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COVER NOTE

from:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	14 September 2011
to:	Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union
No Cion doc.:	SEC(2011) 1071 final
Subject:	COMMISSION STAFF WORKING PAPER
	Commission Staff Working Paper on the Implementation of the European Union Strategy for the Baltic Sea Region - Part 1

Delegations will find attached Commission document SEC(2011) 1071 final.

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Encl.: SEC(2011) 1071 final

COMMISSION STAFF WORKING PAPER

**Commission Staff Working Paper on the implementation of the European Union
Strategy for the Baltic Sea Region**

Part 1

DISCLAIMER

This document is a summary of the implementation reports sent to the European Commission by the Priority Area Coordinators, Horizontal Action Leaders, Flagship Project Leaders and relevant Operational Programmes involved in the EU Strategy for the Baltic Sea Region. As such it updates the 2010 Annotated Action Plan, which can be accessed from the Strategy's homepage.

In compiling this document, the Commission Services underline the responsibility of the partners above in providing reliable texts, and have not conducted any substance evaluation concerning the validity or relevance of the information provided. The contents are published in the interest of transparency. They do not necessarily reflect the Commission Services' opinion and the Commission Services accept no responsibility for the various statements made.

The implementation reports were received on 15 March 2011, and reflect the state of play as of that date. The reports can be accessed from the Strategy's homepage.

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Introduction

This document comes in support of the first official report to the Council, the European Parliament and other institutions, on the implementation of the European Union Strategy for the Baltic Sea Region, adopted in June 2011.

It aims at providing more detailed information concerning the implementation of the Strategy. It is based on the numerous and comprehensive contributions the Commission has received from National Contact Points, Priority Area Coordinators, operational programmes managing authorities and other interested parties.

The chapters are:
1. a description of the organisational structure set up for the implementation of the Strategy;
2. a summary of the implementation of the Action Plan of the Strategy, describing the progress of the different actions and flagship projects;
3. a presentation of the contribution of the Structural Funds programmes:
- by country and by programme for convergence and competitiveness programmes,
- by strand and by programme for European territorial cooperation programmes by fund.

More information on the Strategy and its Priority Areas, including contact lists, can be found on the Strategy website: http://ec.europa.eu/regional_policy/cooperation/baltic/index_en.htm.

Chapter 1: a description of the organisational structure set up for the implementation of the Strategy

The governance structure of the EU Strategy for the Baltic Sea Region has the task of coordinating the many actors and organisations involved.

1.1. At European Union level

In the Commission, DG Regional Policy is in charge of the overall coordination, monitoring and reporting to the Council, in close partnership with the other Commission services on topics falling under their competence. An Inter-Service Working Group has been established and meets regularly to ensure coherent and broad support for the Strategy. Officials from various DGs participate actively in meetings, thus providing a link between the Strategy and their policy areas and funding sources. The Commission's delegations in the Region are also instrumental in communication the activities of the Strategy.

The Commission facilitates on-going work on the alignment of funding with the Strategy, in close dialogue with the Managing Authorities of relevant Operational Programmes. In order to support the programmes in identifying their role in the Strategy implementation and define operational responsibilities, management challenges and potentials, the INTERACT Programme established the EUSBSR Laboratory Group in January 2009, which is an informal working group consisting mainly of programme practitioners from the Member States involved. The group is set up to seek operative solutions to identified challenges with consequences for practical programme management.

The Commission has made communication about the Strategy widely available through a targeted website and a bimonthly Newsletter that sets out the latest developments and is disseminated to several thousand subscribers. An Annual Forum is organised to present the Strategy and its achievement to the greater stakeholder community. Input from the Annual Forum feeds into the Commission's annual reporting on the implementation process. The Council is in charge of the broader policy development.

1.2. At EU Member States level

The Pan-European nature of the Strategy is ensured by continuous contact with the EU institutions and advisory bodies and in particular by the use, by the Commission, of a High Level Group of expert advisers on the Strategy, nominated by all Member States.

This group regularly consults the Commission on all major developments. The European Investment Bank is also invited to participate in meetings.

1.3. At Baltic Sea Region level

In the States of the Baltic Sea Region, **National Contact Points** have been appointed by all participating Member States to assist the implementation of the Strategy at the national level. As part of this process, the Strategy has served to strengthen cooperation mechanisms for Baltic Sea affairs within the participating countries.

In Sweden, a unit has been established within the Prime Minister's Office to coordinate the Swedish contribution. All concerned agencies and implementation authorities have been given

specific tasks relating to Sweden's contribution to the Strategy and are required to report on progress once a year.

In Estonia, an inter-ministerial working group headed by the Ministry of Foreign Affairs meets four times a year and a core group of four line ministries communicates on a daily basis. Twice a year, a report is presented by the national contact point to the European affairs committee in Estonian Parliament.

In Lithuania, the Parliament has requested the government to present a national action plan related to EUSBSR that has been adopted for the years 2012-2013.

The Danish national coordination group has been praised by local stakeholders for being a good forum for exchanging information and ideas about the implementation of the Strategy.

Priority Area Coordinators are key actors in the implementation of the Strategy. Being the overall contact point for their area in the Region, they have, among other tasks, to facilitate the fulfilment of the goals listed in the Action Plan and to coordinate and monitor the development of the actions and Flagship Projects. They must also facilitate the involvement and cooperation of relevant stakeholders from the entire macro-region, and pursue policy discussions and policy development in the Region. Flagship Project Leaders should pursue a dual role of achieving tangible results and identifying opportunities for policy development.

Horizontal Action Leaders have a key role in ensuring cross-cutting and cross-sectoral links across the Strategy as a whole. Consequently, they should be in regular contact with the Priority Area Coordinators as well as other relevant stakeholders.

Managing Authorities of the programmes in the member-states are key partners. Most of them either have modified, or plan to modify, their national and regional programmes to include a reference to the Strategy and have adopted additional selection criteria to insert EUSBSR into their intervention logic. Sweden has introduced new selection criteria giving priority to projects that are directly linked to the Strategy. In one Finnish regional programme, a priority dedicated to interregional cooperation privileges projects supporting the EUSBSR.

Territorial cooperation programmes are often regarded as more suitable for supporting EUSBSR activities.

As regards other funds or instruments, such as the European Social Fund, the Rural Development fund and the European Fisheries Fund, but also BONUS programme[1], they also bring a significant contribution to the Strategy.

1.4. At regional and local level

The partnership aspect has encouraged an active involvement of a wide range of stakeholders, including EU institutions, international financial institutions, political institutions and organisations[2]; macro-regional organisations specialised in various policy areas,[3] regional

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[1] Decision 862/2010/EU of the European Parliament and of the Council on the participation of the Union in a Joint Baltic Sea Research and Development Programme (BONUS) published in the Official Journal on 30.9.2010 (OJ L 256). Building on the preceding ERA-NET and ERA-NET+ initiatives, BONUS brings together all 8 EU Member States surrounding the Baltic Sea in coordinating and integrating research efforts to address the complex and pressing environmental challenges faced in the Baltic Sea Region.
[2] Ex.: European Parliament, Committee of the Regions, European Economic and Social Committee, European Investment Bank, Nordic Council of Ministers, Baltic Sea Parliamentary Conference, Hanseatic Parliament, Northern Dimension Partnership for Health and Social Wellbeing, Council of the Baltic Sea States

organisations and NGOs[4], and individual regions and cities.[5] Such organisations provide much expertise. Many, such as the CBSS expert group Baltic 21, BDF, HELCOM and VASAB, are directly responsible for the implementation of various projects and actions listed in the Action Plan. International institutions such as the Nordic Council of Ministers and the Council of the Baltic Sea States significantly give prominence to the Strategy on their political agenda, organising common events and contributing to Flagship Projects. Individual euro-regions, regions, counties and cities also show strong commitment; many are leaders of Priority Areas, Horizontal Actions and/or Flagship Projects

The public representative aspects are facilitated by e.g. the informal Baltic Intergroup, composed of Members of the European Parliament from the Baltic Sea Region and Regional Policy Committee members. This group supports and promotes the work of the Strategy, and was for instance instrumental in allocating MIO 2.5 EUR[6] for everyday organisational assistance. Loans have also been given to various flagship projects by the European and Nordic Investment Banks.

The assistance of the INTERACT office in Turku has proven to be an essential resource for the Strategy.

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[3] Ex.: HELCOM, VASAB, Baltic Development Forum, Association of Northern German Chambers of Commerce and Industry, Baltic 21, Baltic Sea Labour Network, Task Force on Organised Crime in the Baltic Sea Region
[4] Ex.: Baltic Sea States Sub-regional Co-operation, Baltic Metropoles Network, Euroregion Baltic, Union of Baltic Cities, Conference of Peripheral Maritime Regions – Baltic Sea Commission, Baltic 7 Islands, Baltic NGO Forum
[5] Ex.: Blekinge, Hamburg, Helsinki, Kalmar, Mecklenburg-Vornpommern, Pomorskie, Skane, Southwest Finland, Västerbotten, Zealand
[6] 2011 Budget

Chapter 2: Annotated Action Plan of the European Union Strategy for the Baltic Sea Region

Pillar 1: To make the Baltic Sea Region an environmentally sustainable place

PA 1: To reduce nutrient inputs to the sea to acceptable levels	**Coordinated by Poland and Finland**

Brief summary of overall progress:

The importance and relevance of this Priority Area has become even more acute following the publication of the latest pollution load calculation report, which revealed that nutrient inputs to the Baltic Sea have not decreased as expected and that there is still much potential for nutrient reduction, particularly with respect to agriculture but also with regard to municipal waste water treatment. According to HELCOM's assessment of the National Implementation Programmes of the Baltic Sea Action Plan, several countries have undertaken measures to reduce the input of nitrogen and phosphorus, but the overall situation is still unacceptable.

Because of these discouraging findings, the Priority Area has had strong interest from a wide variety of stakeholders, for instance in the form of new project proposals. The Priority Area Coordinators have issued a letter of commitment for a project on cleaner waste water that will be part of an application under the 4th Call of the Baltic Sea Region Programme.

Existing Flagship Projects and Actions are generally progressing well, as testified by the below reports.

The PACs strongly emphasise the importance of establishing lists of national focal points for eutrophication in each EUSBSR country, and of developing clearer guidelines concerning the assessment of Flagship Projects. They are considering the establishment of a Steering Committee for the Priority Area (which it is hoped will strengthen its true macro-regional dimension) and will also work towards strengthening ties especially with Priority Area 9 agriculture.

Both the Finnish and Polish PAC have developed websites for the Priority Area, in Finland: http://www.itameriportaali.fi/en/suojelu/euyhteistyo/en_GB/ensimmainenpainopistealue/ and in Poland: http://www.gios.gov.pl/artykuly/783/The-EU-Strategy-for-the-Baltic-Sea-Region.

Actions:

The PACs point out that the actions of PA 1 are mainly based on EU directives and HELCOM's Baltic Sea Action Plan. Most of the actions are being followed by EU institutions and HELCOM, which is why the PACs have focused on the Flagship Projects. A short contextualisation report is nevertheless provided below.

Strategic actions:

- *"Implement actions to reduce nutrients"*. In addition to the full implementation of the key directives relating to eutrophication, these actions are in the 'Baltic Sea Action Plan'

(BSAP) of HELCOM[7]. This document contains a specific section on eutrophication and was complemented in March 2009 by thematic reports on the Baltic Sea eutrophication[8].

Report: This action concerns the full implementation of key directives related to reducing eutrophication and the "Baltic Sea Action Plan" of HELCOM (BSAP) complemented by the HELCOM integrated thematic assessment on eutrophication. HELCOM is currently working on updating and further developing a set of core indicators of the eutrophication status (2010-13). The implementation plan of the HELCOM TARGREV project is to review and revise the ecological targets for eutrophication of the BSAP during the 2010-11 period. In March 2011, during the High Level Segment of the 32nd meeting of the Helsinki Commission, the Ministers of Environment from the countries of the Region published the Communiqué on the implementation of the BSAP (based on conclusions from national implementation programmes). It should be mentioned that significant complementary work on implementing actions to reduce nutrients in Russia and Belarus is being carried out under the Northern Dimension Environmental Partnership.[9]

- *"Promote measures and practices which reduce nutrient losses from farming and address eutrophication".* The aim is to ensure high environmental standards with particular focus on reducing nutrient leakage. To achieve this, in addition to the full implementation of the Nitrates and Water Framework Directives, and the new Common Agricultural Policy Cross-Compliance requirement to establish buffer strips along water courses no later than 1 January 2012, additional rural development measures could be used, for example, to maximise fertiliser efficiency or achieve nutrient recycling. To support this process, it is important to identify all the intensively used agricultural land of the whole catchment area and to focus on these areas first. Should this prove insufficient, consideration could be given to what further measures might be needed through environmental or agricultural policies.

Report: In addition to the implementation of the Nitrates and Water Framework Directives, several major projects contribute to promoting sustainable solutions in agriculture from policy level to farm level. The Baltic COMPASS Project (Comprehensive Policy Actions and Investments in Sustainable Solutions in Agriculture in the Baltic Sea Region) implements large-scale, on-farm pilot investments based on the most feasible and efficient technologies and management measures identified in coordination with the EUSBSR Flagship Projects Baltic Deal and Baltic MANURE. The HELCOM Agricultural/Environmental Forum (AGRI/ENV) was established in 2010 to improve communication and cooperation between the Agriculture and Environment administrations of the HELCOM Contracting States.

In Russia, backed by local authorities, the Russian Ministry of Natural Resources and Ecology, the Finnish Ministries of Environment and of Agriculture and Forestry and NEFCO are preparing joint investments to introduce good manure treatment practices within the framework of the Northern Dimension Environmental Partnership. Also, the HELCOM BALTHAZAR Project (2009-11) in the Leningrad and Kaliningrad Regions aims at implementing on-farm pilot projects to the environmental benefit of the Baltic Sea.

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[7] Agreed in November 2007 by Sweden, Finland, Estonia, Latvia, Lithuania, Poland, Germany, Denmark, Russia and the European Commission.
[8] Eutrophication in the Baltic Sea – An integrated thematic assessment of the effects of nutrient enrichment of the Baltic Sea Region. Executive Summary (BSEP No. 115A and 115B) at www.helcom.fi.
[9] See www.ndep.org.

- *"Full implementation of the Water Framework Directive[10] in order to maximize the environmental benefits for the Baltic Sea"*. Member States shall take measures to obtain good ecological status in all water bodies, including coastal waters, by 2015. A full implementation (including reporting) of the Water Framework Directive, together with the Nitrate Directive and the Urban Waste Water Directive, will also improve the environment in the open sea, in line with the objectives of the Marine Strategy Framework Directive[11] for 2020.

Report: This action should be seen in connection with the objectives of the Marine Strategy Framework Directive and the River Basin Management Plans relevant for the Baltic Sea catchment area.

Cooperative actions:

- *"Establish and restore more wetlands"* to recycle the nutrients (to stop the nutrients leaking into the sea) and to mitigate floods (to stop the runoff of fertilisers during floods). The wetlands should be established where long-term effects can be expected, considering the different climatic conditions, the sensitivity for eutrophication, etc.

Report: HELCOM's Joint Comprehensive Programme (JCP) includes four transboundary hot spots which address the management of coastal wetlands. HELCOM's BSAP also takes into account an endorsed list of examples for reducing nutrient inputs, including the establishment of wetlands. The JCP is expected to be finalised in 2012.

- *"Set up the BONUS 185 (formerly 169) scheme"* in order to have a sustainable research framework. This action is underway and expected to be implemented from the end of 2011/early 2012.

Report: BONUS will focus on building strong links across communities and sectors within and among the Baltic Sea countries. These activities will also provide valuable guidance to the development of policy-driven strategic research agendas for the programme. From 2012 onwards, BONUS will open calls for proposals and fund research on topics supporting the work of the Strategy with almost €100 million.

- *"Facilitate cross-sectoral, policy-oriented dialogue"* on integration of agricultural, environmental and rural development issues by supporting the implementation of projects which build capacity based on an integrated approach to mitigation of nutrient losses and policy level adaptation.

Report: This action concerns providing adequate forums for discussion between environmental, agricultural and rural development national authorities. The participation of

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[10] Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, OJ L 327, 22/12/2000, p.1) as amended by European Parliament and Council Decision 2455/2001/EC, OJ L 331, 15/12/2001, p.1.

[11] Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive), OJ L 164, 25/6/2008, p.19). In addition to the basin scale assessment required in the context of the Marine Strategy Framework Directive, the satellite remote sensing products (such as those developed specifically for the Baltic Sea by the Commission's Joint Research Centre [JRC] Institute for Environment and Sustainability [IES]) provide a useful means of verifying the environmental benefits of implementation of the EU policies.

HELCOM in the Baltic COMPASS Project and the establishment of the AGRI/ENV Forum are facilitating this developing dialogue.

Flagship Projects (as examples):

➢ ***1.1. "Remove phosphates in detergents in countries where this is not yet the case as recommended by the HELCOM Baltic Sea Action Plan, i.e. to prepare a timetable for phasing out the use of phosphates in detergents"***. Without prejudice to the ongoing process within the Commission for possible action at EU level, a timetable should be prepared for the early phasing-out of phosphates in detergents in the Baltic Sea Region. (Lead: Sweden; Deadline: 31 December 2012). ***FAST TRACK***

Report: The aim of the project is to support Baltic Sea Region countries in implementing HELCOM Recommendation 28E/7, e.g. national legislative action to limit the use of phosphates in laundry detergents and automatic dishwasher detergents. This is being accomplished by producing information material for policy-makers. So far, an information leaflet has been produced to provide decision-makers with some answers to frequently asked questions that highlight the possibilities and proportionality of implementing the HELCOM Recommendations. The information leaflet has been made available in both English and Russian (see http://www.kemi.se – choose 'publications' then 'brochures and leaflets'). The English version of the document has been published on various websites, such as those of HELCOM, Priority Area 1 and the Swedish Chemicals Agency. The Russian version will also be published on various websites and distributed to decision-makers around the Baltic Sea. Additional material may be produced upon request from the different MS.

On 4 November 2010, a draft proposal for a harmonised regulation regarding the use of phosphates and other phosphorous compounds in household laundry detergents was presented by the Commission.

The expected finalisation of the project is June 2011.

➢ ***1.2. "Cleaner waste water"*** by identifying and building/upgrading priority Waste Water Treatment Plants around the Baltic Sea (for example in Neman and Sovetsk), taking into account the HELCOM requirements to remove phosphorous and nitrogen (including reaching 0.5 mgP/l treatment efficiency). In addition, the functioning of existing Waste Water Treatment Plants should be improved, taking into account the ongoing HELCOM process, and its requirements and timetable. (Lead: Sweden; Deadline for progress review: to be determined).

Report: The aim of the project is to identify, build or upgrade prioritised Urban Waste Water Treatment Plants (UWWTP) around the Baltic Sea, taking into account the HELCOM requirements to remove phosphorous and nitrogen. The project is so far in its beginning. The first part aims to:

1. Gather information and make a compilation of ongoing projects regarding cleaner waste water within the Baltic Sea Region.

2. Compile existing statistics and make a list of treatment plants and cities to be prioritised in the work of building/upgrading Waste Water Treatment Plants.

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3. Identify different countries' difficulties in carrying out the HELCOM Recommendation.

A project group has been established with participants from the countries around the Baltic Sea and HELCOM. One challenge has been to identify people willing to join the project group. Once this has been done, the next steps include action to include Belarus, Russia and Ukraine in the work and the development of a list of necessary actions to help everyone reach the targets. Since the goals of the project are ambitious (to plan, build and have a treatment plant in place take years), it is not possible at this stage to estimate when the Flagship will be finalised.

➢ *1.3. "Analyse results of pilot actions"* funded by the Baltic Sea Region programme (under the European Regional Development Fund), LIFE and Baltic 21 on prevention of eutrophication, and recommend best practices for municipalities, agencies and advisory bodies. (<u>Lead</u>: tbc, DG Regional Policy to follow up; <u>Deadline</u> for progress review: 30 June 2010) *FAST TRACK*.

Report: The PACs have suggested that this Flagship should be transferred, with the Commission monitoring the transfer. The Commission is currently looking into this.

➢ *1.4. "Baltic Deal – Putting best agricultural practices to work"*. The eutrophication status of the Baltic Sea is still unsatisfactory, despite decreased nutrient loads in recent decades. The challenge of stopping farm nutrient run-off and leakage entering the Baltic Sea is recognised by the farming community. The Baltic Deal was initiated by five farmers federations as a voluntary sector response. It is now a funded Flagship Project of the EU Strategy for the Baltic Sea Region with seven partners, part-funded by the Baltic Sea Region Programme 2007-13 and the NEFCO/NIB BSAP Trust Fund, respectively. The strategic project objective is to cost-effectively improve the environmental status of the Baltic Sea, without impairing competitiveness or production. The specific project objective is to develop a joint, transnational Baltic Sea Region approach with national adaptation to advance and strengthen agricultural advisory services and related demonstration activities. (<u>Lead</u>: Federation of Swedish Farmers and Latvian Rural Advisory and Training Centre; <u>Deadline</u>: 31 December 2013).

Report: The project "Baltic Deal – Putting best agricultural practices to work" officially started in September 2010 following the successful contract negotiation with the Joint Technical Secretariat of the Baltic Sea Region Programme 2007–13. The Baltic Deal's strategic objective is to further reduce agriculture's contribution of nutrients to the Baltic Sea without hampering competitiveness or production through a strengthened focus on improved agricultural advisory services and demonstration farms. The project consortium involves seven advisory organisations for farmers and agriculture, and together with around 30 associated partners, it covers all Baltic Sea Region countries, including Norway and Russia. Operationally, the focus is primarily to support the countries in their efforts to further strengthen the agricultural advisory services for the effective transfer of knowledge on practices and measures that ensure smarter use of nutrients and thus contribute to reducing nutrient inputs to the Baltic Sea to acceptable levels.

