling all over the world. However, tourism also has an environmental impact which needs to be addressed. When discussing a brand for the countries around the Baltic Sea, key aspects are a clean environment and nature. This brand must be preserved.

#### **Regional and local sustainable development**

The Association is of the view that one of the goals of a Baltic Sea strategy should be to maintain the current strong rate of economic growth and ensure that it continues to be characterised by sustainability and by the fact that productivity grows at a rate apace with production to avoid overheating and harmful imbalances.

One consequence will be a strong pressure to change and the strategy should therefore recognise regional competitiveness and the ability to cope with change as important issues. Urbanisation and regional and national specialisation will in some regions and lines of business result in a loss of jobs, whereas in others, the effects will be more positive.

Economic growth will also benefit from the internal market's mechanisms for freedom of movement for people, capital, goods and services. The countries around the Baltic Sea can lead the way in promoting an efficient implementation and in creating positive conditions for regional enterprise and entrepreneurship (direct investment, services, comparative advantages, R&D, innovations).

For a couple of years, Sweden has had a national strategy for regional competitiveness, entrepreneurship and employment in which the regional and local dimension of sustainable growth is clearly expressed and recognised. The strategy states that "Sweden's total national growth depends on growth created locally and regionally."

The same principle should be applied in an EU strategy for the Baltic Sea region. The point of departure should be a regional and local application of the European strategy for growth and jobs, in other words, the Lisbon Strategy and the Gothenburg Agenda. The priorities should be the same as those set forth here but should be adapted to the Baltic Sea region's particular circumstances. The environmental conditions have been mentioned above.

The historical and security policy developments of the post-war era continue to leave their mark on the economic situation in the Baltic Sea region. For half a century, a geopolitical boundary prevented integration, exchanges and trade. The economic relations between Sweden and Finland show that the Baltic Sea need not be an insurmountable obstacle for economic integration, although it does require an appropriate infrastructure. Further, the gap between the new and old Member States remains considerable in terms of wealth and prosperity and can be expected to remain so for many years to come. Cohesion and solidarity have a very specific meaning in the Baltic Sea region.

It could be described as two sides of the same coin. The one side bears the challenges and tensions resulting from the differences in levels of welfare, while the other side reflects the strong economic dynamism in the form of structural funds, the integration of the new Member States' economies in the EU and the fact that these are reducing the welfare gap by a process of catching up.

For many years to come, this will create a strong economic dynamism in the Baltic Sea region. A European strategy should make the most of this.

SALAR is of the view that this will have the following implications for regional and local development:

A Baltic Sea strategy should take into consideration that functional regions can cross national borders. The Öresund region and Haparanda-Tornio are good examples of this. The institutional framework should be developed in line with co-operation and provide support.

A proper infrastructure needs to be developed that supports sustainable economic growth and integration in the Baltic Sea region.

The development of networks and exchange of experiences and knowledge based on a regional overall view of resources. This is particularly relevant for research and higher education. The experiences of municipal and regional networks can be a source of inspiration.

There must be a constant awareness of neighbouring areas. One cannot simply disregard Russia, Belarus and the Ukraine.

### **Strategic partnerships**

SALAR is of the view that a European Baltic Sea strategy should be based on the principle that the European, national, regional and local levels co-operate with the drafting and implementation of the strategy. The greatest scope for achieving results can be found by linking strategic considerations with determined implementation at regional and local level.

The importance of taking a long-term approach to developing networks at all levels should also be taken into consideration. Co-operation should extend to the business sector, civil society, schools and universities. The view of the Association is that this will require active support of cross-border co-operation between municipalities, county councils and regions in the Baltic Sea region as well as the appropriate institutional conditions for co-operation. One example of such an institution can be found in the directive adopted recently on EGTCs.

Municipalities, county councils and regions played an important role in the Baltic Sea region after the liberation of states in Eastern Europe and Central Eastern Europe around 1990. Their efforts not only involved developing democratic institutions and broader contacts as support for local and regional politicians, but extended to applying “practical democracy”, in other words co-operation on certain municipal core issues.

In the case of Sweden, co-operation was often based on long-term commitments involving extensive twinning initiatives and partnerships. Following the EU’s enlargement in 2004, this co-operation has been overshadowed by co-operation involving community policy. However, experience has shown that the earlier form of co-operation provided a valuable pathway to citizens’ everyday concerns and encouraged their participation in the practical everyday aspects of co-operation. It also provided a sound platform for including civil society in co-operation.

### **Infrastructure**

The Baltic Sea is presently more or less an EU coastline, being surrounded by countries which, with one exception, are EU Member States. This means that the conditions for efficient and sustainable transport systems in the region have changed from both an east-west perspective and a north-south perspective.

These transports should largely be based on maritime transportation; the challenge will be to identify ways of developing an infrastructure for transports which in a sustainable manner support economic growth and security in the region.

Reliable ferry connections are not merely an issue of bilateral relevance; they can also serve as a stepping stone to markets further afield, e.g. Russia on the other side of Finland and the Ukraine on the other side of Poland.

The development of transport systems makes a number of demands which are particularly appropriate for addressing within the context of a Baltic Sea strategy.

Some of these are included in the section that covers the position environmental issues might have in a Baltic Sea strategy, e.g. the harbour's capacity for handling waste and washing tanks, the possibility of monitoring and tracking pollutants. It is also important to ensure that the infrastructure around the harbours and for transporting passengers and freight to and from the harbours is fit for purpose and has sufficient capacity. For historical reasons, railway tracks in the countries around the Baltic Sea are of a different width. While rebuilding these networks is not a viable option, multimodal terminals should be built to allow the efficient loading and unloading of containers between different transport systems.

However, an increase in maritime transportation also has an impact on the environment of the Baltic Sea region and the strategy should therefore contain more stringent requirements regarding emissions, not just for new vessels. Sulphur dioxide and nitrous oxide emissions represent a considerable and growing environmental problem. In order to reduce the negative impact that maritime transportation has on the environment, the ecosystem of the Baltic Sea and the ozone layer, tighter limits are required.

Alongside the more traditional infrastructure projects, it will be particularly important to develop a reliable and integrated infrastructure for IT. The significance of IT for future growth and competitiveness is an accepted truth and applies to both the hard infrastructure and the soft infrastructure. The former of these categories includes broadband deployment. In this area, Sweden has made a great deal of progress, but broadband deployment should be made into a joint Baltic Sea project. Even if the work itself is carried out by private contractors, it is important that the planning and supervision are co-ordinated. A regionally based system of supervision should be established to ensure transparency and co-ordination. Supplier neutrality is important for ensuring that broadband deployment is not tied to specific suppliers, thereby leading to local or regional monopolies. The soft infrastructure consists of common standards, e.g. to enable electronic identification throughout the Baltic Sea region. This is essential for e-commerce and related services and for being able to move on from a situation which in many respects is reminiscent of the situation related to customs duties some years ago.

#### **Common safety and security**

A Baltic Sea strategy should focus on addressing the increased risks of environmental incidents, accidents and catastrophes that are a result of a growing economy and increased trade over the Baltic Sea, climate change and many years of insufficient environmental initiatives. The strategy should focus on a concerted approach for handling these threats, in terms of both preventive measures and the capacity to identify and cope with catastrophes should they occur.

The Swedish Association of Local Authorities and Regions