

The EU Strategy for the Baltic Sea Region

A Latvian vision

Considering the new realities around the Baltic Sea, globalisation provides broad opportunities for the region with its potential for economic growth, innovative capacity and preconditions for sustainable development. However, currently the Baltic Sea Region is facing serious challenges - the Baltic Sea is one of the most polluted and vulnerable seas in the world, with visible economic and social disparities, energy dependence, insufficiently developed energy and transport infrastructure and lack of energy interconnections. It is the region, where closely neighbours highly developed research and innovative centres with areas of untapped research and innovative capacities and unveiled potential of creative industries, The gap of GDP per capita between different countries around the Baltic Sea is substantial.

Latvia welcomes the European Council's decision of December 14, 2007 inviting the European Commission to present the Strategy for the Baltic Sea Region. To address the challenges a common EU approach and co-ordinated efforts of all actors - states, regional organisations, financial institutions, business community and non-governmental organisations are needed.

The first EU internal regional Strategy should ensure a proactive approach in shaping the future of the Baltic Sea Region and focus on priorities where supranational and regional actions within a common EU framework would provide an added-value. It should serve as a valuable and efficient tool for the implementation of EU policies in order to ensure more coordinated functioning of regional mechanisms and make better use of the existing EU financial resources.

Objectives of the Strategy

The Baltic Sea Strategy should be aimed at enhancing competitiveness and sustainability of the Baltic Sea Region. Through competitive and sustainable Baltic Sea Region competitiveness of the whole European Union will be enhanced. Within the Strategy a link with the objectives of the Lisbon Agenda should be ensured.

In order to ensure competitiveness and sustainability of the region the Strategy should address the following issues:

- Raise awareness of potential and perspectives of the Baltic Sea Region on a global scale;
- Set out guidelines and priorities of action for development of the Baltic Sea Region;
- Tackle the alarming ecological state of the Baltic Sea;
- Boost competitiveness through means of knowledge-based economy;
- Advance spatial integration within the region;
- Ensure social and economic cohesion of the Baltic Sea Region;
- Improve quality of life in the region;
- Ensure coherent co-operation of all actors involved in the Baltic Sea Region by streamlining the efforts of the regional cooperation instruments (councils, networks, sub-regional organizations, NGOs, forums etc) through the defined priorities of common action;
- Ensure more efficient use of the available EU financial resources and help to attract additional resources from public and private stakeholders involved in the region for agreed priorities of action.

Priorities of action

The Strategy should provide adequate means in dealing with strategic regional issues related to environmental needs of the Baltic Sea, energy security, modernisation of energy and transport infrastructure and ensuring their interconnectivity with the European networks,

development of human resources through education, research and culture, as well as concerns on civil security.

Energy Development of the common EU energy policy and support for regional energy projects are vital for the Baltic Sea Region. Increased energy safety and sustainable economic growth are key factors in this regard.

Actions:

- Development of an integrated, well functioning and competitive energy market in the Baltic Sea Region (building up energy interconnections with the European energy networks and upgrading power generation infrastructure);
- Advancing production of renewable and clean energy through applying the best "know-how" and new technologies;
- Increasing energy efficiency in housing and production.

Competitiveness It is essential to foster growth and competitiveness of the Baltic Sea Region through eliminating economic and social disparities that hinders achieving the full potential of the EU's internal market. Support to small and medium size enterprises and innovation activities should be in focus. Modernised and accessible transport infrastructure bridging gaps of connections between the Baltic States and the European transport network will serve as important factor in facilitating free movement of goods, assuring parity of access to services and development of sustainable modes of transportation.

Actions:

Improving business environment in the Baltic Sea Region - efficient implementation of EU internal market legislation, minimizing obstacles for innovative entrepreneurship;

Encouraging the innovative capacity in the region as well as supporting transfer of innovation through pan-Baltic activities;

Promoting pan-Baltic regional clusters;

Developing start-up capital to unlock potential of the backbone of the European economy - small and medium size entrepreneurship;

Strengthening the competitiveness of industry and services in the region;

Upgrading the cross-border infrastructure and border-crossing capacity on the EU external border;

Developing the integrated spatial planning of sea and coastal areas;

Creating better connection between the east coast of the Baltic Sea with the European transport networks. Upgrading regional transport infrastructure (e.g. railroad project *Rail Baltica*, highway project *Via Baltica*), including links with the EU neighbouring countries and regions;

Facilitating the co-operation of region's metropolises as economic driving forces, in order to create an innovative space for effective and environmentally friendly development of transport networks and chains of logistics;

Ensuring better functioning of the labour market.