The project is still in an initial phase, but milestones so far include: i) the conference *A greener agriculture for a bluer Baltic Sea* in November 2010, organised by the two projects Baltic Compass and Baltic Deal, attended by over 140 professionals from 10 Baltic Sea Region countries, and including the award ceremony for the 2010 WWF Baltic Farmers' Award; ii) a workshop on "similarities and differences among Baltic Sea Region countries

with respect to nutrient management, legislation and agricultural advisory services" in January 2011, which will result in a report on the current state-of-the-art; and iii) a pre-planning meeting, also in January, for the pilot project South Baltic Deal – a similar sub-project is planned for the B7 Islands, and a dialogue with the relevant B7 bodies has started on this.

➤ *1.5. "Assessment of regional nutrient pollution load and identification of priority projects to reduce nutrient inputs from Belarus to the Baltic Sea"*, in particular in the context of the Northern Dimension Environmental Partnership (<u>Lead</u>: Finland; <u>Deadline</u>: 31 December 2011).

Report: The aim of this project is to reduce the nutrient inputs from Belarus to the Baltic Sea in the context of the Northern Dimension Environmental Partnership, with particular consideration given to such key sectors and areas as agriculture, municipal waste water, industry, and the production and use of detergents containing phosphorus. So far, the terms of reference for an assessment and identification study have been developed by the Central Research Institute for Complex Use of Water Resources, the Ministry of the Environment, Finland, the European Bank for Reconstruction and Development (EBRD) and HELCOM, and agreed with the Belarusian Ministries of Natural Resources and Environmental Protection and the Ministry of Housing and Communal Services. The project now awaits the EBRD's financing decision. It is possible that the political situation in Belarus may affect the launch of the project.

PA 2: To preserve natural zones and biodiversity, including fisheries	Coordinated by Germany

Brief summary of overall progress:

Priority Area 2 intends to foster close links between the EU Strategy for the Baltic Sea Region and the political and substantial developments taking place under the HELCOM umbrella with regard to natural zones and biodiversity. As such, HELCOM has an important role as implementing organisation for all the Horizontal Actions and Flagship Projects within this Area. The Priority Area Coordinator organised a late kick-off meeting for the Area in order to be able to take into consideration the outcomes of the HELCOM Moscow Ministerial Meeting in May 2010 – the kick-off meeting was held on 7 October 2010 and brought together Managing Authorities, representatives from Baltic Sea riparian countries and other relevant stakeholders to introduce the Flagship Projects' Leaders to funding authorities, settle on a common direction and establish links among the various actors.

A number of general activities have been launched by the PAC, including close collaboration with the BONUS Joint Baltic Sea Research and Development Programme. It is expected that the BONUS Strategic Research Agenda 2012-13 will include issues supporting the implementation of the Priority Area, for instance concerning the spatial aspects of biodiversity. The PAC has also established a close exchange with Priority Areas 1 (eutrophication), 4 (clean shipping) and 9 (agriculture, forestry and fisheries) to facilitate knowledge transfers and avoid duplication of work.

Actions:

Strategic actions:

- **"*Implement the HELCOM Baltic Sea Action Plan*"**. This document contains a specific section on biodiversity and nature conservation, as well as a section and special roadmap on maritime traffic addressing the introduction of alien species via ships' ballast water and sediments. This is closely related to implementation and development of EU policies, including the Common Fisheries Policy (where the Commission is responsible for taking the necessary policy initiatives).

Report: The HELCOM Baltic Sea Action Plan is an ambitious programme designed to restore the Baltic marine environment's good ecological status by 2021. The strategy is a crucial stepping stone for wider and more efficient actions to combat the continuing deterioration of the marine environment resulting from human activities. Much progress has been made. As agreed already by adopting the HELCOM BSAP in November 2007 in Cracow, all countries have now prepared their National Implementation Programmes (NIP) for the BSAP in accordance with their national procedures and needs (information on the Biodiversity segment can be found through this link: http://www.helcom.fi/BSAP/Implementation/en_GB/Implementation/?u4.highlight=NIP).

Several projects contribute to achieving implementation of the BSAP. The aim of the HELCOM project 'Red List of Species and Habitats/Biotopes, 2008-12', for instance, is to

prepare a complete HELCOM Red List of biotopes and species under water and swimming on water. With regard to fish and lamprey species, this means updating the existing HELCOM Red List (BSEP 109). The underwater part of the HELCOM Red List of Baltic Sea biotopes and biotope complexes (BSEP 75) will also be updated. The output of the project will also include check-lists of species in the Baltic Sea, and Species Information Sheets. The project aims at delivering these products in time for the 2013 HELCOM Ministerial Meeting. The assessments will be carried out by expert teams, which were set up for each of the species groups and for the biotopes during the 2009–10 period.

The MARMONI Project, which also has a close link to HELCOM work, aims at developing concepts for assessing the conservation status of marine biodiversity, including species and habitats and impacts of various human activities, while the BONUS+ Project BaltGene assesses the genetic diversity situation of several key Baltic Sea species and identifies the most significant pressures.

- *"Reduce the negative effects of fishing on the Baltic ecosystem"*. In addition to implementing regulations and measures taken at EU level to minimise the impacts of fishing activities on marine ecosystems, such as the Pingers Regulation[12] and certain technical measures, Member States can adopt national measures to minimise the effect of fishing on the marine ecosystems within their territorial waters and for fishing vessels flying their flag, that are in line with, or more stringent than, the existing Community legislation. This should be especially stressed for the protection of the critically endangered Baltic harbour porpoise population.

Report:

The Baltic Fisheries/Environmental Forum responsible for implementing the relevant aspects of the HELCOM Baltic Sea Action Plan Fish/Fisheries met twice in 2010, and has amongst other things worked on a draft project proposal for the development of fisheries measures in Marine Protected Areas in the Baltic Sea, to ensure that the conservation objectives are met. The Forum also followed the implementation of the project aimed at establishing an overview of the state of salmon (Salmo salar) and sea trout (Salmo trutta) populations in rivers flowing to the Baltic Sea (HELCOM SALAR project) and initiated cooperation with the ICES on collecting and assessing background scientific information on the status of eel and flatfish populations in the Baltic Sea.[13]

Over the last year, good cooperation with HELCOM and the ASCOBANS Jastarnia Group, a group of experts from the environment and fisheries sectors of the countries surrounding the Baltic Sea, has been established. This PA 2 network has discussed the progress made as well as further implementation priorities for the Jastarnia Recovery Plan for the Baltic Harbour Porpoise.

Flagship Projects (as examples):

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[12] Council Regulation (EC) No 812/2004 adopted in April 2004 laying down measures concerning incidental catches of cetaceans in fisheries and amending Regulation (EC) No 88/98.
[13] Document for HELCOM 32/2011, Doc 4/2.

> ➢ **2.1. "Create marine protected areas".** The Birds[14] and Habitats Directives[15] (Natura 2000 network), as well as HELCOM, call for Member States to complete the designation of a network of marine protected areas in the Baltic Sea. To be truly efficient, these areas need adopted and implemented management plans that correspond to the threats towards the species or habitat they are created to protect. The designation of the Natura 2000 network in the Baltic Sea should also be taken into account in the context of maritime spatial planning which can contribute to facilitating the coordination of human activities in the marine areas. Coordination is also needed with measures under the Common Fisheries Policy. (Lead: Germany; Deadline for progress review: to be determined) *FAST TRACK*.

Report: The development of a comprehensive and coherent network of protected areas has already been successfully advanced. On the occasion of the HELCOM Ministerial Meeting in Moscow in May 2010, a HELCOM report "Towards an ecologically coherent network of well-managed Marine Protected Areas" (MPAs) was presented, to which Germany made a major contribution. According to the report, (as of February 2010) a total of 159 protected areas have been designated in the Baltic Sea by the riparian states. This corresponds to an area of 10.3% of the Baltic Sea. This makes the Baltic Sea the first marine region worldwide to reach the CBD target of designating at least 10% of the marine area as a protected area. More than 35% of the German Baltic Sea area is designated as a marine protected area. One aspect of the Flagship Project has thus already been implemented.

Another encouraging example of rapid development within this field is the project "Implementation of Natura 2000 in Estonian marine areas: site selection, designation and protection measures – ESTMAR" implemented by the Estonian Marine Institute and other Estonian bodies. Moreover, Germany will initiate an INTERREG project proposal 'MareCap' that will be submitted for the 4th Call of the Baltic Sea Region Programme. The overall objective of the project will be to contribute to the sustainable use of marine resources by improving the management and surveillance of MPAs, demonstrating the economic potential of implemented management plans and linking the MPA assessment to the new approach of Good Environmental Status according to the MSFD. The MareCap Project should be a demonstration project which will bridge some of the gaps between existing guidelines, operational management and control of MPAs and make substantial progress towards an improved management of Baltic Sea MPAs.

Another project proposal which addresses the aspect of fish migration – and thereby Flagship Project 2.3 – has been initiated, namely 'Living Baltic Sea – Improving fish migration in the Baltic Region'. It aims at the establishment of measures to facilitate migration and reproduction of migratory fish species. Focusing on the poor condition of particularly migratory fish stocks in the Baltic Sea Region, the project will address the general challenges as well as conduct the main project activities aiming at developing a regional overview of fish populations in the Baltic Sea Region and of the migratory behaviour of specific fish species such as eel.

> ➢ **2.2. "Restrict the introduction of new alien species by ships"** principally through the enforcement of the international Ballast Water Management Convention and by means such as onboard treatment and the installation of ballast water reception facilities in ports with large traffic flows in and out of the Baltic Sea. In the Baltic Sea Action Plan (BSAP),

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[14] Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds.

[15] Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora.

HELCOM countries agreed to ratify the Convention, possibly by 2010, at the latest 2013. A HELCOM Roadmap has been agreed, focusing on ballast water management for inner Baltic voyages. Furthermore, HELCOM/OSPAR[16] guidelines on the voluntary interim application of ballast water exchange standards should be implemented. Actions should build on the new knowledge of the issue arising from ongoing research and also promote further innovative approaches by industry and research institutes. (Lead: HELCOM, Sweden and Germany; Deadline for progress review: to be determined).

Report: This Flagship Project is subdivided into two segments: a) "technical issues" (lead party Germany under Priority Area 4) and b) a "special" part on alien species (falling under Priority Area 2). The overwhelming share of activities to be carried out is of a technical nature and is more appropriately covered by Priority Area 4.

The BAZOOKA project, which is funded by the Baltic Organisations Network to fund Science EEIG, BONUS and the Swedish Research Council for Environment, Agricultural Sciences and Spatial Planning, FORMAS, focuses on the restriction of alien species. Although more than 100 invasive species have been recorded in the Baltic, and their impact on the ecosystem is being widely disputed, convincing scientific evidence is scarce. The BAZOOKA project tests the possible cascading effect of alien comb jelly on the plankton food web in the Baltic – predation on cod eggs and larvae, depletion of plankton-eating fish food resources, and changes in water clarity eventually leading to a regime shift of the whole system. By using models, experiments and field studies, the project will quantify the ecosystem consequences of Mnemiopsis (comb jelly) in the pelagic food web, from microbes to gelatinous top predators. Interactions and cascading effects will be quantified within natural spatial (Baltic proper, Bothnian Sea, Bothnian Bay) and environmental (oxygen, temperature, salinity, light, N, P) gradients. The project will monitor Mnemiopsis synchronically with environmental and biological parameters relevant for other trophic levels. State-of-the-art techniques will be applied in field, laboratory and modelling studies.

The altered pelagic community balance in the Baltic may have severe consequences for biodiversity. In 2010 the monitoring of Mnemiopsis was completed with preliminary results showing that currently it is not widely spread in the Baltic. However, this may well change in the future given its living capabilities and growth that now have been substantiated through microcosm experiments. The BAZOOCA project will be running until September 2011. During the last year of implementation the data on the distribution of gelatinous predators will be summarised, the potential effects of water transparency on food competition between fish and jellyfish will be established, and the cascading effect of Mnemiopsis on the lower trophic levels will be assessed. Added together, this information will enable an overview of the negative effect of jellyfish on the Baltic Sea ecosystem.

➢ *2.3. "Establish measures to facilitate migration and reproduction of migratory fish species"*, on the basis of a classification and inventory of rivers with historic and existing migratory fish species such as eel and salmon as agreed in the HELCOM Baltic Sea Action Plan (BSAP). Under the European Fisheries Fund (EFF) Operational Programmes, some EU Member States already contribute to this objective by applying measures aimed at protecting aquatic fauna and flora, in particular the rehabilitation of inland waters, including migration routes. The national eel management plans are also expected to

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[16] OSPAR is the organisation established by the Convention for the protection of the marine environment of the North-East Atlantic, to which 15 States and the European Community are Contracting Parties.

contribute to the restocking of this species. (<u>Lead</u>: HELCOM and Germany; <u>Deadline</u> for progress review: to be determined).

Report: The specific problem to be addressed is the poor condition of migratory fish stocks in the Baltic Sea Region. To do so, the HELCOM SALAR Project was initiated in January 2010 and funded through a co-financing agreement between the European Commission (DG MARE) and HELCOM. The aim of the project is to make an inventory and classification of past and existing Baltic rivers with salmon and/or sea trout populations, and suggest measures for restoration plans and active conservation for selected wild salmon river populations, as suggested in the HELCOM Baltic Sea Action Plan (BSAP). The project will compile and analyse data on the state of and pressures on salmon and sea trout populations, the quality of river waters and reproduction habitats as well as the possibilities for salmonid passage in rivers. The project will provide a classification of salmon and sea trout rivers based on agreed criteria and the compiled information.

The major outcome of the project will be recommendations and prioritisation of measures in the rivers that are needed for improving the status of salmon and sea trout populations. Other outcomes are a GIS map on Baltic salmon rivers and a database on Baltic salmon and sea trout populations as well as individual descriptions of salmon and sea trout rivers. The project report will identify original salmon and sea trout populations that should be the focus of immediate and effective conservation measures. It will also identify potential populations and rivers for re-establishment and measures for the restoration of river habitats and migratory routes. Furthermore, it will recommend that restoration and development plans be prepared for identified salmon and sea trout populations/rivers in a second phase project. The sea trout populations in the Baltic rivers have as yet not been the subject of a common project.

The SALAR Project is groundbreaking in that it offers a holistic view on the state of salmon and sea trout in the Baltic rivers, and identifies the measures needed for their recovery and development. This will allow for the development of international and national programmes for the funding and systematic realisation of these actions. The Contracting Parties to HELCOM will use the results of the project as a basis when implementing the actions of the HELCOM BSAP concerning salmonids and other actions for the recovery and development of salmon and sea trout populations.

HELCOM has taken note of the outcome of the SALAR Project on Salmon and Sea Trout populations in rivers flowing to the Baltic Sea and approved the draft Final Report. The draft HELCOM Recommendation based on this Report was considered and supported in principle – the aim is to have a final adoption at the HELCOM Heads of Delegations meeting in June 2011.

A new project proposal on developing solutions will be submitted for the 4th Call of the BSR Programme. The main activities planned aim at developing a regional overview of fish populations in the BSR, migratory behaviour of specific fish species such as eel, and the impact of environmental problems in the transition zone between the North Sea and Baltic Sea Regions.

The PREHAB project also contributes to meeting the objectives of this Flagship Project by developing powerful, precise and cost-efficient methods for spatial prediction of the biological properties of coastal underwater habitats, and combines predictive models and scenarios of human pressures to assess effects on coastal biodiversity. A set of models developed by PREHAB in 2010 forms a solid basis for designing recommendations about

predictive mapping and subsequent spatial planning in the Baltic Sea. The models cover five case study areas, including some 80 response variables (including fish, macro vegetation, invertebrates, and ecosystem services) and 50 environmental predictors. Finalising the project and the methodology for spatial prediction of bottom habitats will be further refined. The development and testing of a GIS-based tool for assessing ecosystem goods and services, including a WTP-based economic valuation, will be finalised and utilised for case-specific integrated assessments of various planning scenarios.

PA 3: To reduce the use and impact of hazardous substances — Coordinated by Sweden

Brief summary of overall progress:

The first main task of the Priority Area Coordinator included the attempt to increase the level of ambition of the two Flagship Projects included under this Priority Area in the original version of the Action Plan. The PAC felt that while one of the two existing projects was too broad, covering virtually the same ground as the Priority Area itself, more varied foci were needed to make progress. This review process has resulted in a total of eight Flagship Projects being included under PA 3 in the December 2010 version of the Action Plan. The HELCOM Secretariat provided significant support throughout the process, and several of the new projects will also be HELCOM projects.

The PAC has established a steering group for the area, and all countries including Russia and a HELCOM representative have assigned a contact person. All countries except Russia and Denmark have participated in one of the two steering group meetings held so far. The main task of the group is to support the overall development of the Priority Area, for instance by ensuring the participation of all relevant national stakeholders.

The PAC points out that an important next step for the area includes promoting cross-cutting links among Priority Areas. This is of great importance to Priority Area 3, as the best way to reduce the use and impact of hazardous substances, financially as well as environmentally, is by not using them in products or in industrial processes – i.e. to not choose hazardous substances already at the design stage. Collaboration with Priority Areas 7 (research and innovation), 8 (Small Business Act) and 12 (education) is seen as particularly relevant for Priority Area 3. Initial contact has been made.

Financing for three of the eight Flagship Projects remains a concern due to the lack of new calls from larger funding organisations.

The PAC highlights in the implementation report that an important added value of the Strategy, mentioned by scientists working within the field, is that it provides long-term agreement on priorities. This opens up possibilities for a more strategic development of research, where projects after their finalisation evolve into new projects within prioritised areas, and where existing networks are more easily maintained. This added value of the Strategy is for instance demonstrated by FPs 3.5 and 3.6.

A website has been created: http://www.naturvardsverket.se/EUSBSR.

Actions:

The actions stated under Priority Area 3 have so far been carried out through the Flagship Projects (see below), and therefore not reported on separately. Given that the Flagship Projects of this Priority Area at the start of the Strategy were considered less developed compared to other Priority Areas, the PAC's focus in the first year has been on identifying relevant Flagships and getting them running.

Strategic actions:

- *"Implement actions to reduce hazardous substances"*, including the full implementation of the key directives and regulations relating to chemicals (in particular in the aquatic environment)[17]. Several actions are contained in the 'Baltic Sea Action Plan' (BSAP) of HELCOM (which contains a specific section on hazardous substances). In addition, actions already decided internationally also need to be implemented[18]. Supervision is important, for example supervision of compliance with Regulation (EC) 782/2003 which transposes the Antifouling Convention of the International Maritime Organization (IMO) into Community law.

Cooperative actions:

- *"Restrict the input of hormone-like substances"*, further to an analysis of the sources, flows and impacts of pharmaceutical products in the marine environment.

- *"Assess the need to clean up contaminated wrecks and chemical weapons"*, where it is required to protect sensitive marine ecosystems, taking into account earlier work carried out by HELCOM.

- *"Continue the research on hazardous substances"* of specific concern to the Baltic Sea, as this is an area where there is a need to further improve the knowledge basis (e.g. on their interaction and cumulative effects), including through the development of the BONUS Joint Baltic Sea Research and Development Programme[19].

Flagship Projects (as examples):

➢ *3.1. "Develop tools and indicators for the assessment of biological effects of anthropogenic chemical stress in the Baltic Sea"* by investigating the causality between chemical pressure and biological effects at different levels of biological organisation. One outcome of the project will be recommendations for monitoring the effects of hazardous substances in the whole Baltic Sea Region. The project will also contribute to capacity-building and network-strengthening via workshops (BEAST project financed by the BONUS Joint Baltic Sea Research and Development Programme). (Lead: Finnish Environment Institute. Deadline for finalisation: 31 December 2011).

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[17] In particular, but not exclusively, Regulation EC No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemical substances (REACH) – and Directive 2008/105/EC of the European Parliament and of the Council of 16 December 2008 on environmental quality standards in the field of water policy.

[18] Including the Stockholm Convention on Persistent Organic Pollutants and the Convention on Long-range Transboundary Air Pollution.

[19] Decision No 862/2010/EU of the European Parliament and of the Council on the participation of the Union in a Joint Baltic Sea Research and Development Programme (BONUS) published in the Official Journal on 30.9.2010 (OJ L 256).

Report: The pan-Baltic Sea BEAST project is targeted at developing integrated measures for chemical pollution and tools needed to detect and assess anthropogenic pressure on the Baltic Sea marine ecosystem. The project tests and validates integrated monitoring and assessment approaches for their applicability in the Baltic Sea, carefully taking into account its specific abiotic and biotic characteristics. Using sub-regional assessments, the aim is to provide scientifically-based recommendations for the implementation of an integrated strategy for monitoring chemical-biological effects, and to test and develop approaches to assess Ecosystem Health. To establish links between responses related to chemical pollution within the individuals and effects observed at higher biological levels, an integrated "multi-level toolbox" will be generated, including notably biomarkers as sensitive diagnostic tools. Capacity-building, networking, exchange and intercalibration of methodologies, and training, are other integral parts of the project.

Over the past two years, all major field sampling campaigns have been executed. A project website (www.environment.fi/syke/beast) has been established and is planned to be improved in 2011. A joint BEAST/BALCOFISH project database (BonusHAZ) has been established and is currently being used for compilation of data from both these BONUS+ projects and other relevant sources. The project and its preliminary results have been presented at a large number of international and national scientific and stakeholder events as well as expert groups of international organisations such as ICES and HELCOM.

The BEAST Steering Group has decided to apply for further funding for the continuation of the BEAST network and research activities, with an increased number of scientific partners/network companions and updated targets and work plan.

➢ *3.2. "Assess the need to clean up chemical weapons"*, where required to protect sensitive marine ecosystems, including through exchange of experiences (taking into account the work carried out within HELCOM). Activities should encompass identification of the current priority threats and establishment of the costs and benefits of any possible action through agreed research programmes. This should build on existing knowledge[20] and mapping in the Baltic Sea. The development of major offshore infrastructure projects should also take into account the location of underwater chemical weapon dumping sites (Lead: Chief Inspectorate of Environmental Protection, Poland, with the involvement of all nine Contracting HELCOM Partners; Deadline for finalisation: to be determined) *FAST TRACK*.

Report: The overall aim of the project is to update existing information on chemical weapons dumped in the Baltic Sea and to develop additional recommendations on how to further proceed with chemical weapons. To avoid duplication of work, the project will be carried out through the work of the HELCOM ad hoc Expert Group on dumped chemical munitions ("HELCOM MUNI"). During the first meeting of the group in November 2010, the HELCOM Contracting Parties agreed to submit national reports to the HELCOM Secretariat by 1 April 2011. The group works in cooperation with International Dialogue on Underwater Munitions (IDUM) through knowledge exchange as well as with the project "Modelling of ecological risks related to sea-dumped chemical weapons" (MERCW). Following a request from the Flagship Project leader, the PAC has issued a Letter of Commitment for the project CHEMSEA (Chemical Munitions Search and Assess) led by the Institute of Oceanology of

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[20] E.g. the research programme "Modelling of ecological risks related to sea-dumped chemical weapons" (MERCW), http://www.fimr.fi/en/tutkimus/muu_tutkimus/en_GB/mercw/ and the work in HELCOM http://www.helcom.fi/environment2/hazsubs/en_GB/chemu/?u4.highlight=ammunition

the Polish Academy of Sciences, in order to send in an application under the 4th Call of the Baltic Sea Region Programme 2007-13. The project would be included in the scope of the Flagship Project objectives.

One challenge encountered by this project relates to involving all BSR countries in the work of HELCOM MUNI. During the first meeting of the group, representatives from Estonia, Finland and the Russian Federation were absent. At various HELCOM meetings, the Polish Head of Delegation will systematically call on all Baltic States to participate in HELCOM MUNI.

The following steps will involve the submission of national reports on the set of tasks for HELCOM MUNI, concerning for instance the revision and updating of the existing information on dumped chemical munitions; and the development of relevant recommendations/checking whether or not the Recommendations from HELCOM's "CHEMU report" are followed satisfactorily. An estimate of the costs involved in cleaning up chemical weapons, as well as of the expected date of finalisation, will be possible after the submission of the national reports.

➢ **3.3 "*Sustainable management of contaminated sediments*".** A guideline and tool-box for treatment technologies and an assessment and decision support system will be developed, while field tests to validate and demonstrate treatment methods under various conditions will also be conducted. A long-term network will be created through interaction with key target groups and a participatory approach to all work packages (SMOCS project financed by the Baltic Sea Region Programme). (Lead: Swedish Geotechnical Institute; Deadline for finalisation: 16 December 2012)

Report: The project addresses the problem of sustainable management of contaminated sediments. The aim is to provide support for dredging actions all around the Baltic Sea Region. The objective will be reached through the development of a guideline for the management of contaminated sediments, including sustainability assessment practices and decision support tools regarding handling alternatives, including disposal both at sea and on land, and also beneficial use of treated dredged masses as well as treatment technologies, including field tests. A long-term network will be created through interaction with key target groups and a participatory approach to all work packages.

During the first year of the project, a website was for instance created, www.smocs.eu, and a site demonstration of a treatment technology in a port carried out. During 2011 and 2012, activities planned include the development of assessment and decision support tools, field tests and workshops.

➢ **3.4 "*Development of HELCOM Core Set Indicators*"** (HELCOM CORESET) for hazardous substances and biodiversity to support regular updating of the thematic assessments, which assess whether HELCOM's strategic goals and ecological objectives have been reached, and whether the implementation of the Baltic Sea Action Plan has been successful. The indicators should be fully in line with Good Ecological Status (GES) as defined in the EU Marine Strategy Framework Directive, and the ensuing guidelines or criteria. The project will ensure the necessary cooperation and coordination, and finally also the region-wide marine harmonisation needed to set specific Baltic Sea targets for GES related to hazardous substances and biodiversity. (Lead: HELCOM secretariat; Deadline for finalisation: 30 June 2013).

Report: The project will develop a set of core indicators to follow up the effectiveness of the implementation of HELCOM's Baltic Sea Action Plan. The core indicators will also support the EU Member States in the Baltic Sea Region in implementing the EU Marine Strategy Framework Directive. The work will particularly focus on core indicators for the status of the Baltic Sea in relation to hazardous substances and biodiversity. The Flagship status of the project only applies to the expert work on hazardous substances, and not that on biodiversity.

The Expert Group for Hazardous Substances proposed in its last meeting (2–3 February 2011) a set of core indicators for hazardous substances and their biological effects. The core set currently includes 14 core indicators and 15 candidate core indicators. The next meeting, 31 May–1 June, will propose the final set of core indicators. The meeting also agreed that the core indicators would be assessed on a common template, to be presented on the HELCOM website, and updated annually or biannually.

The core indicators for hazardous substances require quantitative targets, which reflect the good environmental status. The CORESET Expert Group has elaborated on the target setting and used available environmental quality standards. All the proposed core indicators now have a quantitative target. Some of the candidate core indicators have inadequate support from the existing monitoring programmes, but the project will feed that information to the ongoing review of the HELCOM monitoring programmes.

The CORESET project will submit a proposal for the core indicators for hazardous substances and their effects to the project Advisory Board in September 2011 after which they will be presented at the meeting of the HELCOM Monitoring and Assessment group (MONAS) in October. Finally, the core indicators will be submitted for national processes in October 2011, for additional use in implementing the Marine Strategy Framework Directive.

➢ **3.5 "*Control of Hazardous Substances in the Baltic Sea Region*"** by identifying the sources and inputs of 11 hazardous substances and substance groups which are addressed in the HELCOM Baltic Sea Action Plan, and developing measures to reduce the load of these substances. The project also aims at improving knowledge of best practices and capacity-building (COHIBA – project co-financed by the EU Baltic Sea Region Programme 2007-13). (Lead: Finnish Environment Institute (SYKE). Deadline for finalisation: 2012)

Report: The main objectives of COHIBA are the following:

- Identification of sources of selected hazardous substances in countries around the Baltic Sea

- Development of innovative toxicity-based cost-effective monitoring

- Analysis of substance-specific flow patterns into the Baltic Sea

- Development of recommendations for management measures (including technical and non technical measures) to reduce emissions of hazardous substances into the Baltic Sea

- Knowledge transfer of best practices and capacity-building

The hazardous substances segment of the HELCOM Baltic Sea Action Plan addresses 11 hazardous substances and substance groups, which are also target substances of the project.

The project has compiled initial summaries of sources and pathways of selected hazardous substances based on national surveys in Baltic Sea EU countries. Results of a wide toxicity testing programme have been developed into a proposal on how a whole effluent assessment could be adopted in the Baltic Sea Region. An inventory of methods to reduce emissions

using both technical and non-technical measures was carried out as a basis for evaluating methods and their cost-efficiency. Information exchange, especially in the eastern part of the Baltic Sea area, has started to efficiently utilise project results in a discussion with stakeholders.

In 2011, the project will concentrate on further development of the analysis of sources, flows and inputs in the Baltic Sea and on management methods for reducing emissions. Guidance documents on the selected substance groups and recommendations on measures to reduce the emissions of these substances will be provided. A final COHIBA seminar will give a forum for discussions on 11-12 October 2011 in Helsinki, Finland. Project reports will be finalised by early 2012. Possible funding sources for additional work after early 2012 will be investigated.

➢ **3.6 "*Innovative Management of Hazardous Substances in the Baltic Sea Region*"**, (InnoMaHaz) transfers the knowledge from COHIBA about mapping sources and evaluating the cost-efficiency of measures to a set of emerging hazardous substances, e.g. pharmaceuticals. In addition to the established measures evaluated in COHIBA, innovative measures will be analysed in terms of cost-efficiency and ease of implementation. This analysis will target selected fields, which have been identified in COHIBA as potential gaps, e.g. import of products (such as textiles), flame retardant use in the building sector or new urban infrastructure concepts for waste, waste water and urban run-off. Relevant stakeholders will be involved in the project, e.g. SMEs in the Baltic Sea states. With these activities, InnoMaHaz contributes to an innovation network for management of hazardous substances in the Baltic Sea Region. (Lead: Germany (Fraunhofer); Deadline for finalisation: to be determined)

Report: There is heavy pressure to find ways to manage hazardous substances sustainably in the Baltic Sea Region, as demanded by the BSAP and the EU's marine strategy. This requires coordinated efforts by all countries in the BSR. The Flagship proposal InnoMaHaz is supported by a network of experts from all countries bordering the Baltic Sea, including Russia and Belarus. The aim of the project is to identify a number of relevant hazardous substances not yet targeted by the BSAP (e.g. pharmaceuticals), and to investigate the sources and emissions of these substances in the BSR in regionalised SFAs. This will be supported by a screening study on relevant sources tailor-made for each substance. Based on this work, measures to cost-effectively and sustainably reduce the emission of hazardous substances will be evaluated, again with a strong regional aspect taking into account the different socio-economic boundary conditions and the different technological baselines. Measures to be evaluated include, amongst others, innovative measures to target emissions from the urban stock of hazardous substances.

In the future, the lessons learned from tackling the hazardous substances problem in the BSR could help to form a strong regional innovation system regarding hazardous substances management. As hazardous substances are a growing concern in many areas worldwide, there is also an opportunity for the BSR to become a technology leader in a growing global market. This refers not only to technologies but also to know-how of implementation and adaptability of technical and non-technical measures to different boundary conditions.

The project is still in the planning state. The aim is to submit a proposal early 2012.

➢ **3.7 "*Reduce the use of the Substances of Very High Concern (SVHC) in the Baltic Sea Region*"**. The project aims at bringing forward substances relevant for the environment in

the Baltic Sea, such as the Recommendations on hazardous substances made through the Baltic Sea Action Plan (BSAP) to the REACH candidate list. One central part of REACH is the "candidate list" of SVHC, listing chemicals whose use will most likely be severely restricted in the future. The SIN-List is a database with 356 chemicals and chemical groups that fulfil the REACH criteria for SVHC. (Lead: The International Chemical Secretariat. Deadline for progress review: tbd)

Report: The project aims at reducing the use of hazardous chemicals in the Baltic Sea Region, by including substances such as those mentioned in the Recommendations on hazardous substances made through the Baltic Sea Action Plan (BSAP) to the REACH candidate list. REACH, with its provisions to restrict chemicals, provides a powerful tool for strengthening the ongoing HELCOM work on one of its main objectives – protecting the Baltic Sea from hazardous substances, including endocrine disrupting chemicals (EDCs).

The project is in a start-up phase and funds have been applied for by the leading coordinator of the project (ChemSec) from the Swedish EPA to initialise the cooperation required among the planned participants in the Baltic region (Sweden, Estonia, Latvia, Lithuania and Finland).This start-up project will also explore the possibilities of cooperation across different Priority Areas as well as funding for the Flagship Project. Once start-up financing has been secured, it is expected to have a final application ready and financed for a possible start of the project in early 2012.

> **3.8 "*Make the Baltic Sea Region a leader in sustainable development for pharmaceuticals*"** by establishing a network on pharmaceuticals with a focus on sustainable development where good practice and experience are exchanged between people with knowledge of medical products and health and environmental aspects within the Region. Focal points should be established in all Baltic Sea Region Member States in order to increase knowledge and to make a platform for further discussions on working towards the goal of sustainable development. (Lead: Swedish Medical Products Agency. Deadline for progress review: tbd)

Report: Environmental problems are linked to both the use and manufacture of pharmaceuticals. The aim of the project is to increase knowledge among states in the Baltic Sea Region on good practices for using and handling medicinal products, including antibiotic-resistant strains. A network will be established with a focus on sustainable development where good practices and experiences are exchanged between people with knowledge of medicinal products and health and environment aspects within the Region. The establishment of focal points in all countries of the Baltic Sea Region is also envisaged.

The project will start by identifying work already ongoing and relevant agreements, within the EC Communication (December 2008), EU Marine Strategy Framework Directive, HELCOM Moscow Ministerial Meeting (June 2010), and other relevant EU legislation for approval of pharmaceuticals (September 2010). The project partners have now been identified, and the project is expected to start in autumn 2011 and run for three years. There are similar goals within HELCOM – Moscow Ministerial Declaration May 2010 – and the Baltic Sea Action Plan and it is believed that joint work will benefit outcomes and resources. In order to facilitate the participation of Russia in the Priority Area, a presentation of the project was to be given at the XII International Environmental Forum Baltic Sea Day in St Petersburg 21-23 March. During this forum, bilateral contacts would also be made.

PA 4: To become a model region for clean shipping	Coordinated by Denmark

Brief summary of overall progress:

The main goal of this Priority Area is to reduce emissions from shipping into both the air and the sea. The Priority Area Coordinator reports that overall progress is good. The Strategy is believed to have improved access to funding for good, relevant projects (for instance, two sub-projects under Flagship Project 4.2, BSR InnoShip and CleanShip, and Flagship Project 4.6. on LNG shipping, recently obtained co-funding from, respectively, the BSR Programme and the 2010 TEN-T call for Motorways of the Sea), and strengthened the possibility for creating inclusive and comprehensive macro-regional networks (including Russia).

In addition, the PAC finds that the Strategy has succeeded in giving the implementation of the HELCOM Baltic Sea Action Plan renewed energy and visibility. HELCOM is currently preparing a submission to the Marine Environment Protection Committee of the International Maritime Organization (IMO) to make the Baltic Sea an Emission Control Area with regard to NOx emissions under MARPOL Annex VI. This will mean an 80% reduction in NOx emissions from new ships built from 2016 onwards. Also, basic policy decisions about the designation of the Baltic Sea as a Special Area for the discharge of sewage from passenger ships are moving forward. Several Flagship Projects under the Priority Area are involved in facilitating solutions to meet the strict SOx emission regulation that will enter into force in 2015.

The PAC points to a need to keep up pressure when it comes to securing political prioritisation of the Strategy. The first experience with the implementation process has demonstrated that a shortage of allocated human resources within the national administrations has had an impact on what could be achieved. Genuine political backing of the implementation process is seen as a prerequisite for success.

A Priority Area website has been put in place: http://www.sofartsstyrelsen.dk/skibsfartspolitik/Sider/EUStrategyfortheBalticSeaRegion.aspx. The PAC points out that an important challenge in the medium-term will be to identify new relevant follow-up projects, as some of the current Flagship Projects will soon terminate. This task will partly depend on the prioritisation of the Strategy within the national administrations.

Actions:

Strategic actions:

▪ **"*Implement actions to reduce ship pollution*"** (in the International Maritime Organization (IMO), the EU and HELCOM). The Baltic Sea Action Plan (BSAP) of HELCOM contains a specific section on maritime activities, such as technologies to reduce pollution in harbours. At international level, the MARPOL (Annex VI) introduces even stricter conditions for SOx in the Baltic Sea (the sulphur content of any fuel oil used on board ships within the Baltic Sea, which is a SOx Emission Control Area, currently set at the

level of 1.50% m/m, shall not exceed 1.00% m/m from 1 July 2010, and 0.10% m/m from 1 January 2015). Hence, SOx emissions will be reduced substantially by 2015. As to NOx emissions, the MARPOL (Annex IV) provides for establishing marine areas as NOx emission control areas. New rules would require that ships built in and after 2016 reduce emissions by around 80%. In this context, the possibility to establish the Baltic Sea as a NOx Emission Control Area should be addressed. While taking into account that the international shipping regulations must be adopted if possible within the International Maritime Organization (IMO), the EU will continue to assess, depending on progress of negotiations on several key issues, whether action is required at EU level or specifically within the Baltic Sea Region.

Report: Annex VI to the MARPOL Convention is the global instrument regulating emissions from merchant ships. A major revision of Annex VI was adopted in 2008 and entered into force on 1 July 2010. The revision will result in cuts in emissions of NOx and SOx. In particular, emissions of SOx in marine regions designated as a SOx Emission Control Area (ECA) – like the Baltic Sea – will be reduced significantly and will result in an improvement of air quality and reduced health risks in coastal areas within the next couple of years. A cut in NOx emissions from ships in the Baltic Sea required by the revised Annex VI will, however, be much less significant. This will not be sufficient to counterbalance the increasing emissions related to the predicted growth in maritime transportation unless the Baltic Sea is designated a NOx Emission Control Area (ECA). The work on this ECA in the HELCOM Correspondence Group (CG) on ECA, led by Finland, has been carried out since 2008, and has included extensive studies on the effect of shipping emissions on eutrophication and its harmful effects on human health, as well as studies on the economic impacts of this measure. All Baltic Sea countries agreed that the Baltic Sea should be designated an ECA, and the HELCOM meeting in March 2011 set up the next steps needed for a successful submission of the proposal to the IMO.

The ECA requirements concern only new ships built in or after 2016. It will take the next 30-40 years for all ships to be covered by more stringent NOx emission regulations. Some complementary, voluntary actions are needed to cut NOx emissions from ships in the Baltic Sea. Also, it is important that the North Sea area be designated an ECA concerning NOx emissions. The joint application will be further scrutinised with the aim of listing any possible aspects that might be missing in the documentation, with a progress report to be considered in June 2011, and also with the aim of discussing and further concluding on the documentation at the 10th Meeting of the HELCOM Maritime Group in the autumn of 2011. The Baltic Sea countries welcome and support the idea of also designating the North Sea an ECA concerning NOx emissions, as it would increase the environmental benefits and cost-efficiency. Further details on the final date of the submission will be available during this year.

Flagship Projects (as examples):

➢ ***4.1. "Promote measures to collect ship-generated waste"*** (enhanced application of HELCOM's 'no special-fee' system for port reception facilities especially for oily waste from machinery spaces, sewage and garbage). It is important that the main ports implement a uniform and transparent approach. Furthermore, the availability of port reception facilities in the Baltic Sea ports should be further enhanced to cover the delivery of all waste, especially waste water, taking into account the proposal by the HELCOM Member States to the International Maritime Organization (IMO), asking for a prohibition

of the discharge of sewage from ships, especially from passenger ships and ferries. (Lead: HELCOM; Deadline for progress review: to be determined) *FAST TRACK*

Report: The project aims at an enhanced application of HELCOM's "no special-fee" system for port reception facilities (PRF) as well as the availability of PRF in Baltic Sea ports, especially for waste water. The Baltic Sea countries have successfully undertaken the initiative within the International Maritime Organization (IMO) to develop new regulations for discharges of sewage from passenger ships operating in the Baltic Sea (see Flagship Project 4.4, "Eliminate the discharge of sewage from ships"). In July 2010, the IMO approved the proposed amendments to the international MARPOL Convention (Annex VI), including the designation of the Baltic Sea as a Special Area for Sewage. Final adoption will take place in July 2011. For passenger ships operating in the Baltic Sea Special Area, it will be prohibited to discharge untreated sewage into the sea; instead they will be required either to treat the sewage on board or remove any nutrients prior to discharge or to deliver it to a PRF.

The precondition for the Baltic Sea Special Area entering into effect is the availability of adequate PRFs for sewage. PRFs in cruise ports are especially important, as cruise liners produce the largest amounts of sewage. The priority passenger ports that need to upgrade their PRFs for sewage have been identified and agreed between the Baltic Sea countries. At the end of 2010, HELCOM established a Cooperation Platform on PRFs in the Baltic Sea to promote dialogue on the provision of adequate PRF for sewage among the key stakeholders. They include port organisations, the shipping industry, especially cruise liners, the maritime administrations of the coastal countries as well as water and waste water utilities. The Platform's specific tasks, such as identification of gaps, building a common understanding on technical and operational aspects of sewage delivery, and following developments of the technology for onboard sewage treatment, are led by the appointed stakeholders: Poland, the Baltic Ports Organisation, Sweden, the WWF and Germany.

A local stakeholder meeting on upgrading PRFs was organised by the lead country Poland and hosted by the Port of Gdynia in March 2011 with the aim of presenting the ongoing and planned activities on PRFs and discussing possible financial sources, including a presentation of the NIB/NEFCO BSAP Technical Assistance Fund.

For the years to come, the PACs recommend that investments in PRF for sewage should be prioritised and well-reflected within different national and European financing programmes. On a practical level, a website will be created on the HELCOM webpage where members of the Cooperation Platform will be able to exchange views and information. The progress in the work of the Cooperation Platform will be reviewed during the annual HELCOM Maritime Meeting in the autumn of 2011. The Baltic Sea countries have agreed to upgrade PRFs for sewage in the priority passenger ports as soon as possible, preferably by 2013, but by 2015 at the latest. Thus, 2015 is the expected date for notifying the IMO on the availability of adequate PRF in the Baltic Sea and for the Baltic Sea Special Area taking effect.

➢ *4.2. "Promote measures to reduce emissions from ships and enhance the development for shore side electricity facilities or for emission treatment in all major ports around the Baltic Sea".* Their use should be promoted including through economic incentives in order to come to a level playing field. (Lead: Finland and Sweden; Deadline for progress review: to be determined by the lead Member State) *FAST TRACK*

Report: The overall aim is to reduce the adverse effects of pollution from maritime traffic on the sea as well as in ports and cities, while at the same time optimising the competitiveness of

shipping in the area. Several intermediate goals set by the two sub-projects, BSR InnoShip and CleanShip, which both received financing from the BSR Programme in 2010, will contribute to this aim. The BSR InnoShip project focuses on identifying and promoting technological, economic, regulatory and systemic innovations to reduce the emissions. The CleanShip project focuses on measures reducing emissions in ports, including those from ships.

The CleanShip project will address emissions from ships at the policy, strategic and technical level. The aim is to elaborate a clean shipping strategy and to harmonise and standardise environmentally related infrastructure such as shore side electricity, supply of LNG and natural gas and PRF for waste water from ships. The project also aims at developing a joint strategy on differentiated port dues and other economic instruments. The BSR InnoShip project will address the Baltic Sea countries and the key marine stakeholders to cooperate in minimising ship-based air pollution, while aiming at optimising the competitiveness of the marine industry. The project will promote a new and innovative transnational approach to mitigate the different needs and interests of the maritime sector and to ensure a basis for a more sustainable and economically viable management of the Baltic Sea resources.