Education, research and culture Education, research and culture are essential aspects for development of human resources, enabling citizens to achieve their fullest potential in life, that contribute to future growth and social welfare. Students of today require higher levels of education and more complex skills in a competitive labour market dominated by rapid development of new technologies and demands for new and updated skills. The Baltic Sea Region has a great potential to become a hub for education and research as well as to offer unique cultural diversity. Creative industries are rising in their importance in generating and sustaining competitiveness.

Actions:

Facilitating the free movement of knowledge in the region by ensuring the "fifth freedom", endorsed by Spring European Council in 2008, covering innovation, production, education and research as well as development of knowledge infrastructure;

Enhancing the quality and competitiveness of higher education institutions through pan-Baltic activities;

Enhancing the cross borders mobility of students, researchers and teaching-staff;

Support to national and local cultures, encouraging competitiveness and diversity of creative industries.

Environment The Baltic Sea is one of the most polluted seas in the world, therefore it is essential to restore and maintain an ecological balance as well as to preserve the inherent restoration capacity of the sea.

Since not all states around the Baltic Sea are members of the EU, the involvement of international institutions and programmes is important for reaching common goals. In this respect the existing instruments of the Northern Dimension, HELCOM, IMO and CBSS should be used for implementation of the Strategy. The involvement of third countries, which have an impact on the waters of the EU, particularly on the environmental quality, is of vital importance (e.g. cooperation with Belarus and Russia regarding the protection of the Daugava river basin).

Actions;

- Enhancement of the maritime safety; further development of maritime traffic monitoring systems; pollution risk assessment and prevention;
- Developed co-operation with third countries on environment protection - in particular, on the Baltic Sea Basin catchment area environmental quality for evaluating and minimizing transboundary pollution;
- Elaboration of enhanced marine environment monitoring system and assessment methodology for estimating nutrient and other pollution load from agriculture and other sources in a catchment area;
- Implementation of the HELCOM Baltic Sea Action Plan (BSAP), thus enhancing implementation of the EU Marine Strategy Directive within the Baltic Sea ecoregion.

Civil security Threats of organised cross-border crime require macro-regional approach complementing measures taken at EU level. Also threats of natural disasters caused by the climate change should have a proper macro-regional response in the Baltic Sea Region.

Actions:

- Ensuring close cooperation among crime-combating and border control institutions within the region, and exchange of best practices;
- Enhancing cooperation in crisis management;
- Ensuring cooperation in prevention, preparedness and response to the natural disasters caused by climate change.

Implementation and funding

The Strategy should facilitate effective use of the existing EU financial resources for the activities in the Baltic Sea Region (e.g. Baltic Sea Programme 2007 - 2013, The European Investment Bank etc./ The Baltic Sea Strategy might allow for streamlining of some of EU financial resources currently available in the Baltic Sea region. In the meantime it should be noted that programming of EU financial resources for the period of 2007- 2013 has well advanced therefore only minor adjustments might be possible. Any assumptions on use of EU financing after 2014 should not be made when adopting the Strategy,

In order to fulfil objectives of the Strategy, all regional actors - states and organizations should be involved (e.g. NC, NCM, BA, BCM, CBSS, HELCOM, VASAB, BSSSC, UBC, BaltMet etc). The Strategy should provide a framework for more efficient coordination in priority actions between all regional actors and stakeholders at various levels. It should ensure more efficient matching of priorities with available resources at EU, national and regional levels. Meanwhile, overlapping of regional organizations' activities during the implementation process should be avoided.

The Northern Dimension and the Council of the Baltic Sea States are offering appropriate framework for involving of non-EU countries in the implementation of the Strategy.

The Strategy should be results-oriented. In order to ensure efficient implementation of the Strategy a regular review of progress in fulfilling the objectives should be proceeded. Strong role of the European Commission in monitoring implementation of the Strategy should be ensured.