Both sub-projects held kick-off meetings and conferences in 2010. Additionally, a coordination meeting was held between the BSR InnoShip and CleanShip projects to coordinate the actions of the sub-projects. The PAC points out that the two sub-projects complement each other and, in some activities, the dividing line seems to be unclear. It is still a challenge to coordinate the activities and to guarantee that duplication of work is avoided. However, the leaders of the sub-projects and the Flagship regularly communicate and meet to keep each other informed and updated, to find synergies and to prepare joint activities.

➤ *4.3. "Introduce differentiated port dues depending on the environmental impact of ships"* in the main ports of the Baltic Sea in order to set incentives for ships producing low emissions, managing waste water and ballast water in a sustainable way, using environmentally friendly technologies (especially propulsion systems with, for example, improved energy efficiency), having high safety standards, etc. (Lead: HELCOM; Deadline for progress review: to be determined) *FAST TRACK*

Report: The aim is to set up economic incentives for ships to produce low emissions, managing waste water and ballast water in a sustainable way, using environmentally friendly technologies, etc. HELCOM Recommendation 28E/13 encourages the application of economic incentives and gives examples of rebate schemes for reducing emissions. Among the Baltic Sea countries, only Sweden has applied differentiated fairway dues to reduce emissions from ships. Finland (the Government of Åland) organised, in collaboration with HELCOM and funded by the Nordic Council of Ministers, a seminar on economic incentives for reduction of nitrogen emissions from ships in the Baltic Sea (Mariehamn, 13 October 2009).

One challenge today is that there are different – and very often complex – port/fairway dues systems in the Baltic Sea countries. The economic incentives have the potential to bring about the greatest results when implemented in a larger geographical area, rather than limited to a specific port or a country. There is also the issue of the competitiveness of ports. Agreeing on the application of a similar scheme in the entire Baltic Sea area has proven difficult. There are other means of encouraging emission reductions, such as awards (for instance, the Baltic Sea wide Clean Baltic Shipping and Sustainable Port Operations Award will be developed within the InnoShip project based on the German environmentally friendly shipping award *Blue*

Angel), ship-specific environmental indices (e.g. Clean Shipping Index in Sweden), voluntary agreements with ship owners, and promotion of the use of LNG. The Energy Efficiency Design Index (EEDI) currently under development in the IMO could serve as a tool to implement and measure emission reductions.

➤ *4.4. "Eliminate the discharge of sewage from ships"*, especially from passenger ships, by following up on the proposal by HELCOM to the International Maritime Organization to designate the Baltic Sea as a control area for sewage discharges from passenger ships, whereby cruise and passenger ships will be required to treat their sewage to remove nutrients or deliver it to port reception facilities. (<u>Lead</u>: Finland; <u>Deadline</u> for progress review: to be determined)

Report: The aim of the project is to designate the Baltic Sea as a control area for sewage discharges from passenger ships, whereby cruise and passenger ships will be required to treat their sewage to remove nutrients or discharge it into port reception facilities (PRF). Partners involved in the implementation: Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, the Russian Federation and Sweden. The proposal to amend MARPOL Annex IV, to include the designation of the Baltic Sea as a special area for discharges of sewage from passenger ships, as proposed by the HELCOM countries, was approved by the International Maritime Organization in the autumn of 2010.

While the global agreement on the new regulations has already been achieved, some details of standards for onboard treatment of sewage are to be discussed on a technical level in the IMO. To facilitate these discussions, a joint submission to the 55th session of the IMO's Design and Equipment Sub-Committee has been developed under the lead of Finland (adopted by HELCOM HOD 34/2010). The new regulations include conditional entry into force of the Baltic Sea Special Area – the Baltic Sea countries have to ensure availability of adequate PRF for sewage in relevant passenger ports and to inform the IMO accordingly. The Cooperation Platform on PRF has been established to facilitate, in cooperation with ports, the industry and WWTPs, the implementation of the HELCOM Roadmap for upgrading PRF for passenger ports in the Baltic Sea (its Terms of Reference were adopted by HELCOM HOD 34/2010).

In March 2011, the IMO sub-committee DE 55 discussed nutrient reduction standards. Decisions with regard to the standards will probably be made at DE 56 and the final approval subsequently made by the MEPC. Also, in July 2011, MEPC 62 was expected to finally adopt the proposed amendments to MARPOL Annex IV. Finally, the new sewage discharge regulations will enter into force when the Baltic Sea States have reported to the IMO that adequate port reception facilities for sewage are in place at their ports.

➤ *4.5. "Improve the waste handling on board and in ports"* within the framework of Baltic Master II project through better involvement of different actors, i.e. coastal municipalities and ports together with national authorities, research institutes, universities and pan-Baltic organisations, and finding practical solutions to improve waste handling. (<u>Lead</u>: Blekinge Region; <u>Deadline</u> for finalisation: 24 January 2012)

Report: Within Baltic Master II, "Waste Management in Ports" (WMP) aims at finding practical solutions to improve waste handling and to see what can be done within the existing legal framework in order to better prevent the input of pollution from maritime transport, thereby not addressing the legal framework per se.

A WMP reference group has been established. Currently about 15 ports and other relevant organisations, from most of the BS countries, are involved. During 2010, the Linnaeus University presented a thesis conducted by students from the Kalmar Maritime Academy. The document was a result of the in-depth analysis of available materials and reports and showed detailed solutions for port routines. Analysis on port waste management was further discussed by the WMP reference group. Existing waste handling routines have also been further developed in three Swedish ports.

Sludge trucks have been successfully introduced, to support work on our task. The WMP has also developed a so-called "Oily water carriage" solution for small and medium-sized vessels that allows more ships to deliver their waste at ports.

Final recommendations for improved and harmonised waste management on board and in ports, strictly based on the results achieved so far by the project, will be presented during spring 2011. During autumn 2011, the recommendations will be disseminated and discussed, as a part of the Baltic Master II communication.

➢ *4.6. "Conduct a feasibility study on LNG infrastructure for Short Sea Shipping"*. Short Sea Shipping must be developed as a sustainable transport alternative encompassing intermodal transport as well as transport of bulk cargo. With the coming cuts in the sulphur content allowed in bunker fuel and limitations on emissions of nitrogen oxides, the competitiveness of Short Sea Shipping is put under great stress and new technologies must be considered. Engine manufacturers have started to offer liquefied natural gas (LNG) as an alternative to oil, but this alternative demands an infrastructure of LNG filling stations. A feasibility study shall form the basis for further action in this field (Lead: Danish Maritime Authority and the Nordic Council of Ministers; Deadline for progress review: to be determined)

Report: The aim of the project is to develop recommendations on 1) an LNG infrastructure of filling stations for Short Sea Shipping and 2) regulations, classification rules, industry standards, etc. for Northern Europe. Besides the Baltic Sea, the project covers the North Sea and the English Channel. The three sea areas will be covered by the same emission demands on SOx from 1 January 2015 and the shipping traffic between these areas is extensive. Hence, it is reasonable to include all three sea areas in the project. The recommendations of the project aim to be relevant for central stakeholders such as ship owners, ports, LNG providers, industry organisations, countries, the EU, the IMO, etc., and to form the basis of policy-making, regulations, industry standards and cooperation, and commercial decisions.

On 31 August 2010, an application was submitted to the European Commission under the 2010 TEN-T call for Motorways of the Sea. The application consists of the above-mentioned infrastructure part and a full-scale pilot project part with conversion of two cruise ferries under construction from ordinary fuel to LNG. The ferries are going to be deployed in liner services between Hirtshals in the Northern part of Denmark and three Norwegian cities in the South Western part of Norway. The application was approved by the Commission in December 2010. Agreement with the consultant on the infrastructure part was expected in the beginning of May 2011 and the consultancy work was expected to start in mid-May 2011. The work is expected to be finalised by 31 March 2012. The pilot project runs parallel with the infrastructure project, but will run a year longer than the infrastructure project, i.e. until 2013.

PA 5: To mitigate and adapt to climate change	Coordinated by Denmark

Brief summary of overall progress:

Except for Flagship Project 5.2 on the EU-Russia Energy Efficiency Initiative, this Priority Area is characterised by Flagship Projects that are all in their beginning stages. Kick-off meetings have been held and some projects are currently preparing applications for funding. The Priority Area Coordinator's main objective for the short-term is therefore to ensure that all the Flagship Projects get properly started. A medium-term objective is to further develop and implement the EU-Russia Initiative during the period 2011-14.

There was an internal change of PAC for this Priority Area in 2010, followed by a change of administrative authority for the Priority Area from the Danish Energy Agency to the Danish Meteorological Institute (DMI). The DMI also leads FP 5.4, which gives the PAC the opportunity to follow this project closely. In general, however, the new PAC points out that it has been difficult to obtain information from all the stakeholders involved in the actions and Flagship Projects of this Priority Area.

Actions:

Strategic actions:

- *"Establish a regional adaptation strategy at the level of the Baltic Sea Region"* which would provide a useful framework for strengthening cooperation and sharing information across the Region. The possibility of establishing such a regional adaptation strategy should be considered and the consistency of any such strategy with actions at EU level further to the White Paper from the European Commission on adaptation needs to be ensured. This issue could be addressed in the Impacts and Adaptation Steering Group proposed in the White Paper. Ensuring complementarities with EU-wide initiatives, a regional strategy could focus on issues of cross-border interest in the Region such as: developing a more robust evidence base for the impacts and consequences of climate change, raising awareness of the need for action, ensuring and measuring progress (using indicators as benchmarks for measuring progress) and recommending early action to ensure that adaptation is integrated in key policy areas – this means reviewing policies in the light of the risks of climate change and considering options for adaptive action.

Report: This action has developed into a Flagship Project, see below.

Cooperative actions:

- *"Promote the whole Baltic Sea Region as a green region (on land and in the sea)".* Some Member States in the Baltic Sea Region are already front-runners in sustainable development (for example Stockholm and Hamburg have been awarded the title of 'European Green Capital') and there would be benefits from building on this to spread the experience to the entire region. While this initiative will include a number of important

issues (including e.g. air, water and waste), an important priority will relate to promoting action in the Region for mitigation and adaptation to climate change.

Report: Information missing (PAC points out that no response was provided from the project manager)

- ▪ *"Promote efficient heating systems"* in renovating district heating or combined heat and power facilities; and *"promote energy efficient housing"* in the residential sector and public buildings (e.g. regional/local action plans addressing these sectors, network to exchange best practices, etc.).

Report: Information missing (PAC points out that no response was provided from the project manager)

Flagship Projects (as examples):

➢ *5.1. "Anticipate regional and local impacts of climate change through research".* Initiatives in this research field should address specific concerns in the Baltic Sea Region, while ensuring close coordination with overall action at EU level. (Lead: Denmark and Sweden; Deadline for progress review: to be determined)

Report: No funding for this project has yet been obtained

➢ *5.2. "Implement fully the EU–Russia Energy Efficiency Initiative"*, particularly the annual work programmes of the Joint EU–Russia Thematic Group on Energy Efficiency of the EU–Russia Energy Dialogue, to be implemented jointly by the EU and Russian side. (Lead: European Commission, DG ENER; Deadline for progress review: 31 July 2010)

Report: The EU–Russia Energy Efficiency Initiative supports EU–Russia cooperation in the area of sustainable energy, including energy efficiency, primary energy savings, sustainable use of energy, and renewable energy. It will be further developed and implemented in 2011-14 in the framework of the EU–Russia Energy Dialogue, particularly in the context of the EU–Russia Partnership for Modernisation. The annual work programmes of the Joint EU–Russia Thematic Group on Energy are to be implemented jointly by the EU and Russian side.

In 2010, this Flagship Project played a major role in preparing the input of the EU-Russia Energy Dialogue to the Partnership for Modernisation. In autumn 2010, in the framework of the Partnership for Modernisation, both sides agreed on a detailed working plan notably in the field of energy efficiency, but also on regulatory issues. A particular focus of the EU–Russia Energy Efficiency Thematic Group was given to legislation, best experience exchange on energy efficiency policy and legislation implementation, statistics and tools for monitoring energy efficiency progress, energy efficiency standardisation and labelling, information exchange on science and technology cooperation in the area of sustainable energy, etc.

Three workshops/roundtables to exchange best practices on Energy Efficiency in Buildings, Energy Efficiency Indicators and the bilateral cooperation of Russia and the EU and IFIs in the area of energy efficiency and renewable energy were organised in Russia. Moreover, two projects with 100% EU financing on Energy Efficiency investments and on Energy Efficiency indicators were running in 2010. In addition to these two projects, Russian and EU researchers implemented a joint research project on Bioliquids-CHP: Power generation from

biomass. Under the Northern Dimension Environmental Partnership, the ongoing project on rehabilitation of district heating in Kaliningrad also supports the investments of the EBRD.

The following developments will support the implementation of the Flagship Project in the short and mid-term: 1) On 27 December 2010, a State Programme of the Russian Federation for Energy Savings and Increased Energy Efficiency for the period to 2020 was approved by the Russian government; 2) On 21 January 2011, an EU grant programme for non-state actors and local authorities for the Baltic Sea Region was launched (€3.5 million); and 3) The Russian Energy Agency was established and became operational in 2010.

Meanwhile, the FPL points to the following issues as having posed a challenge:

1) The progress with implementation of the work programme in areas of renewable energy and efficient use of the associated gas (gas flaring reduction) was limited as a result of the financial crisis and a slow pace of development with the secondary legislation and regulations for supporting the use of renewable energy sources. In the area of efficient use of the associated petrol gas, a draft law is still under discussion in Russia. Solution: Continued dialogue on the legislation and potential of cooperation on renewable energy in the framework of the Energy Dialogue. Information was received from the EBRD and IFC on their policy dialogue with the Russian government on legislation.

2) EU financing for technical cooperation is still very limited, while the technical and administrative capacity in Russia for energy efficiency is very low. The Russian side was informed about the EU thematic programmes for development of education programmes and encouraged via the Russian Energy Agency to develop project proposals under the Baltic Sea non-state actors grant programme.

3) The administrative capacity of the Ministry of Energy in the area of Energy Efficiency was rather weak during the second part of 2010. The Russian Co-Chair of the Thematic Group left the ministry and no replacement was nominated. Solution: Cooperation with the Russian Energy Agency was developed based on practical best experience exchange between the EU and Russia.

As regards the next steps, the FPL points to:

- The implementation of the Work Programme of the EU–Russia Joint Thematic Group on Energy Efficiency 2011 in order to support the implementation of the Work Plan of the EU–Russia Modernisation Partnership;

- Follow-up on activities, such as the TAIEX seminar in Moscow on 25 March concerning energy statistics and energy efficiency indicators, and the EU Sustainable Energy Week Conference in Brussels on 12 April 2011: "EU and Russia Modernisation Partnership: Scaling up low-carbon energy investments and technology cooperation".

The Flagship Project expects to conclude its activities in 2014, depending on the success of the EU–Russia Modernisation Partnership.

➢ **5.3. "Create a network of sustainable cities and villages"** to exchange knowledge and good practices on environmentally friendly city management practices. In this regard, consideration could be given to wider participation in the existing Covenant of Mayors initiative that gives the lead to Europe's pioneering cities to mitigate climate change through the implementation of intelligent local sustainable energy policies that create

stable local jobs, increase citizens' quality of life and address crucial social issues. One important component of a strategy for sustainability will be to take measures at municipal level for mitigation of, and adaptation to, climate change. (Lead: Sweden and Germany; Deadline for finalisation: to be determined) *FAST TRACK*

Report: The project has been interpreted as aiming to support existing city networks as well as new actors (e.g. Baltic Sea cities in Russia) to further develop their capacities and activities in terms of creating sustainable, climate-friendly cities. Special emphasis is given to how the participating cities and networks together with national and regional actors and industry can pursue green growth strategies and integrate climate/sustainable urban development initiatives in a resource-efficient, green-economy framework. The project will support the existing city networks by helping them to share information and cooperate on the climate challenge and use this challenge to further a green economy. Cooperation is also sought with other interlinked BSR projects.

A meeting with city networks and other regional actors was arranged during the Nordic sustainability conference 'Solutions' held in Turku, Finland in February, in cooperation with the Union of the Baltic Cities (UBC), to discuss and further develop the project. A refined project plan is currently being developed. The project leaders, together with the UBC, are currently in the process of writing an application for funding for project development and initial project activities.

➢ *5.4. "Establish a regional adaptation strategy at the level of the Baltic Sea Region"* which would provide a useful framework for strengthening cooperation and sharing information across the Region. The possibility of establishing such a regional adaptation strategy should be considered, and the consistency of any such strategy with actions at EU level further to the White Paper from the European Commission on adaptation needs to be ensured. This issue could be addressed in the Impacts and Adaptation Steering Group proposed in the White Paper. Ensuring complementarities with EU-wide initiatives, a regional strategy could focus on issues of cross-border interest in the Region such as: developing a more robust evidence base for the impacts and consequences of climate change, raising awareness of the need for action, ensuring and measuring progress (using indicators as benchmarks for measuring progress) and recommending early action to ensure that adaptation is integrated in key policy areas – this means reviewing policies in the light of the risks of climate change and considering options for adaptive action.

Report: Although the likely impact of climate change is difficult to predict with certainty, it is generally accepted that the projected increase in precipitation amounts and temperature will jeopardise the integrity of the ecosystem and increase the risks of natural disasters (e.g., surges, flooding), thereby posing a threat to the countries bordering the Baltic Sea. There are good experiences with climate adaptation in the Region, but these are rather fragmented and mostly on regional/national scales. Baltadapt aims at developing a true basin-wide Baltic Sea Regional Climate Change Adaptation Strategy, and providing a framework to strengthen cooperation, information and knowledge-sharing within the Region. Although Baltadapt can not in itself implement the strategies for adaptation, the project can ensure its preparation and clear the ground for its adoption.

As part of the work plan, the project seeks to achieve the following results:

1) Establish an information database and help in capacity-building by strengthening the knowledge dissemination process between policy-makers and researchers.

2) Establish a transnational adaptation strategy for the Region with a focus on marine and coastal environments.

3) Prepare an action plan to set the ground for implementing the activities dealing with adapting the Baltic Sea to climate change.

The Baltadapt kick-off was organised by the Lead Partner and took place in Roskilde, Denmark on 10-12 January 2011.

Pillar 2: To make the Baltic Sea Region a prosperous place

PA 6: To remove hindrances to the internal market in the Baltic Sea Region including to improve cooperation in the customs and tax area	Coordinated by Estonia

Brief summary of overall progress:

All projects within Priority Area 6 are aimed at identifying barriers that are hindering the smooth operation of the internal market and finding ways of reducing or abolishing them. So far, all the projects are moving forward, a great number of hindrances have been mapped, and the present phase could be called "finding solutions to the problems". All project partners have shown a willingness to contribute to a better functioning internal market without barriers. It has also been identified that the best way of raising awareness among citizens and interested entrepreneurs is by creating web pages where all interested actors can find the relevant information on Member States' requirements related to goods and services in different sectors.

A conference "Baltic Sea Strategy and the Internal Market" was organised in Tallinn on 16-17 September 2010. Both experts and senior officials from the Commission and Member States met to discuss practical issues, including those related to the digital agenda of the internal market – e-services, e-signatures etc. – and other ways in which the internal market and cooperation can be improved.

The main results so far include:

- Internal market barriers according to the aims of Flagship Projects are mapped;
- Constant exchange of best practices has taken place in the form of different meetings of project participants;
- Creation of regional websites containing specific information related to the Goods Package and the Services Directive targeted at any interested parties has started;
- Efforts have been made to intensifying cooperation with Russia to complement and facilitate the achievements of the goals of the EUSBSR with the aim of trade facilitation and customs modernisation.

Actions:

Strategic actions:

- ***"Implement the strategy aimed at sustainable improvement and facilitation of border controls of goods"*** adopted at the meeting of the EU-Russia Sub-Committee on Customs and Cross-border Cooperation on 26 April 2007 and reconfirmed on 19 June 2008.

    1.1. ***Report:*** It was decided recently to recast EU-Russia customs cooperation in the format of a Strategic Framework based on mutual interest in economic integration,

customs modernisation and convergence in line with international standards. A Strategic Framework for EU-Russia Customs Cooperation was endorsed in December 2010.

An appropriate mechanism (early warning system) to prevent disruption of trade and congestion on border crossings is being discussed between the Commission services and Russian customs. Despite its technical success, the pilot project on exchanges of information has not yet resulted in undisrupted movement of trade flows. Strategic Framework will allow to fully use the potential of the pilot project in the context of cooperation on risk management.

To implement to Framework, experts groups have been set up to explore ways to cooperate on risk management, operators' reliability, exchanges of information and to identify the areas for convergence of legislation.

The evaluation of the strategy will be indispensable for the further implementation of the priorities under the Framework. It will be based on the evaluation project on functioning of border-crossing points and procedures. Recently Russia agreed to start implementation of the evaluation project in two phases covering six crossing-points each. The first phase could start possibly in October 2011.

- *"Coordinate with actions taken by the CBSS Working Group on Customs Cooperation and Border-Crossing Aspects (WGCB)"* in order to improve cooperation among authorities at the border, including harmonisation of working practices, common training and exchanges of information and best practices.

   Report:

The work of the CBSS Expert Group on Customs Cooperation and Border Crossing Aspects was discontinued in June 2011, following the decision by the paticipants of the Group stipulated in the Final Report adopted by CSO of the CBSS. Continued cooperation on these issues will continue in other for a, notably in the Eu-Russia Working Group on Customs Border Issues.

Cooperative actions:

- *"Open up the public sector to competition"*. Increase productivity in traditionally state and municipal services by gradually opening up more to free competition in relevant areas such as waste management, recreational activities, postal services, related logistics and the broader communications sector, supply of local energy, etc. to secure full access to the respective markets in the Baltic Sea Region.

Report: Information missing

- *"Remove remaining barriers to the cross-border provision of services"* by timely and consistent implementation and application of the Services Directive and other relevant directives, especially those affecting SMEs and those aiming at the liberalisation of service markets (e.g. the Third Postal Directive which sets a deadline for full market opening by 31st December 2010 for the majority of Member States). Besides requiring

Member States to take concrete legislative measures, the Directive asks them to put in place a variety of practical measures such as Points of Single Contact for service providers, electronic procedures and administrative cooperation. It also introduces innovative tools, such as the review of national legislation and the process of mutual evaluation. Close cooperation between the bodies responsible in each Member State for implementing the Services Directive has been established over the last two years in the framework of the "Nordic-Baltic cooperation group". This cooperation could further be enhanced through exchange of good practices, including for the setting up of Points of Single Contact, and also through engaging business associations in the process.

Report: All Flagship Projects of PA 6 are actively dealing with identifying remaining internal market barriers and finding solutions for how to remove them. Therefore all Baltic Sea Region Member States as well as organisations like the Nordic Council of Ministers and the Nordic Innovation Centre are involved in achieving the goals of the Strategy. Special efforts have also been made to intensify the cooperation with Russia on identifying and implementing initiatives of joint interests.

- *"Make the EU internal market work on the ground for the Baltic Sea Region"* through enhanced cooperation between national authorities in managing the Single Market. Improved and increased administrative cooperation between national authorities in the Baltic Sea Region on the implementation of Single Market Directives should be developed with the existing "Nordic-Baltic cooperation group" for the Services Directive as an inspiration. National authorities are also encouraged to cooperate within the Baltic Sea Region regarding provision of training in Single Market law to national civil servants and court officials; and provision of information to citizens and businesses about their rights and opportunities in the Internal Market. Such close cooperation on Single Market issues between the authorities of the Baltic Sea Region should be developed in the context of and in line with the **Commission's Recommendation on Partnerships** which was to be adopted in June 2009.

Report: Information missing

- *"Promote the principles of good governance in the tax area"*, namely transparency, exchange of information and fair tax competition, in order to improve international tax cooperation and reinforce efforts to combat cross-border tax fraud and evasion. A first step would be to reach an agreement with Russia on good governance in the tax area. The alignment of taxation policy should also be pursued, including inter alia gradual approximation of excise rates for cigarettes with Russia. This would diminish tax fraud and smuggling of excise goods into the EU, and also contribute to the budget and health objectives, addressing problems which are difficult to fight by means of reinforced border controls only. Additionally this would contribute to trade facilitation in the Region by reducing the need for strict and detailed controls at the border.

    Report: The main idea is to reach an agreement with Russia on good governance in the tax area. This can be achieved by negotiations on the political level between the EU and Russia.

Flagship Projects (as examples):

➤ **6.1. "*Remove remaining Single Market barriers*"** by strengthening practical cooperation between the responsible authorities. The project consists of five areas divided between two leaders: **1. Identification of the internal market barriers to trade between the countries of the Region and taking actions to remove them – country responsible: Poland.** The general objective to be achieved under the project should be to collect extensive information on the barriers to the internal market that hinder the free movement of persons, goods, services and capital between the countries of the Region. **2. Cooperation aimed at the implementation of the Commission *Recommendation on measures to improve the functioning of the Single Market* – measures ensuring better coordination of Single Market issues (Recommendation no. 1) – country responsible: Poland.** To establish a cooperation group (modelled on the Nordic-Baltic group or within that forum) which will meet periodically to exchange experience on the implementation of Recommendation no. 1 on measures to improve the functioning of the Single Market on measures ensuring better coordination of Single Market issues. **3. Intensification of cooperation between the SOLVIT Centres of the countries from the Region – country responsible: Poland.** To carry out a joint campaign to increase awareness of the existence of SOLVIT among SMEs and to provide them with reliable and objective information on the type of assistance they may obtain at SOLVIT. **4. Exchange of best practices on the practical functioning of Product Contact Points and Points of Single Contact – country responsible: Sweden.** The project should aim at providing a platform for exchange of experience regarding establishing, financing and developing the contact points in the Baltic Region. **5. Provide better information to citizens and business about the Goods Package (including mutual recognition principle) and the Services Directive – country responsible: Sweden.** This project could take the form of a group sharing best practice information, which should aim at identifying what kind of information efforts have been carried out regarding the content of the new legislation and the role of the new contact points. Furthermore, the project should aim at identifying if and what kind of additional information efforts could be beneficial to the Region. (Lead: Poland and Sweden; Deadline for progress review: first results produced in June 2011) *FAST TRACK*

Report: Poland's Chamber of Commerce has developed the idea of creating a regional website containing information on specific legal requirements related to services and goods in selected sectors in the BSR Member States. This can be used by entrepreneurs and for national administrations for identifying best practices and increasing coordination of procedures. A written draft of the proposal, prepared by the Polish Chamber of Commerce has been distributed among Member States participating in the Flagship Project, as well as the Baltic Development Forum and the Nordic Council of Ministers. The Polish Chamber of Commerce will prepare a pilot portal for the project. The portal will enable communication between experts and exchange of information. All participating countries will be asked to appoint experts, who will be given logins to the portal. The domain baltic-strategy.eu has already been reserved.

SOLVIT Centres' representatives discussed the idea of creating a common regional e-newsletter on SOLVIT and other internal market issues.

In March 2011, Poland suggested applying for EU funds from the Baltic Sea Region Programme 2007-13.

- ➢ *6.2. "Implement European space for maritime transport without barriers in the Baltic Sea Region".* This plan includes several legislative measures, including a proposal aimed at simplifying administrative formalities based on Community regulations and recommendations to Member States for reducing the administrative burdens imposed on shipping companies. This should be done through analysing the present legal and administrative barriers and initiating necessary changes to the regulatory and administrative framework through better regulation strategies, and by developing integrated EU maritime information reporting systems (single window) agreed at EU level. (<u>Lead</u>: Swedish Maritime Agency tbc; <u>Deadline</u> for progress review: to be determined)

Report: Information missing

- ➢ *6.3. "Increase the use of electronic signatures/e-identification"* in contact with authorities in the Baltic Sea Region, in line with the November 2008 Action Plan on e-signatures and e-authentication[21], which aims to ensure that electronic signature and authentication applications are interoperable across borders. This would enable cost-effective and more expedient conduct in the provision of public services and of administrative and court proceedings, and make it easier for citizens and private enterprises to report digitally to public authorities, which will also support the strategic action "Remove remaining barriers to the cross-border provision of services" (as described on page 27). Such work should have a heavy focus on market access for foreign citizens and enterprises by avoiding the creation of structural barriers due to increasing the security level for interoperable e-signatures to an unnecessary high level. Joint projects should be developed within the field of the information society; these would include electronic voting and other public and private electronic services. (<u>Lead</u>: Estonia; <u>Deadline</u> for progress review: to be determined)

Report: Estonia is currently developing a methodology for evaluation and validation of digital signature certificates used by other countries, based on which an appropriate web service will be developed. The project leaders will make the web service available for experts in the other BSR member states to test the new service.

- ➢ *6.4. "Encourage sharing of competences between accreditation bodies".* Cooperation between accreditation bodies could be a cost-effective way of sharing competence and offering a wide range of accreditation services to companies, without having all the facilities in each Member State. (<u>Lead</u>: Sweden – Swedish Board for Accreditation and Conformity Assessment; <u>Deadline</u> for progress review: to be determined)

Report: Discussions between the accreditation bodies on prioritised area for cooperation have started. The work will be divided into four phases: Areas that have been proposed are, for example, accreditation of medical laboratories, assessment/accreditation of notified bodies and greenhouse gas verifiers. It has been decided to choose 3 to 5 subjects among the proposed areas and for discussions to start on each of these. (Phase 1)

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[21] COM(2008) 798 of 28.11.2008

It was decided to start with two of the proposed areas, accreditation of certification bodies for the scope "greenhouse gases" and accreditation of proficiency testing (PT)-providers. In the area of greenhouse gases, it has been identified that a harmonisation discussion is useful, while for accreditation of PT providers there is a new standard, ISO 17043, which is not yet fully implemented, thus highlighting the need for harmonisation. There have been constructive discussions, and proposals for other activities within the area have been developed. The networks within the greenhouse gases and PT testing are in place. (Phase 2)

The next steps would be to create, within each area, a network with one contact person and to create, within each area, a pool of technical assessors with specific competence. (Phase 3)

Phase 4 will be using and developing the experience from Phases 1 – 3 to expand other areas within the national accreditation work and also to create a pool of experts to support the strengthening of accreditation work in developing countries.

➢ *6.5. "Monitor implementation of the priorities of the EU-Russia strategy"* for improvement of customs and border procedures , namely: a) Implementation by Russia of legislative, administrative and procedural measures to improve the situation at the border; b) Implementation of a pilot project on EU-Russia information exchanges; and c) Implementation and development of border-crossing and customs infrastructure. (Lead: European Commission, DG Taxud/EU-Russia Working Group on Customs Border Issues; Deadline for finalisation: to be determined)

Report: It was decided recently to recast EU-Russia customs cooperation in the format of a Strategic Framework based on mutual interest in economic integration, customs modernisation and convergence in line with international standards. The Strategic Framework on EU-Russia customs cooperation was endorsed during the visit of Commissioner Šemeta to Moscow in November 2010.

A number of important legal acts, including on the reduction of agencies operating at the border, were adopted by Russia in late 2010, and their full implementation will contribute to trade facilitation and customs modernisation. In the meantime, an appropriate mechanism (early warning system) to prevent disruption of trade and congestion on border crossings is being discussed between the Commission services and Russian customs. Despite its technical success, the pilot project on exchanges of information has not yet resulted in undisrupted movement of trade flows. To implement the Framework, experts groups have been set up to explore ways to cooperate on risk management, operators' reliability, exchanges on information and to identify the areas for convergence of legislation.

An evaluation will be carried out based on two projects: the "Laufzettel" project on the measurement of border crossing times and the evaluation project on the functioning of border-crossing points and procedures. The Commission and the Working Group will continue to monitor the situation and to engage with Russia through our regular dialogue. The deadline for finalisation of the project has not been determined yet.

➢ *6.6. "Monitor border situations"* by re-launching the "Laufzettel" project, originally carried out in 2001, 2003 and 2005, with the objective of measuring border crossing/clearance times and identifying bottlenecks as well as opportunities to improve control procedures at the EU-Russian border. (Lead: European Commission, DG Taxud/EU-Russia Working Group on Customs Border Issues; Deadline for finalisation: second half of 2010) *FAST TRACK*

Report: The EU and Russia have agreed that progress on the implementation of the customs cooperation strategy will need to be evaluated in due time. One of the major inputs to this evaluation will be a re-launch of the "Laufzettel" project, with the purpose being to provide an exact measurement of the time needed to complete the different phases involved in crossing the EU-Russia border. In addition, a more complete evaluation project to monitor the practical effects of the strategy should be carried out under the Common Space Facility. The project will provide practical recommendations on how to facilitate the movement of goods between the EU and Russia in line with the strategy.

➢ *6.7. "Coordinate the use of the digital dividend."* Coordination of the use of the digital dividend that will be available in the transition to digital television transmitted on land for a more effective use of frequencies and to add benefits to companies to offer broadband in sparsely populated areas. Development of enhanced models for cooperation between Member States for multilateral coordination and market control (<u>Lead</u>: Sweden. <u>Deadline</u>: to be determined).

Report: Information missing

PA 7: To exploit the full potential of the Region in research and innovation	Coordinated by Sweden and Poland

During the first stage of the implementation process, the Priority Area Coordinators have focused on getting the Flagship Projects started. Regular meetings of the PACs and the Flagship Project Leaders have been successfully organised to facilitate cooperation. So far, the design and planning of the Flagships have to a large extent been funded by existing national or EU sources; however, there is a wish to explore the possibilities of financial engineering. Cooperation between Interact Point Turku, FP 7.2 "Create a Baltic Sea Fund for innovation and research", and the PACs, using BSR Stars as a test case, has already been initiated to explore this possibility.

Flagship Projects 7.1 "BSR Stars", and 7.4 "BSR Health Region" have both developed a well-functioning governance structure, which has allowed the project leaders to formulate their visions and goals, develop strategies and activity plans, take decisions about priorities and initiate new cooperation. The PACs recommend the example of the High Level Group of BSR Stars, with 1-2 representatives from each participating country (BSR EU members, Norway and Iceland), as a good governance structure that could perhaps be useful to other EUSBSR Flagships.

Both FP 7.1 and 7.4 are now in the first phase of implementation. They are co-funded by the Baltic Sea Region Programme 2007-13, and 7.4 also from the South Baltic Programme. Both Flagships have applied and/or will apply to other sources of funding to be able to initiate more activities.

Cooperation between the BONUS secretariat and BSR Stars is being developed in order to jointly broaden the BONUS programme to also include clean tech innovation and eco-innovation. The BONUS secretariat has found the BSR Stars to be a suitable partner, facilitating the inclusion of innovation competences and persons responsible for innovation in ministries and innovation agencies of the BSR countries. Without the EUSBSR this had not been possible.

Flagship Project 7.2, led by the Skane Region in Sweden, is now developing its governance structure and work plan. It has already been able to initiate interesting dialogues on future funding within the field of innovation.

Flagship Project 7.5 "Setting up a science link" is today a cooperation project between DESY/Hamburg and the Swedish Research Council. The FPLs have started to create a network which initially will be focused on materials research in a broad sense. Considerable parts of research in the life sciences are focused on new research infrastructures (MAX IV / ESS / XFEL / PETRA III). The initiative has the potential to provide positive stimulus to the entire region by letting more researchers gain access to the facilities.

Actions:

Strategic actions:

- *"Establish a common Baltic Sea Region innovation strategy"* which will address the following four challenges: (a) reduce existing innovation barriers, including the harmonisation of different legal and regulatory environments for Foreign Direct Investment (FDI), particularly for further developing the Lead Market initiative; (b) facilitate transnational cooperation for the development and commercial exploitation of joint research projects; (c) utilise together the high-level human capital in the Region and promote the mobility of researchers; and (d) jointly develop new and better innovation support instruments, including Intellectual Property Rights (IPR) support. This work will liaise with similar efforts undertaken under the PRO-INNO Europe initiative for the period 2009-12.

Report: The PACs point out that this strategic action should be based on the results of all the Flagship Projects. Parts of such a strategy are currently being developed within the governance structures of the Flagship Projects. In order to develop a more complete strategy, a pre-study, defining focus, ambitions, boundaries and funding, is needed.

Cooperative actions:

- *"Improve the exploitation of research through patents"* by fostering increased cooperation between national patent authorities in the Baltic Sea Region in providing innovation support facilities. "Sector specialisation among the different authorities" in the Baltic Sea Region and the ability to assist on applications made to other Baltic Sea Region countries and to the European Patent Office (EPO) are ideas that could be part of such cooperation. Support should be provided to SMEs, individual inventors and public research organisations to integrate IPR into their business strategies.

Report: The Swedish Patent Agency has, with its own resources, developed a database with more than 17 000 documents, which it will be possible to use for clean tech and eco innovation projects within the BSR.

Flagship Projects (as examples):

➢ *7.1. "Develop a Baltic Sea Region Programme for Innovation, Clusters and SME Networks".* The concrete objective is to foster R&D and business-related transnational collaboration covering innovation systems, clusters and SME networks, in order to strengthen economic growth in the whole Baltic Sea Region. The Programme will establish "a new Baltic Sea Region brand", building on "smartness", research, innovation and cooperation, leading to capacity-building, stronger international competitiveness, increased foreign investments and world-class actors in some strategic areas. The Programme can be built upon the results and recommendations of the BSR-Network INNO-Net project, funded under the PRO INNO Europe initiative. The objective is to improve Baltic Sea Region competitiveness and innovation through transnational cluster cooperation both at policy and business level by mobilising cluster organisations, national or regional programmes and funds. Activities under this Baltic Sea Region programme will also include the development of a "Baltic Sea Region" method for better exploiting small business networks. Due to the importance of the maritime economy for the Region, maritime clusters will be promoted in order to link them to knowledge networks and to exchange best practices on the establishment of cluster organisations. In addition, an objective is to *"develop a regional foresight programme"*, which will help with

identifying desirable directions of cooperation in R&D and innovation. (Lead: Sweden and Lithuania; Deadline for progress review: to be determined) **FAST TRACK**

Report: The long-term vision is to establish the BSR as a functional region[22] recognised by global actors as the best innovation space hosting and deploying world-class expertise and strategic alliances in selected fields by using the Grand Challenges approach as its main logic. This approach identifies societal needs and challenges of the present time such as health, energy, clean water and climate change, and needs collaboration between different countries as well as between public and private actors. The aim is for the BSR in 2020 to be recognised as the most agile macro-region in the world in capabilities that require multi-disciplinary research and education, innovative and mobile talent as well as attractive business environments for companies, capital and policy learning.

The rationale behind BSR STARS is to increase innovation capacity by creating larger critical mass of R&I resources, creating a larger home market for businesses (especially for SMEs) and developing complementary competencies for new types of collaboration.

By linking and deploying the whole resource base of the BSR, the BSR STARS is aimed at shaping, expanding and integrating the market space and the resource base of the Region. The BSR STARS will develop collaboration for innovation work, ensuring it attracts other strong cooperation milieus worldwide. The BSR STARS will introduce systemic ways of working together.

The BSR Stars programme, including strategy and activity plans for 2011-20, has been developed and approved by all 10 countries represented in the BSR Stars High Level Group (BSR EU members, Norway and Iceland). The governance structure of BSR Stars, with a High Level Group with representatives from ministries and innovation agencies in 10 countries, has proven to work well and created a platform for shared strategic actions in the area of innovation. The operational part, with three taskforces, has developed the action plan, but not yet started to implement the activities.

A project called Stardust was approved for co-funding by the BSR programme 2007-13 in September 2010. More than 60 partners / associated partners from 10 countries are involved in Stardust. This project will test new instruments and tools for transnational cooperation in four different thematic areas: clean tech, health, telecommunication and sustainable transport. Five different projects will develop strategies to obtain global leading positions in their respective field.

Finland has allocated recourses from national funds to two projects connected with BSR Stars, one is a food consortium between Finland, Sweden, Poland, Iceland, Denmark and Estonia and the other is the health project within Stardust.

BSR Stars is also a test case for FP 7.2 in its work to propose more efficient models for funding transnational cooperation on innovation. It is hoped that this work will influence the next EU budget period 2014-20.

➢ **7.2. "Create a Baltic Sea Fund for Innovation and Research"**. The aim is to develop financial instruments that promote transnational and transregional innovation and research focussing on the specific strengths of the Baltic Sea Region. This will be achieved by

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22 A close geographical area with enough fast communication and interaction between people and milieus. Closeness matters for innovation.

using both tested and successful financial models as well as by developing new ones that will support the coordination of existing funding (2007-13) as well as future funding (2014-onwards) for research, development and innovation at the EU, national and regional levels, as well as private funding. (Lead: Region Skåne. Deadline for finalisation: to be determined)

Report: The aim of this Flagship is to develop financial instruments that promote transnational and transregional innovation and research. In focus is both the coordination of different funding sources at the EU, national and regional levels as well as private funding within the existing programme period (2007-13) and the next programme period (2014-20).

The Flagship is in the phase of collecting information on obstacles and opportunities related to the existing financial structure for the implementation of Flagship Projects within EUSBSR PA 7. This work is pursued in close cooperation with the Flagship 7.1.

During 2010, the Lead Partner of the project investigated the financial conditions for the Flagship itself and found the right partners in the project. The managing phase of the Flagship was expected to be completed by June 2011.

➢ *7.3. "Develop a common Baltic Sea Region strategy to promote services innovation".* This will have three main objectives: (a) to collect better statistical data from Baltic Sea Region countries to analyse the current status and potential of innovation in the sector of knowledge-intensive services; (b) to identify the scope and objectives for transnational cooperation between clusters operating in the service sub-sectors such as ICT, creative industries and the cultural sector in general, eco/green-innovation and energy; and (c) to improve the framework conditions that are needed to support such cluster cooperation in the domain of services in a sustainable way, as well as to facilitate the internationalisation of high-growth service businesses. This work will liaise with relevant EU INNO-Net policy projects funded under the PRO INNO Europe initiative for the period 2009-12*.* (Lead: Lithuania and Finland; Deadline for progress review: to be determined)

Report: The PACs proposed that this project be included under FP 7.1

➢ *7.4. "Set up cross-sectoral reference projects for innovation in health and life sciences":* The promotion of public health on a high level and the exploitation of modern life sciences can be regarded as prerequisites for the Baltic Sea Region becoming a globally leading and prosperous "Health Region". Furthermore, the demographic challenges can only be met with innovations in science, technology and social science. The ScanBalt BioRegion, today one of Europe's leading cluster collaborations, introduced the basic principles of sustainability in 2004 within all fields of life sciences whether health, energy, nutrition, or environmental life sciences. The Baltic Sea Region can in this sense be regarded as a model for providing the basis for a knowledge-based economy and for implementing a shared strategy together in a sustainable way in a broad spectrum of activities. (Lead: Lithuanian Biotechnology Association and BioCon Valley® GmbH, Greifswald (Germany); Deadline for progress review: to be determined)

Report: The aim of this Flagship Project is to assist in promoting a knowledge-based, globally competitive health economy in the BSR and in solving the grand societal challenges of health within the Region, and to play a strong role in global health.

The ScanBalt Health Region (SBHR) serves as an umbrella for a multitude of coordinated activities applying shared visions and values for the development of the Region and utilising a common communication and coordination structure. It promotes a bottom-up approach combined with a top-down advisory structure, which has been developed, tested and applied for the ScanBalt BioRegion since 2001. The SBHR *Modus operandi* is the result of intense dialogue and consultation with key stakeholders throughout the BSR.

The ScanBalt Health Region has published two position papers: in February 2011 "Healthy Ageing: From biological fundamentals to clinical solutions", and in March 2011 "EU Cohesion policies and the importance of macro-regions and regional clusters for smart growth and smart specialisation". The ScanBalt Forum "Towards balanced regional development and smart specialisation between clusters" will be organised on 21-24 September 2011, where discussion, reporting and coordination on the ScanBalt Health Region will be a major topic.

- ➤ *7.5. "Setting up a Baltic Science Link".* Research infrastructure is important for a region that aims to be at the forefront of research and innovation. The Baltic Sea Region has several important existing infrastructure installations (the high-energy PETRA-III storage ring at the German Synchrotron Research Centre in Hamburg; the European X-Ray Laser project XFEL in Schleswig-Holstein; the MAXIV, Synchrotron Radiation Research, Nuclear Physics and Accelerator Physics lab in Lund) and is hoping for support for further ones like the European Spallation Source (ESS) in Lund[23]. This infrastructure should be used optimally to strengthen the scientific capability and competitiveness as well as the attractiveness of the Region. This could be accomplished by building a strong network between universities, research institutes and industries in the Region, i.e. the Baltic Science Link. Already strong research fields in the Region – life sciences and material technologies – would form the core of these scientific clusters. (Lead: Sweden: Swedish Research Council; Deadline for progress review: to be determined)

Report: Baltic Science Link aims to create a network to ensure that research exchange programmes are created. These programmes can include local nodes of development within the relevant areas of research. It is hoped that the network will deepen cooperation in those areas where it is active, leading to joint ventures and investments. However, this will require that funding for these activities be made available. The network will initially be focused on materials research in a broad sense, in which important parts of research in the life sciences are especially focused on the new research infrastructures (MAX IV / ESS / XFEL / PETRA III). The initiative has the potential to provide positive stimulus to the entire region by letting more researchers gain access to the facilities.

The project today is a cooperation between DESY/Hamburg and the Swedish Research Council, and there are several sub-projects on the way. The main activities are currently the sub-projects Science Link (SL) and Baltic Science Link 1 (BSL 1), and overall coordination. Science Link is the precursor project, mainly aimed at industrial users of the research infrastructures, while Baltic Science Link 1 is aimed at the build-up of academic users and a transnational access programme. Both sub-projects are awaiting funding decisions.

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[23] A joint project for the European Research Area. ESS Scandinavia is a consortium working to ensure ESS will be built in Lund. The consortium consists of all the universities and colleges in the Öresund Region, a number of other leading universities and research institutes in Scandinavia as well as the Skåne Region, Lund Municipality, Copenhagen Capacity and the Öresund Committee.

The mapping, which is and will continue to be part of the coordination activities, needs to be continued as there are still areas which are not clear and contact that needs to be made. For example, the relationship has to be clarified with existing projects/networks that have similar goals, such as the existing network of academics within the macro-region.

PA 8: Implementing the Small Business Act: to promote entrepreneurship, strengthen SMEs and increase the efficient use of human resources	Coordinated by Denmark and Germany

Four ministries are involved in the coordination of this Priority Area[24], chaired by the Danish Enterprise and Construction Authority (DECA). The DECA is responsible for gathering information from the other Priority Area Coordinators in relation to reporting to the Commission, and is also in charge of showcasing the results during the Annual Forums, creating the website and participating in Strategy-level meetings. DECA also organised the kick-off meeting of the PA. The PAC reports that the internal coordination among the four ministries has been challenging, and points to poor communication and participation as main issues.

Seven out of the eight strategic and cooperative actions under this Priority Area are progressing. "Rural Entrepreneurship" is the only action with no project activity so far. As regards the Flagship Projects, six out of the eight projects are either being implemented or have recently applied for project funding in connection with the 4th Call of the BSR Programme. Several Flagships consist of more than one project, and in addition several cross-border projects, e.g. from the Central Baltic Programme, have been labelled as supporting the implementation of PA 8.

Collaboration with Baltic Development Forum has been set up in order to identify potential projects within the strategic actions on "female entrepreneurship" and "trade and investment promotion".

The DECA now plans to continue the work of monitoring the implementation of already ongoing projects and work on project development within a few prioritized areas, where there is believed to be momentum for gathering partners and potential for creating value-adding projects. One opportunity that has been identified concerns pursuing project development activities within areas such as "female entrepreneurship", "trade and investment promotion" and "promoting young entrepreneurs".

Actions:

Strategic actions:

▪ **"Promote trade and attract more investments into the Baltic Sea Region"** through better cooperation between trade and investment promotion bodies in order to further enhance the tools provided by the Member States in this area. Further enhanced collaboration between trade and investment agencies in the Region would be of benefit for intra-regional trade, as well as for the trade of companies from the Region with countries outside.

Report: The partners involved at this stage are the Danish Enterprise and Construction Authority (DECA) and Baltic Development Forum (BDF). The latter is also involved in the

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[24] The Danish Enterprise and Construction Authority, the Danish Ministry of Education, the Danish Ministry of Employment, and the German Federal Ministry of Economics and Technology.

project BaltMetPromo, which is partly focusing on investment promotion, and thus also contributing to the implementation of this action. DECA is not working within the area of trade and investment promotion. Therefore, the BDF has been engaged to produce a report on how cooperation between trade and investment promotion bodies can be improved in order to promote trade and investments in the EU Members States of the Region.

The report, which is expected in May 2011, discusses the nature of trade and investment promotion, maps the most important investment and trade promotion bodies and efforts in the BSR, provides an overview of current trends in trade and investments in the BSR, identifies challenges to regional collaboration in the field and suggests recommendations for future action. It focuses mainly on national, public or semi-public trade and investment promotion bodies, even if significant trade or investment promotion efforts of other bodies can be covered, such as private and sub-national and pan-Baltic bodies. Both intra-regional and extra-regional trade and investments are covered.

The BDF report suggests a number of short-term and long-term actions. In the short-term, BDF and DECA will attempt to invite relevant trade and investment promotion bodies to the next policy roundtable of the BaltMetPromo meeting in May. The purpose of this is to raise awareness of the report and invite participants to discuss how to establish a more permanent collaboration. A tentative follow-up meeting is planned to be scheduled back-to-back with the EUSBSR Annual Forum/BDF Summit in October 2011.

- *"Secure access to capital for SMEs"* for instance by promoting and introducing new and innovative tools that facilitate the access to capital in the Region, particularly at an early phase of their development. Examples could involve cross-border venture capital funds and cross-border guarantee schemes that would make it possible to exploit economies of scale and scope when investing in SMEs or guaranteeing their lending. The EU financial instruments of the Competitiveness and Innovation Programme, as well as the Structural Funds should be used extensively and in an effective way in order to secure finance for SMEs where current market conditions are difficult. The EU sources for SME finance should be complemented by national and regional financing.

Report: The project JOSEFIN aims to bring forward innovative products of SMEs to improve the transnational commercial activity of these companies. In order to reach its goals the JOSEFIN partnership includes relevant organisations for business development, such as public authorities responsible for the development and implementation of policies, public financial institutions as well as research and technology development organisations.

The main achievement of the project will be the implementation of a "JOSEFIN Innovation Loan Guarantee" for improved access to finance for innovative SMEs in all regions involved in the project. These new financial instruments under the JOSEFIN umbrella will provide back-up to commercial banks which issue loans, guarantees, seed capital or venture capital to SMEs. The financial risk of transnational activities for companies and financial institutions involved will thus be reduced. This will boost cooperation and international activities of enterprises. SMEs will have better access to financing and will be assisted by individual advisory and coaching services. For financial institutions, a new risk sharing model for saver credit provision will be implemented. This model will allow a more realistic assessment of the creditworthiness of SMEs.

- *"Encourage and promote female entrepreneurship"* to support economic growth and jobs in the Baltic Sea Region. There is a need to enhance entrepreneurship of women by

targeting actions at young women and second-career women who are starting up or thinking about changing their professional activities. Policy-makers and SME stakeholders in the Baltic Sea Region should be encouraged to increase and promote the spirit of enterprise amongst women. To create a favourable climate for female entrepreneurship, contextual, economic and soft factors that hinder the start-up and growth of women's enterprises need to be addressed.

Report: The partners involved are the Danish Enterprise and Construction Authority, Baltic Development Forum (BDF) and relevant coordinating authorities in the Region. BDF has produced a report mapping female entrepreneurship policy at the European and national level that encompasses all of the Baltic Sea Region countries as well as Iceland, Norway and Russia. The purpose of the report is to inspire and raise awareness of the existing policies and initiatives that the countries have implemented to promote female entrepreneurs. The target group for the report is primarily policy-makers and relevant bodies working with female entrepreneurs. The report will be published in March/April 2011. The Danish Enterprise and Construction Authority covers the expenses for the report. If the financial resources are present (e.g. as part of the technical assistance programme), a seminar/conference will be held for policy-makers/practitioners in 2011. The objective of a seminar is to discuss new ideas and explore opportunities for collaboration across the Region.

- *"Jointly develop entrepreneurship in offshore renewable energy, particularly wind, to make the Baltic Sea Region a lead region in this field".* Offshore renewable energy is one of the growing maritime sectors. Pioneer work and the development of innovative technologies have been done by small and medium-sized enterprises and these economic structures will continue to be important for the sector's development. Strengthening entrepreneurship in the Baltic Sea Region in this field could lead to the development of a lead market initiative for renewable and clean energy. The conditions and ongoing activities in Denmark, Germany and Sweden as well as the gas transport from Russia make the Region more or less already the hotspot for innovation and new developments in this field. The Baltic Sea Region states could take a leading role in a broader European development through e.g. listing the main technology challenges and demonstrating the main regulatory obstacles in anticipating a Europe-wide debate on offshore renewable energy. The horizontal action on Maritime Spatial Planning (see below) can be beneficial for this action. Support for "green businesses" more generally is vital.

Report: Please refer to the 2010 report on the EUSBSR webpage. DECA is still trying to involve the Danish test and demonstration facility Lindoe Offshore Renewables Center, which is one of the leading knowledge centres within offshore renewable energy. The organisation has expressed interest in a BSR project, but so far the discussions have not let to concrete actions.

- *"Entrepreneurship training as part of the school curricula".* Entrepreneurship should be included at all levels of education including at university level, teachers should be provided with appropriate knowledge and innovative teaching methods, and an entrepreneurial culture should be established. This should be done with the involvement of local business. Universities in the Baltic Sea Region should be encouraged to increase the spirit of enterprise and to create a favourable climate for entrepreneurship, not only addressed to business and economics students. Measures should include support for university start-up companies, spin-offs and specific teacher training.

Report: No report received

"Facilitate rural entrepreneurship" by establishing programmes for education and cross-border exchanges, making full use of funding available in the European Agricultural Fund for Rural Development in support of SMEs.

Report: No report received

<u>*Cooperative actions:*</u>

- ***"Increase labour mobility"*** not only within but also into the labour markets by promoting increased transnational cooperation in reducing borders and enhancing mobility. Cooperation between municipalities, regions and Member States is an important way to increase the efficiency of the support instruments, allowing for the mutual exchange of experience, analysis of future topics and looking at procedures for implementation and comparison of performance. Fostering deeper cooperation between job agencies in the Baltic Sea Region and promoting better links between labour training, retraining and advanced training and the **labour market needs in the entire region** are vital aspects. Another important issue is the mutual recognition of qualifications, which requires cooperation between the relevant control bodies. The maritime cluster can benefit from labour mobility between land-based and sea-based jobs and careers, as well as a more transparent and higher-level system for qualification for maritime professions. Actions are detailed in chapters 4-13**.**

Report: For the moment, the action mainly consists of the work of the Flagship Project "Baltic Sea Labour Network" (BSLN).

- ***"Initiate an exchange of good practices in the area of administrative simplification of start-ups, licenses and bankruptcy procedures"*** based on the recommendations from the Small Business Act.

Report: The database of good practices is now running. The contact points have already announced more than 90 cases in the fields of the Small Business Act.

<u>Flagship Projects (as examples):</u>

- ➢ **8.1.** "***Promote young entrepreneurs":*** Cooperation between education and business sectors is important for creating sustainable growth. A joint initiative should be developed to focus on encouraging young entrepreneurship, as well as promoting and making financial resources available for developing young entrepreneurs' mobility and for cross-border networks for young entrepreneurs in the Baltic Sea Region (<u>Lead</u>: Denmark; <u>Deadline</u> for progress review: to be determined)

Report: No report received from the PAC (Charlotte Romlund Hansen, Danish Ministry of Education)

- ➢ **8.2. *"Develop deeper cooperation on environmental technology to create new business opportunities".*** To strengthen SMEs in the environmental technology sector, a stronger critical mass in knowledge and technology has to be created involving both RTD (research) and enterprises. Joint actions should include increased cooperation in export promotion. (<u>Lead</u>: Poland; <u>Deadline</u> for progress review: to be determined)

Report: Consists of three projects: BioNutCut, DeepEntech and eFrontrunners (all are in the application phase):

BioNutCut

The BioNutCut project aims to advance the uptake of biogas technology in the treatment of organic wastes and side streams from municipalities, industry and agriculture in the Baltic Sea Region, by facilitating dissemination of innovations in biogas technologies across the BSR, promoting transnational transfer of biogas technology and knowledge and preparation of investments in biogas technologies in the target countries. The project also intends to enhance the business opportunities of SMEs in this field by facilitating the dissemination of innovations, increasing cross-border networking and trade relations, and attracting more investments into the BSR

In the Baltic Sea Region obstacles to trade and investments still exist at the practical level, and it has proven difficult for SMEs in the biogas business to benefit optimally from the internal market and successfully expand their activities to their neighbouring countries. The BioNutCut project addresses this topic by facilitating dissemination of innovations in biogas technologies across the BSR, promoting transnational transfer of biogas technology and knowledge and reducing the non-tariff barriers to trade and investments in and between BSR countries. Another aim is to enhance the business opportunities of SMEs in this field by increased cross-border networking and trade relations and by attracting more investments into the Baltic Sea Region.

DeepEntech

The strategic objective of the Project is to strengthen SMEs in the environmental technology sector. A stronger critical mass in knowledge and technology has to be created involving both R&D and enterprises. It will also aim at increased cooperation in export promotion to target markets outside the BSR.

Priority environmental technologies for the project are: sustainable construction, energy efficiency, water treatment, waste and materials recycling. Six potential markets in the world have been identified but two or maximum three will be selected as target markets for technology promotion. The partnership consists of six partners from four BSR countries (Germany, Lithuania, Sweden and Poland), but the lead partner is also looking for other partners or network partners.

eFrontrunner

"Energy efficient frontrunner" is a new concept that will increase the use of energy-efficient technology. Help will be given to eco-solutions provided by SMEs so that they can reach a wider market in the whole Baltic Sea Region and cities/regions will become more competitive.

By appointing frontrunners that are taking the lead in using energy-efficient solutions, the project will inspire more organisations in the public sector to become new frontrunners. eFrontrunner boosts the knowledge transfer from frontrunners to adepts, in cooperation with SMEs. Adepts are given the possibility to learn from the best, by preparing investment plans for their own projects at home. The project has a valuable impact on cross-border cooperation between public authorities and private companies, and influences the development of the European market with large benefits for cities by saving energy costs and pushing forward good ideas of local companies. The Europe 2020 strategy emphasizes green growth, so the project will support this strategy with its work and with the implementation of concrete actions. The project is cooperating with the DeepEntech project as well as the SPIN project.

➢ *8.3. "Implement the project Sustainable Production through Innovation in Small and Medium-sized Enterprises".* The aim is to increase the innovation potential in SMEs to enhance their sustainable production processes, thereby increasing company profits whilst reducing economic and environmental costs. (Project financed by the 'Baltic Sea Region' Programme under the 'territorial cooperation' objective of the ERDF; total budget €3 million over 3.5 years). (Lead: Germany; Deadline for progress review: to be determined) *FAST TRACK*

Report: SPIN (Sustainable Production through Innovation in Small and Medium-sized Enterprises) aims at supporting SMEs to implement existing eco-innovations. At the 3rd partner meeting it was decided to focus on the thematic fields of construction, decentralised water management, surface treatment and energy from biomass/biogas. Several industry workshops addressing these topics and bringing together the demand and supply side of eco-innovations have successfully been held in different partner countries. A SPIN synthesis report based on the findings of specific country studies on barriers and incentives for innovations for sustainable production in SMEs has been developed, a draft version is also available on the project website. SPIN partners are located in Denmark, Sweden, Finland, Estonia, Lithuania, Poland and Germany. The SPIN innovation database was launched in May 2010, comprising 200 innovation examples up to now (www.spin-project.eu).

➢ *8.4. "Make the Baltic Sea an Eco-efficient region"* e.g. by establishing a network on green public procurement where good practice and experience are exchanged. Focal points should be established in all Baltic Sea Region Member States to increase knowledge and disseminate information. (Lead: Germany and Sweden; Deadline for progress review: to be determined)

Report: The Flagship is organised in two parts:

Part I – The project "Eco-Region", led by Germany, is geared towards turning the Baltic Sea Region into one of the world's leading areas in terms of competitiveness and ecological sustainability. Within the framework of the project, 10 model regions develop strategic sustainability programmes with clearly defined goals. In addition, selected measures are implemented directly. Valuable knowledge is compiled in cooperation with the Baltic21 sectors (e.g. industry, education, energy and transport), the model regions and additional stakeholders. Contacts for various topics (e.g. environmentally-oriented public procurement, sustainability in production and consumption) are identified and the data made available to interested groups through a digital database. In addition to knowledge transfer, policy recommendations are developed, e.g. a contribution to the new Baltic21 Strategy 2010-15 with a strategic focus on topics such as the promotion of eco-innovation in SMEs.

So far five partner conferences have taken place to promote knowledge transfer within the regions, the final conference being scheduled for the end of November in Poland. Online access to the database has been available since summer 2010. Initial publications and studies have been developed e.g. on climate change, sustainability in production and consumption, innovation and education in the field of sustainable development, sustainable urban and rural development, sustainable tourism and territorial cohesion.

Part II – Establishing a network on green public procurement, led by Sweden: A network of national focal points for green public procurement (GPP) has been established in the Baltic Sea Region. The purpose of the network is to form a platform for exchanging knowledge, good practice, experience, ideas and information on GPP with the aim being to support an

eco-efficient economy in the Region. Two meetings have taken place, in September 2010 and January 2011, to discuss the aim of the network, the more specific needs of the Member States, and how to work. The network has identified several topics of common interest and intends to develop concrete projects on some of them as well as continue to develop the network. An initial concrete project is under development with the aim being to establish a capacity-building programme on GPP within the Region. The project will apply for funding from the BSR programme. A website for the network has also been created.

> **8.5. "Make the most of the European Code of Best Practices Facilitating Access by SMEs to Public Procurement**" in order to help them to tackle the remaining problems which hamper their development. (Lead: Germany; Deadline for progress review: to be determined)

Report: Please consult the 2010 EUSBSR Report

> **8.6. "Make the Baltic Sea Region a leader in design".** The States in the Region have both potential and experience to build on in the field of design development and have initiated cooperation in this area. There are some similar features in design originating from the Region and this should be marketed in a joint way. Dissemination of good practices related to the Baltic Sea basin design can take place through thematic conferences and exhibitions of good practices, as well as festivals: e.g. Gdynia Design Days. (Lead: Poland; Deadline for progress review: to be determined)

Report: No progress so far.

> **8.7. "Implement the Baltic Sea Labour Network project".** The project aims at improving the management and harmonisation of the common labour market issues in the Baltic Sea Region based on joint transnational strategies. In particular, demographic changes and migration processes will be taken into account. (Project financed by the 'Baltic Sea Region' Programme under the 'territorial cooperation' objective of the ERDF; total budget €2.6 million over 3.5 years). (Lead: Germany: Behörde für Wissenschaft und Forschung der Freien und Hansestadt Hamburg; Deadline for finalisation: to be determined) *FAST TRACK*

Report: The project will share knowledge and ideas to promote positive change in the labour markets of the Region. Focusing on the areas of mobility of labour, active labour market policy, training and education, and the development of human resources, the BSLN is working to strengthen dialogue and open new communication channels with the objective of achieving sustainable development in labour market policies. In doing so, BSLN wants to establish the Baltic Sea Region as a model for sustainable labour market development in Europe.

The project partners have started four pilot projects at the national level and one at the transnational level as well as carried out studies which are all published on the BSLN webpage. The pilot project's topics are social dialogue and labour mobility. An ongoing study identifies and analyses labour market strategies in the BS states. All results will be collected in a final publication at the end of 2011. At the transnational level, the project's tripartite Steering Committee has agreed already on three statements, two will follow. All statements together will be published as labour market strategy recommendations in the final publication.

A forum for Social Dialogue in the Baltic Sea Region has been established. Members include representatives of both employer and employee organisations as well as of governments and parliaments. Russia will be included. The 1st annual forum roundtable will be held at the BSLN final conference in November 2011 in Hamburg.

➢ **8.8. "Cooperation between Public Employment services",** including information on job offers and on working conditions and residence in the Baltic Sea Region through better use of the European portal dedicated to job mobility, EURES. (<u>Lead</u>: Sweden, Arbetsformedlingen (Public Employment Services); <u>Deadline</u> for progress review: to be determined)

Report: No progress

PA 9: To reinforce sustainability of agriculture, forestry and fisheries	Coordinated by Finland and Lithuania for rural development and Sweden for fisheries

The Priority Area Coordinators report that the Flagship Projects in Priority Area 9 have generally succeeded in identifying and using several different funding sources for their activities and/or start-up phase.

As a result of the EUSBSR, the cooperation forum Baltfish has been established. The primary goal of Baltfish is to improve and strengthen coordination and cooperation of fisheries administration among Baltic Sea Member States, but also among the administrations and other key stakeholders relevant for Baltic Sea fisheries. It is a forum for exchanging ideas, views and information and a forum that can facilitate joint forces in various concrete projects aiming at achieving sustainable fisheries in the Baltic.

The Flagship Project Baltic MANURE started only recently but the project has already formed a cluster that includes four agri-environmental projects – BalticDEAL (FP 1.4), Baltic COMPASS and Beras Implementation. All the four projects have a common goal – to reduce leaching of nutrients from agriculture to the Baltic Sea. They work together, although in different fields, to reach this objective. The PACs point to this as a good example of cooperation between the various priorities of the EUSBSR.

The organisations involved in the *Sustainable forest management in the Baltic Sea Region – EFINORD* Flagship – Priority Area Coordinator Finland, EFINORD, and the Nordic Forest Research Cooperation Committee (SNS) – have agreed to cooperate under a Memorandum of Understanding (MoU). The MoU presents a vision for the EFINORD Flagship, and outlines the modus operandi of cooperation, including the criteria to accept new projects in the EFINORD Flagship. The MoU will help keep cooperation focused on bringing added value to the BSR. Out of the seven projects, five are getting started or are already ongoing. Several of these projects are interested in finding Russian partners.

The Flagship Project "Sustainable Rural Development" has been financed by National Rural Networks of the Rural Development Programmes and, thus, introduced cooperation between EAFRD programmes and the EUSBSR. The earlier established Nordic-Baltic cooperation of the National Rural Networks has now been extended to cover the whole Baltic Sea Region. The cooperation between EAFRD programmes will also continue through the common action coordinated by Lithuania.

Several Flagship Projects under Priority Area 9 were agreed on jointly between the Member States and stakeholders at the second joint Priority Area seminar in January 2010. The PACs believe that the joint agreement has had a positive influence on the commitment to the projects and their objectives. The PACs also point out that the EUSBSR has contributed to the

reinforcement of many already existing networks, e.g. at the Nordic-Baltic level as well as their extension to cover the whole Baltic Sea Region. Nevertheless, they point out that the commitment to EUSBSR activities varies considerably between the Member States, and that this should be one of the challenges looked at during the coming year.

Actions:

Strategic actions:

- *"Continue the adaptation of the Baltic fishing fleet capacity to the available resources".* Evaluate the economic performance of the fleet segments and apply necessary measures to adjust fishing capacity to a level in-line with the available resource using national means or regulations within the framework of the CFP. Through the European Fisheries Fund (EFF) Operational Programmes, EU Member States have an opportunity to address the overcapacity of their fleet through the implementation of the fishing effort adjustment plans.

Report: The cooperation in the fisheries section has been established within the four Flagship Projects (9.1, 9.2, 9.4 and 9.5)

- *"Improve control and stop illegal fishing".* Enhancement of national quota utilisation and fisheries control and inspection, especially by high-tech monitoring and surveillance, improved coordination and harmonisation among Member States. An effective traceability system based on existing legislation and further analysis of developments should be established. The Copenhagen Declaration on combating unreported cod fishery in the Baltic Sea should be implemented.

Report: The cooperation in the fisheries section has been established within the four Flagship Projects (9.1, 9.2, 9.4 and 9.5)

Cooperative actions:

- *"Develop sustainable strategies for wood"* within the framework of Sustainable Forest Management (SFM) and Research and Development programmes in order to develop a common Baltic Sea Region approach. Forestry research undertaken by the Nordic Council of Ministers should be exploited. The strategies would be placed in the broader context of national forest programmes or similar and/or national renewable energy plans, balancing supply of wood raw material to the forest-based industries, renewable energy development, nature conservation strategies and wood mobilisation.

Report: The development takes place at various independent levels, in close cooperation with the EUSBSR. Activities are supported and facilitated by the Nordic Council of Ministers, and more concretely through the cooperation structures of the Nordic Forest Research Cooperation Committee (SNS). Potentially, the development of sustainable strategies for wood is one of the main directions in the establishment of new Centres of Advanced Research (CAR) under the SNS. In the long run, the strategies developed would be placed in the broader context of national forest programmes or similar and/or national renewable energy plans, balancing supply of wood raw material to the forest-based industries, renewable energy development, nature conservation strategies and wood mobilisation.

- *"Enhance the combined effects of the Rural Development Programmes"* through better cooperation leading to more targeted measures. The programmes could be linked when

dealing with similar problems. There should be a streamlining of the rural development measures in the national Rural Development Programmes, including joint studies and monitoring. There is a need to develop joint training and advisory measures, with more emphasis on common innovation across borders.

Report: The coordinator is the Ministry of Agriculture of the Republic of Lithuania. The principal participants of this common action are EU Member State representatives from Managing Authorities (ministries) together with social, economic and institutional partners. A system of joint learning and training will be addressed to public officers working with the Rural Development Programme (RDP) implementation. Final beneficiaries in the Member States should be involved as well, as they can identify the most urgent issues to be resolved. Rural Networks and Managing Authorities will be invited to discuss together possible ways to simplify implementation, e.g. by looking at application processes, payments and funding.

Lithuania, as the coordinator of this common action, prepared a *Questionnaire on common action: "CAP after 2013 – joint learning and training in implementation of the RDP"* in accordance with the Priority Area and sent it to the Member States seeking to identify their concrete demands. The questionnaire was oriented to Member State representatives from the Managing Authorities and to their social and economic partners, with the aim of identifying frequently asked questions, a cooperation model, frequency of meetings, etc.

All Member States in the Baltic Sea Region have their own national or federal (regional) Rural Development Programmes. As the Member States developed their own National Strategic Plans and consequently Rural Development Programmes addressing their specific needs, the selections of measures and allocations of funds differ from programme to programme. The administrative systems for implementation also reflect a variation of possible solutions.

As a response, there will be annual meetings for the representatives of the Member States' Managing Authorities, dealing with the issues of coordination and implementation of the Rural Development Programmes. The aim is to implement rural development initiatives under the Baltic Sea Region more effectively and to form a more unanimous regional position for CAP and rural development issues for the upcoming programming period.

- *"Develop strategies for a sustainable use of and breeding with forest, animal and plant genetic resources"* that are considered to have positive effects on hindering soil erosion, to minimize the use of acidifying substances, on carbon capture and storage, and finally to conserve genetic diversity. By creating networks within the Baltic Sea Region, the aim will be to strengthen and develop the cooperation in the area by exchanging information, developing competences and giving advice for policy-making. Furthermore, networks' projects will be developed within different topics, for example: plant genetic resources for agriculture in changing climate, including pre-breeding, forestry, carbon capture and storage and adaptation to climate changes, animal genetic resources, pollution and sustainable breeding programme, education on genetic resources, etc. Actions and experience of the Nordic Council of Ministers should be exploited for further cooperation and development."

Report: The project "Management and conservation of forest tree genetic resources in the Baltic Sea" under the EFINORD Flagship Project (see below) directly supports this goal. The project consists of two sub-projects: evolutionary genetic pockets for broadleaved tree species and cooperation in breeding Norway spruce.

- ***"Animal Health and disease control"*** should be reinforced. Actions and experience of the Nordic Council of Ministers should be exploited for further cooperation and development, including Nordic Baltic cooperation in this field."

Report: Activities in this field take place within Flagship Project 9.11. *"Reinforcement of animal health and disease control"*.

- ***"Enhance the combined effects of the European Fisheries Fund (EFF) programmes"*** through better cooperation leading to more targeted measures. The programmes could be linked when dealing with similar problems.

Report: The activities regarding fisheries take place within Flagship Projects 9.1, 9.2, 9.4 and 9.5.

Flagship Projects (as examples):

➢ *9.1 "Develop and improve coordination and cooperation among Member States and stakeholders"* on fisheries management in the Baltic Sea. A forum called Baltfish has been established to enhance collaboration among Baltic Sea Member States as a first step towards further regionalisation of fisheries management. The forum will work with relevant Baltic Sea organisations including the BS RAC and HELCOM on how integration of concerned stakeholders in fisheries management and policy implementation can be strengthened. The forum will also be developed further in this regard. (Lead: Sweden; Deadline for progress review: 1 June 2010)

Report: To develop and improve coordination and cooperation among Baltic Sea Member States and with stakeholders, a fisheries forum within the EU Strategy for the Baltic Sea Region is being developed. The forum is called Baltfish. Specifically it aims at improving and strengthening coordination and cooperation of fisheries administrators among Baltic Sea Member States, but also among the administrations and other key stakeholders relevant for the Baltic Sea fisheries. It is a forum with a regional perspective for exchanging ideas, views and information, and a forum that can facilitate joint forces in various concrete projects aiming at achieving sustainable fisheries in the Baltic Sea.

The idea is to facilitate ongoing processes by enhanced information and communication, but also to find synergies between ongoing work within these bodies and the Member States. This could be one way of avoiding duplication of work as well as avert potential misunderstandings and misinterpretations. The core of Baltfish is a High Level Group (HLG) consisting of the fisheries directors of the Baltic Sea Member States as well as the director of Baltic Sea fisheries at the Commission.

The High Level Group will meet on a regular basis to discuss issues of common interest. The high level group may invite other stakeholders that are deemed relevant for the discussions in the group. This includes BSRAC, HELCOM and ICES, which are all key organisations in the management of fisheries in the Baltic Sea. A larger meeting is expected to be organised on a regional basis (e.g. once a year). The leader of this Flagship Project is the Swedish Ministry of Agriculture. However, the chairmanship of Baltfish will change each year. The chairmanship of the Baltfish HLG will change each year (i.e. 12-month period) starting with Sweden 2010/2011 then following an agreed order among the Member States. Sweden has the chair

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until 1 July 2011. Sweden proposes a clockwise order of the chair, meaning SE, FI (2011/12), EE (2012/13), LV (2013/14), LT (2014/15), PL (2015/16), DE (2016/17) and DK (2017/18).

The Commission (DG MARE) has presented a draft paper for a roadmap for the eradication of cod discards in Baltic Sea fisheries. The Baltfish Forum welcomed the draft roadmap, and there has been discussion on the different issues and elements to be included in the roadmap. An open consultation on the draft ended 31 December 2010, and several contributions have been sent to the Commission. See more information in Flagship Project 9.2

> *9.2. "Eradicating discards"* Even though discard rates are comparatively low in the Baltic Sea, there is scope for measures to reduce or eliminate them. This could be done by establishing joint pilot projects to identify viable solutions including gear modifications or temporal closures. (Lead: Denmark; Deadline for progress review: 1 June 2010)

Report: The aim of eradicating discards in the Baltic Sea is to contribute to more healthy stocks and marine eco-systems, secure the full economic potential of the goods provided by the sea, satisfy growing consumer demands for sustainable fisheries products and gain a more reliable picture of the stock situation and thus strengthen the biological advice.

The Baltic Sea Member States and the European Commission Services decided in October 2009 to establish a technical working group to assess different measures and develop a roadmap to eradicate discards inter alia through the adoption of a discard ban where appropriate.

At the joint EUSBSR Priority Area 9 seminar and Baltfish Forum meeting on 18 November 2010, the Commission (DG MARE) presented a draft paper for a roadmap for the eradication of cod discards in Baltic Sea fisheries, building on among others the conclusions from the technical working group. The roadmap contains an overview of issues such as scope and management relating to discarding in the Baltic Sea, and includes a timeline for the implementation of a combination of measures (2011 to 2013) at the end of which a discard ban in the cod fishery could be introduced following the step-by-step approach laid down in the roadmap.

An open consultation on the draft ended on 31 December 2010, and several contributions have been sent to the Commission. Following this consultation process the Commission is expected to finalise the roadmap.

> *9.3. "Sustainable rural development"* projects must be developed to bring together people in the Region for sustainable rural development and livelihood, such as supporting the environment for innovations, youth, rural tourism, agriculture and forestry. New practices on using an integrated approach should be developed. (Lead: Poland and Sweden; Deadline for progress review: to be determined)

Report: The project is aiming at increased youth involvement in rural societies and a better innovation climate in rural areas. Connecting local, national and transnational projects within the Rural Development Programme, and mainly LEADER, and promoting good practice and benchmarking in the Member States, while seeking common solutions, will help to make rural areas in the Baltic Sea Region more youth-oriented and innovation-friendly.

A steering committee, "The captain's crew", has been formed, and criteria for the local projects decided. A draft roadmap has been developed and includes: selection of at least two

local/national projects per Member State to be members in the Flagship, a meeting with the selected projects in January 2011, common activities during 2011, and a Baltic Sea conference at the end of 2011 with the Flagship themes.

For the local activities, the funding is secured, but for the common actions such as planned conferences and workshops, the funding issue is still not resolved.

The next steps are the common activities performed individually by each member project followed by the general conference at the end of 2011 where decisions will be made for future common activities in 2012 and a final European Conference. Throughout 2011-12, new local projects are welcome to join and contribute to the Flagship by signing a letter of agreement where the terms of reference for participation are stated. By signing the agreement and implementing the stated common activities in the local project, they become members of the Flagship.

➢ *9.4. "Ensure sustainable fishing"* by addressing failures and opportunities in the policy, as identified in the Common Fisheries Policy reform process, by developing an ecosystem-based approach to fisheries management. The activity will be carried out in cooperation with public authorities and stakeholders concerned and take into account the recommendations of the HELCOM Baltic Sea Action Plan, best practices and scientific knowledge, including the scientific assessments by ICES and STECF. (Lead: Sweden; Deadline for progress review: 1 June 2010)

Report: The action plan for salmon management in the Baltic Sea expired in 2010 and a new long term management plan (LTMP) will soon become a focus for debate and negotiations. For an LTMP to ensure sustainable fishing, it has to adopt an ecosystem approach. The case of salmon is characterised by high diversity in terms of genetics, life cycle and habitats, fishing methods and users affecting salmon and the habitats essential for its survival. These are dimensions of high relevance to an ecosystem-based LTMP.

This Flagship Project aims at contributing to the LTMP so that salmon populations are not driven into unsustainable situations and remain above the thresholds needed for long-term viability.

A concept paper on the rationale behind the case of Salmon was distributed and used as a base for discussion. Views have been gathered from officers and experts working with salmon in DG Mare, Baltfish, ICES-WG-BAST, BS-RAC, Finland, Estonia, Latvia, Coalition Clean Baltic, the HELCOM-SALAR project and the BALTGENE project.

➢ *9.5. "Encourage sustainable aquaculture production methods".* This action is emphasised in the new Commission Communication on aquaculture and can be implemented by the European Fisheries Fund (EFF) Operational Programmes of the EU Member States. (Lead: Finland; Deadline for progress review: 1 June 2010)

Report: The project is concerned with preparing a "Code of Best Practices for Sustainable Aquaculture in the Baltic Region". The group of experts were to prepare a Draft Code to be presented at the Baltfish meeting in June 2011. The objective is to have a Code that is widely accepted and implemented in decisions that affect Baltic aquaculture.

The Code would establish specific Baltic recommendations or standards for relevant aquaculture issues such as:

Development of novel environmental policy enabling and facilitating the recycling of phosphorus in the Baltic Sea Region, by using feed made of pelagics or other fish caught in the Baltic Sea and developing feed technology.

Endorsement of large-scale and harmonised use of spatial planning tools for more favourable siting of cage farms. The objective of this is to reach economically viable farm sites with fewer local conflicts and environmental harm.

Feasibility and implementation of robust cage farm technology for the more exposed off-shore sites, especially in the northern and western parts of the Baltic Sea.

Feasibility and implementation of novel and moderate cost open-air recirculation systems for on-land farming, especially in the southern and eastern parts of the Baltic Sea.

Development of the legal regulatory framework for aquaculture, especially environmental licensing models for ecosystem approaches, considering the net impacts on the sea and including economic incentives for concentration and relocation of units and use of environmentally sustainable feeds and technologies.

➢ *9.7. "Sustainable forest management in the Baltic Sea Region – EFINORD"*

EFINORD interacts with the EU, especially in policy-related issues, and integrates forest research of the Nordic region into Europe. The network should focus on sustainable forest management, reflecting regional issues; primarily biomass production and ecosystem services, which are high on the agenda for forest owners, industry and society at large. (Lead: NCM/SNS; Deadline for progress review: to be determined)

The EFINORD Flagship offers an umbrella for forest and SFM related activities in the EU Strategy for the Baltic Sea Region. The following activities are to be found under the EFINORD umbrella: *"Environmental performance of wood"* (Lead: Finland / Ministry of Agriculture and Forestry); *"Forestry and water protection"* (Lead: Sweden / Swedish Forest Agency); *"Sustainable Forest Management in Kaliningrad"* (Lead: Swedish Forest Agency); *"Baltic landscape"* (Lead: Sweden / Swedish Forest Agency); *"Creating a Nordic-Baltic information service for forests and forestry"* (Lead: Nordic Forest Research Cooperation Committee (SNS) & North European Regional Office of the European Forest Institute (EFINORD); *"Management and conservation of forest tree genetic resources in the Baltic Sea Region under changing climate conditions"* (Lead: Nordic Centre of Advanced Research in Forest Genetics and Tree Breeding (GeneCAR)); Sub-project 2: "Cooperation in breeding of Norway spruce" (Lead: NordGen Forest); *"Hardwoods are good"* (Lead: Sweden / Swedish Forest Agency).

Report: The Flagship Project on sustainable forest management in the Baltic Sea Region was established under the newly founded EFINORD, the regional centre of the European Forest Institute (EFI). EFINORD interacts with the EU, especially on policy-related issues, and integrates forest research of the Nordic region into Europe. The network should focus on sustainable forest management, reflecting regional issues, primarily biomass production and ecosystem services, which are high on the agenda for forest owners, industry and society at large. In this sense, EFINORD is well suited to facilitate cooperation and strengthen synergies between the forest projects under the EUSBSR, including reporting and information exchange between the projects. The EFINORD Flagship consists of several independently implemented activities or projects.

At a meeting for the projects within the EFINORD Flagship in Helsinki on November 18th 2010, the organisations involved in the Flagship coordination agreed to join in cooperation under a Memorandum of Understanding (MoU). The MoU presents a vision for the EFINORD Flagship, and outlines the modus operandi of cooperation, including the criteria to accept new projects in the EFINORD Flagship. The MoU is made between the Priority Area 9 Coordinator Finland, EFINORD, represented by EFI and the Nordic Council of Ministers, represented by the Nordic Forest Research Cooperation Committee (SNS).

At the beginning of 2011, there were seven projects (one with two sub-projects) under the Flagship. The projects are at various stages of the project cycle. The project "**Hardwoods are good**" has received funding (€1.2 million from the South Baltic Programme) and implementation is underway. Four projects/activities ("**Improving market communication of wood products' environmental values**", "**Evolutionary genetic pockets for broadleaved tree species**", "**Cooperation in breeding of Norway spruce**" and "**Creating a Nordic-Baltic information service for forests and forestry**") have received seed money from the Nordic Council of Ministers. The goal of the seed money is to launch the start-up phase and to further develop project activities. A pilot study of the project "**Forest management in Kaliningrad**" has been conducted. Of the remaining two projects, "**Baltic landscape**" is seeking funding and "**Forestry and water protection**" is still at a planning phase.

➢ *9.8. "Network of institutions for management and conservation of plant genetic resources (PGR) in the BSR under changing climate conditions":* The aim is to secure sustainable conservation and use of plant genetic resources relevant for food and agriculture. To accomplish this, networks of institutions within the Region are already established to exchange and develop knowledge within the field. This will be expanded to include long-term cooperation for practical, cost-efficient solutions in the management of GR and thereby strengthen the food security in the Region. The first objective will be to implement the common European database for plant genetic resources (AEGIS) promoting the utilisation of PGR in the Region for breeding and research. This could serve as a model for regional collaboration to other European countries. (Cross-cutting theme B: Climate change) (Lead: NordGen. Deadline for finalisation: to be determined)

Report: The project is led by NordGen. The first workshop on a network of institutions for conservation was organised on 30th November and 1st December 2010 in Tallinn. One of the concrete outcomes was a joint AEGIS application on conservation issues regarding rye. A decision was made to postpone the next workshop on user stakeholders in the Baltic Sea Region until spring 2012. This is due to the wish to obtain as much synergy as possible for a new PGR-Secure project, for the current Vavilov collaboration, as well as for the new upcoming public-private partnership for pre-breeding.

➢ *9.9. "Establish a Forum for Inventive and Sustainable Manure Processing", BATMAN,* by the exchange of information on how to process manure in sustainable ways in the Baltic Sea Region to minimise the environmental impact, and to obtain benefits such as renewable energy. (Lead: Denmark Innovation Centre for Bioenergy and Environmental Technology (CBMI) and Finland Agrifood Research, Technology Research and Environmental Research (MTT); Deadline for finalisation: to be determined) *FAST TRACK*

Report: Increased animal production has resulted in environmental problems such as algal bloom caused by manure-based nutrient surplus and leaching in the Baltic Sea. The Baltic MANURE project will turn the perception of manure as an environmental problem into an

opportunity for business innovation. The project develops and utilises the high potential and know-how for innovative solutions for manure management, such as production of renewable energy, organic fertilisers and other added value products.

Key messages from the project are:

• Baltic MANURE is turning manure problems into business opportunities

• Baltic MANURE is the Forum for bringing together all stakeholders to improve manure handling and use in the Baltic Sea Region

• Baltic MANURE improves knowledge, stimulates technology development and marketing and gives policy recommendations

Research activities have been set in motion and during the first phase they will include soil and manure sampling and farm surveys in all countries as well as technology overview and drawing scenarios for life cycle assessment of different manure handling chains. First business-to-business activities will be organised at the Poleko Fair in 2011.

> **9.10. "Recycling of Phosphorus"**. Recycling of phosphorus is an urgent challenge as it is estimated that the world's easily and economically usable phosphorus will last only 50-150 years. At the same time, the phosphorus load on waters caused by agriculture is a cause for eutrophication. New practices on using an integrated approach should be developed to minimize the leakage of nutrients/phosphorus and to maximize the recycling of all kinds of phosphorus sources in addition to manure. (Lead: Germany together with BATMAN. Deadline for finalisation: to be determined)

Report: Recycling of Phosphorus became a Flagship Project in 2010, the aim being to start the actual work during 2011. Recycling of phosphorus is an urgent challenge as it is estimated that the world's easily and economically usable phosphorus resources will last only 50-150 years. At the same time, the phosphorus load on waters caused by agriculture is a cause for eutrophication. New practices on using an integrated approach should be developed to minimize the leakage of nutrients/phosphorus and to maximise the recycling of all kinds of phosphorus resources in addition to manure.

The project will cover relevant aspects, which are not integral parts of the "Baltic MANURE" project. The leaders of the project are the Julius Kühn-Institut Germany and Agrifood Research Finland (MTT).

> **9.11. "Reinforcement of animal health and disease control"**. In the Nordic-Baltic region, veterinary contingency planning has been on the common agenda for some years and some of the experience will be used in future cooperation in the whole Baltic Sea Region. One example is simulation exercises that are considered as a very valuable tool for testing contingency plans established for the control and eradication of rapid-spreading animal diseases. The efforts made to facilitate training in the Nordic-Baltic region in the use of risk analysis and creation of networks for sharing experiences should be explored. In the event of an animal disease outbreak, the Baltic Sea Region will be working on the intention to provide, within their resource capabilities, skilled and competent personnel to respond to the animal disease situation in the affected country. Actions and experience by the Nordic Council of Ministers should therefore be exploited for further cooperation and

development, including Nordic-Baltic cooperation in this field. (<u>Lead</u>: Nordic Council of Ministers; <u>Deadline</u> for progress review: To be determined)

Report: The project is led by the Nordic Council of Ministers. Information was not available at the reporting deadline.

Pillar 3: To make the Baltic Sea Region an accessible and attractive place

PA 10: To improve the access to, and the efficiency and security of, the energy markets	Coordinated by Latvia and Denmark

Brief summary of overall progress:

The Priority Area Coordinators report that the Priority Area is progressing favourably and quite rapidly in the sense that all Actions and Flagship Projects are on a fast track. Priority Area 10 can demonstrate extensive progress in relation to improving the access to, and the efficiency and security of, energy in the Baltic Sea Region. On this basis, the PACs find it useful to consider how to best shape the future of the Priority Area to ensure that efforts remain targeted around the most urgent challenges.

Increased integration of the energy markets in the Baltic Sea Region will contribute to stability and economic growth, and improve the security of energy supply. It will reduce prices and facilitate the diversification of energy sources and enable the introduction of solidarity mechanisms. Therefore, the Strategic Action in Priority Area 10 focuses on establishing an integrated and well functioning market for energy by implementing the Baltic Energy Market Interconnection Plan (BEMIP). BEMIP is also covered by three Flagship Projects under Priority Area 10.

To secure progress in Priority Area 10, the BEMIP High Level Group has agreed to act as the steering group. Contact between the Danish Embassy in Latvia and the Danish Energy Agency has been established in order to facilitate contact with relevant actors if necessary.

In relation to the future work of the Priority Area, the Coordinators anticipate some financial as well as technical challenges. The experience of the Priority Area Coordinators is that they are becoming more directly involved in the practical implementation of the Strategy's Action Plan and there is thus an obvious need for a certain amount of Technical Assistance (TA) for supporting their activities. A Trust Fund is highlighted as one attractive option for channelling TA for PAC.

In the forthcoming period, the Priority Area Coordinators will, if TA and additional financial resources are made available, focus their work efforts on the two Cooperative Actions in relation to identifying new projects which are in line with the scope of Priority Area 10. Furthermore they will try to explore possible synergies in relation to cooperation with Priority Area 5.

Actions:

The coordinators point out that both the Strategic Action and the two Cooperative Actions are covered by the various Flagship Projects and proceeding well. Progress is described under the Flagship Projects. The coordinators note that if technical assistance funding and/or other financial resources become available, they will focus their future work more on the

Cooperative Actions with respect to identifying new projects in line with the scope of the Priority Area.

Strategic actions:

▪ **"Establish an integrated and well functioning market for energy"** by implementing the Baltic Energy Market Interconnection Plan (BEMIP) which, in addition to infrastructure projects, includes specific steps to achieve the desired integrated and functioning internal market for energy. This should include better coordination of national energy strategies, and measures to promote diversity of supplies and better functioning of the energy market.

Report: Please see report for Flagship Projects 10.1, 10.2 and 10.4.

Cooperative actions:

▪ **"Increase use of renewable energies"** by extending the use of biomass, solar energy and wind power (e.g. the Nordwind II, project supported by the Nordic Council, and Krieger's Flak), especially by research into demonstrations and deployments of on- and offshore wind and other marine renewable energy technologies. The region has high-level expertise in maritime technologies. This must be better utilised. In addition, the database on bio-energies developed by the Nordic Council of Ministers (NCM) should be fully exploited. (NB: This has to be read in conjunction with Priority Area number 5 'To adapt to climate change').

Report: Please see report for Flagship Projects 10.2, 10.3 and 10.4.

▪ **"Ensure more cross-border cooperation"** to share experiences and coordinate better in fields such as electricity grid and maritime spatial planning, regulatory practices regarding interconnector investments, and environmental impact assessments of wind farms.

Report: Please see report for Flagship Projects 10.2 and 10.3.

Flagship Projects (as examples):

In the frame of the TEN-E and/or the Baltic Energy Market Interconnection Plan (BEMIP) – and the relevant energy projects covered by the European Economic Recovery Plan – the following proposals are underlined:

➢ **10.1. "Monitor the implementation of the Baltic Energy Market Interconnection Plan (BEMIP) correspondingly with the actions of the High Level Group of the BEMIP"**. In particular, priority should be given to **"connect the Baltic States to the energy networks of the Region"**. The need to monitor the progress of the BEMIP emerges not only from the BEMIP on its own, but also from the framework of the European Union Strategy for the Baltic Sea Region. The function of monitoring relies on the High Level Group of the BEMIP, therefore the aim of this project is better coordination between strategic goals of the European Union Strategy for the Baltic Sea Region and the BEMIP. The Commission and the Member States concerned have developed the BEMIP which identifies key missing infrastructures in electricity and gas, lists necessary actions (including financing), and provides coordination mechanisms to bring together Member States, market players and different financing sources. Innovative interconnector solutions involving 'plugging in' offshore renewable energy production installations are considered. Projects listed under the TEN-E guidelines could be co-financed by the TEN-E instruments, moreover

the European Economic Recovery Plan provides for important additional financial support for infrastructure projects in the Region. (Lead: Lithuania; Deadline for the implementation of priority projects: to be determined) *FAST TRACK*

Report: This Flagship Project supports the Strategic Action '*Establish an integrated and well functioning market for energy*' by implementing the Baltic Energy Market Interconnection Plan (BEMIP), which, in addition to infrastructure projects, includes specific steps to achieve the desired integrated and functioning internal market for energy. This should include better coordination of national energy strategies, and measures to promote diversity of supplies and better functioning of the national energy strategies, as well as measures to promote diversity of supplies and better functioning of the energy market.

In terms of priorities, BEMIP's focus was initially on the electricity sector, then gas, making reference to other topics of high importance (oil and clean energy). BEMIP brings together in a coordinated way the projects involving all Baltic Sea Region EU Member States, and as an observer Norway, for the development of: a) An internal market for electricity and gas; b) Electricity interconnections; c) New electricity generation capacity; d) Gas diversification of routes and sources; and e) Oil.

The state of play so far includes the following points:

- On **electricity**, work is progressing well and according to plan. A few actions are ahead of schedule, such as the work launched by NordPoolSpot to create the "BEMIP price area". In general, the start of the process can be regarded as a success: since the implementation of the first step of the roadmap, the process is now being driven forward by market actors. Support from the European Energy Programme for Recovery (EEPR) is still highlighted as a driver for project implementation: The Estlink2 investment decision has been made ahead of plan.

- A major topic for discussion over the coming months is the definition of a common policy between the three Baltic States on electricity imports from non-EEA countries.

- A new High Level taskforce on nuclear generation with members from the countries concerned has been established in order to promote and support the implementation of the Visaginas regional nuclear power plant project, to look at related interconnections, as well as to assess financing options for the project.

- The **gas** sector now also enjoys the heavy focus of the BEMIP work. A major breakthrough in this area is the now ongoing dialogue between the companies concerned on the PL-LT gas link which received political support from both sides.

- Several applications for TEN-E support were received by the Commission in 2010, including the PL-LT gas link and a storage project in Latvia.

- The West Baltic taskforce [1] has been launched and successfully finished its mandate; it delivered an action plan in December 2010 which was approved by the BEMIP High Level Group. The Baltic States have also agreed to implement an entry/exit model on a regional level as opposed to country by country (when their markets are open); the details are currently being discussed.

- Discussions on a regional LNG project are also ongoing and much progress has been achieved. Evaluation of the LNG options/locations based on agreed criteria is underway, but further discussions are still needed; a special High Level Group meeting was scheduled in addition to East-Baltic LNG taskforce meetings to make progress. A decision should be reached in the coming months.

➢ **10.2. *"Demonstration of coordinated offshore wind farm connection solutions"*** (e.g. at Krieger's Flak (Denmark, Germany) and Södra Midsjöbanken (Sweden)) (Lead: Denmark; Deadline for progress review: to be determined) ***FAST TRACK***

Report: The traditional way to connect offshore wind power plants is to use national, radial solutions. This project will develop and implement an innovative, cross-border solution which is based on the dual-purpose use of the subsea cables for both transmission of wind energy and energy trade. Hence the aim of this project is to ensure a modular-based Combined Grid Solution (CGS) for the grid connection of the offshore wind farms at Kriegers Flak area in the Baltic Sea. The purpose of this project is in other words to secure a joint interconnection solution for the German offshore wind farm EnBW Baltic 2 and the expected Danish offshore wind farm – Kriegers Flak III.

The result of this project may be the first offshore grid connection of offshore wind power which will also operate as an interconnector. When this large-scale project is completed, it will have addressed the technical challenges of designing, installing and operating a Combined Grid Solution based on the new multi-terminal HVDC voltage source converter (VSC) technology. The project will also have addressed a number of cross-border, regulatory challenges.

A Combined Grid Solution at Kriegers Flak will bring renewable energy to European consumers, strengthen the energy markets and increase the security of supply by providing transmission capacity.

Since the concept of the CGS project is based on the prerequisite that offshore wind farms will be built and operated in the Danish and German part of Kriegers Flak, the progress of these wind farm projects is essential for the progress of the CGS project. EnBW Baltic 1 has been designed, built and installed with a capacity of 48.3 MW in 2010. Concerning EnBW Baltic 2 (former Kriegers Flak I), the project owner (EnBW) has entered into a contract to build the platform for the offshore substation (OSS) with the option of an extension that will accommodate the additional cable connections for the Combined Grid Solution project. EnBW Baltic 2 will have an overall installed capacity of 288 MW.

The political decision concerning Kriegers Flak III on the Danish part has not yet been taken. As a consequence, the final technical design of the CGS project is therefore still pending. The project's main activities in the upcoming years are: Danish political decision on the offshore wind farm Kriegers Flak III, selection of the optimum technical solution and the permission processes.

➢ **10.3. Implement the Baltic Sea Region Bioenergy Promotion project.** The project aims at strengthening the development towards a sustainable, competitive and territorially integrated Baltic Sea Region in the field of sustainable use of bioenergy. (Lead: Sweden; Deadline for progress review: to be determined)

Report: The Flagship Project aims at strengthening the development towards a sustainable, competitive and territorially integrated Baltic Sea Region in the field of sustainable use of bioenergy. The project is intended to serve as a major Baltic Sea Region-wide platform for:

1) Cross-sectoral and transnational networking to facilitate information and knowledge exchange; 2) Coordinating policy development; 3) Designing the application instruments to promote bioenergy; 4) Creating a regional platform.

The Flagship Project is divided into different thematic work packages (WP), which are the focus for evaluating progress:

Within WP2 on Information and Dissemination, the aim is to increase the knowledge of the opportunities for bioenergy and to enable technology transfer between the BSR countries and regions. Achievements thus far include a project website (www.bioenergypromotion.net), a finalised Communication Plan, a database of bioenergy actors, and cooperation established with other EU funded projects, such as 4Biomass, Set@Work, RUBIRES, BATMAN and EEN. The final meeting and WP 2 conference will be held in Rostock, Germany in late October 2011.

Within WP3 – Policy, objectives include the common development and operationalisation of sustainability criteria for bioenergy, the demonstration of ways and good practices on how to integrate those criteria into the policy framework through certification systems and other policy instruments and support for the formulation and implementation of coherent strategies and action plans promoting sustainable use of biomass for heating, electricity and transport. Results include: i) (Draft) policy guidelines on sustainability criteria; ii) A list of national certification schemes, a policy assessment report, a questionnaire to identify capacity needs regarding NREAP formulation, and a first draft of EU policy assessment; iii) The first outline on certification systems, as well as the setting up of the structure of BSR country reports; and iv) The preparation of criteria for Good Practice and guidance for policy showcases – these criteria have been disseminated for partner feedback. Regarding the further work of the WP, the "Biomass for bioenergy state-of-the-art meeting" has for instance been planned, and may include potential cross-fertilisation with the UNECE process.

The WP 4 on (Sub)regions focuses on establishing regions as testing grounds, developing means for promoting bioenergy on a regional level, and establishing regional network points. Achievements thus far include network points and regional websites set up in dedicated regions and a regional business/industry assessment report. A final workshop for exchange of experiences on Strategic Management Plans will take place in Potsdam, Germany, on June 14-17, 2011.

Finally, WP5 – Business, aims at providing information to ensure sustainable, transparent business possibilities between BSR countries in the field of bioenergy, through comprehensive mapping of stakeholders, technologies and best practices in business development. It also looks to establish a BSR wide virtual broker platform for bioenergy business developments and to support bioenergy market "match-making" through the facilitation of opportunities to create networks, clusters, public-private partnerships and potential project development. The 4th progress report will be ready in June 2011.

➢ *10.4. "Extend the Nordic electricity market model (NORDEL[25])"* to the three Baltic States by following a step-by-step approach with a concrete timetable for implementation (market integration roadmap) within the framework of the Baltic Energy Market Interconnection Plan (BEMIP). (<u>Lead</u>: Latvia; <u>Deadline</u> for progress review: to be determined)

Report: In order to integrate the Baltic electricity sectors within the common EU electricity market, the Baltic electricity market design has to be consistent with the key elements of the Nordic market design. The necessary actions for creating a well functioning Baltic energy market and integration of the Baltic electricity market in the Nordic electricity market are identified in the Baltic Energy Market Interconnection Plan (BEMIP). Deeper cooperation among authorities and market participants in the Baltic States is required to facilitate harmonisation of legal and regulatory environments in the most efficient way and in the shortest time possible. Creation of an open and functioning common Baltic electricity market is an essential precondition for the Baltic electricity market integration into the Nordic market through the Nord Pool Spot, and includes adopting Nord Pool principles.

The Baltic electricity market roadmap consists of four steps.

Step 1 (2009) – preliminary political and business decision-making on market integration

Step 2 (2010) – fulfilment of market opening requirements

Step 3 (2011-13) – market functioning fine-tuning

Step 4 (2013-15) – fully functioning market integrated with the Nordic market

Besides parallel development of the market infrastructure and interconnections, it will also ensure greater effectiveness of the markets.

In accordance with the BEMIP Action Plan, the creation of a fully functioning electricity market in the Baltic States and its integration within the Nord Pool Spot Price Area should be completed by the end of 2011. The Estlink Price Area and Lithuanian power exchange successfully opened in 2010. At the beginning of 2011, the Ministry of Economics of the Republic of Latvia prepared amendments to the Electricity Market Law which will soon be adopted by the Parliament. The draft Law defines the most important elements concerning the legal form and operation of power exchange, interprets the bidding area, defines forms of deals that can be done only within the power exchange, assigns the obligation for the electricity market operator to supervise electricity trade in the power exchange and obliges the power exchange participant, similarly to regulations in other European Union Member States, to sign a balancing agreement for trading in the power exchange.

At the moment, authorities of the Baltic States are preparing amendments to national legislation in order to carry out Transmission System Operators (TSO) ownership unbundling according to requirements of the 3rd Energy Package. All TSOs in the Region are involved in the process of drafting management's rules and subsequent information provision to market participants. Latvia has chosen the independent system operator's option as the TSO ownership unbundling model, which enables the vertically integrated undertaking to retain

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[25] NORDEL is the collaboration organisation of the Transmission System Operators (TSOs) of Denmark, Finland, Iceland, Norway and Sweden. Their mission is to promote the establishment of a seamless Nordic electricity market.

transmission system ownership. The Nord Pool Spot does not have experience to work with TSO organised in such a way. Therefore, business environment conformity assessment to Nord Pool Spot requirements could be extended. Further activities related to creation of the Baltic electricity market include Latvia and Lithuania joining the Estonian Nord Pool Spot market area in 2011. A fully functioning Baltic market integrated with the Nordic market is expected in 2015.

<table>
<tr><td>**PA 11: To improve internal and external transport links**</td><td>Coordinated by Lithuania and Sweden</td></tr>
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A number of projects have being successfully implemented within the EU Strategy for the Baltic Sea Region. One of the concrete examples is the Baltic Transport Outlook (BTO) 2030 study. The BTO report on traffic flows and scenarios 2016/2030 should be delivered in the first quarter of 2011, while the final report is expected in August 2011. Since the onset of the implementation phase, the Northern Dimension Partnership for Transport and Logistics (NDPTL) has also been developed. A new financial Annex to the NDPTL Secretariat Agreement was signed by the member countries during the high-level meeting in December 2010, thereby establishing the financial scheme for the years 2012 and 2013.

The PACs have identified the main priorities in the short term to be the revision of the TEN-T policy and the BTO 2030 study. The main priorities in the mid-term include fostering the cooperation of the Northern Dimension Transport and Logistics Partnership, fully using the potential of the development of Motorways of the Sea, and establishing Functional Airspace Blocks and projects to cooperate on smarter transport development. The PA's Strategic Action to complete the agreed priority transport infrastructures, given its heavy time and investments load, can be seen as the top long-term priority, which will constantly be under implementation.

The Coordination Group of the Priority Area has expressed the importance of promoting the EUSBSR at the national level and uniting various stakeholders to take part in the different EUSBSR projects.

Striving to embrace a more proactive role and to promote the implementation of the transport related agenda of the EUSBSR, the PACs organised the first Annual Progress Conference of the Baltic Sea Strategy's Transport Priority Area No 11 on the 7th of December 2010 in Vilnius, Lithuania. The Conference gathered project leaders, authorities, regional organisations and the European Commission to discuss the progress of the Priority Area, challenges for the implementation of projects, and the overall status of the Baltic Sea Strategy. It is hoped that continuous dialogue on transport policy development and joint implementation of the transport infrastructure projects in the Baltic Sea Region will form a sound basis for improving the performance of the Region's transport system.

The Ministers and High Level Representatives of the Baltic Sea Region signed the Haparanda Declaration on 17 June 2010, promising to commit to continued cooperation in the field of transport and infrastructure in order to contribute to improve the competitiveness of the Baltic Sea Region and the European Union. The meeting of NB8 Ministers for Transport on 21-22 September 2010 in Vilnius was organised in order to contribute to the TEN-T revision process. During the meeting, the NB8 Ministers for Transport signed a Common Statement on the TEN-T core network of the Baltic Sea Region. A common TEN-T core network of the Baltic Sea Region including German and Polish parts was composed, finalising the establishment of a full common TEN-T core network in the EUSBSR.

Actions:

The actions within Priority Area 11 are closely linked to the Flagship Projects, through which they will be implemented. Accordingly, this report considers the progress on the actions through the description below of the Flagships.

Strategic actions:

- ***"Coordinate national transport policies and infrastructure investments"***

    o Regional cooperation should increase on transport issues, for example on the interoperability of transport systems, icebreaking, co-modality, user charging schemes, transport Research and Development, application of new solutions, in particular in traffic management systems (air, road, rail, maritime), promotion of joint actions (e.g. road safety) and sharing of best practices.

    o The agreed TEN-T priority projects should be implemented on time (cf. further under 'Flagship Projects (as examples)').

    o The long-term transport development policies as well as the national investment strategies should be coordinated to improve access to the Region and intraregional connections. In particular, the stakeholders of the Baltic Sea Region should agree on a joint position of the Region regarding changes which could be introduced in the framework of the TEN-T Policy review and the revision of the TEN-T guidelines (joint proposal beyond national interests).

    o The inland waterway and estuary navigation should be promoted (full implementation of the 'Naiades' action plan[26]) addressing existing infrastructural bottlenecks in order to ensure optimal connections between the various regions of the Baltic Sea, such as the Oder Waterway (project E30) and connection of the Oder River with the Vistula River (project E70).

    o The stakeholders should jointly identify the infrastructure gaps which are important for the whole region (e.g. on North-South and East-West axes)[27]. Links to remote islands and the periphery (including air connections) should be considered.

Report: See above

Cooperative actions:

- ***"Improve the connections with Russia and other neighbouring countries"***, especially for major transport connections and freight transport logistics – through cooperation in the framework of the Northern Dimension policy (Northern Dimension Partnership on Transport and Logistics) and the EU–Russia Common Spaces. Special focus should be put

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[26] The NAIADES action programme, launched in 2006, comprises numerous actions and measures to boost transport on inland waterways. The programme runs until 2013 and is to be implemented by the European Commission, the Member States and the industry itself.

[27] To support this, Sweden proposes to carry out, jointly with BSR countries, a study on the transport outlooks for 2030. This study would describe the current transport flows used by all transport modes in the Baltic Sea Region, infrastructure status, and bottlenecks, and take into account forecasts for 2030.

on removing non infrastructure-related bottlenecks, including those associated with border crossings. Member States should also explore options for new connections to the East and Far East (gateway to Asia).

Report: See above

- *"Facilitate efficient overall Baltic freight transport and logistics solutions[28]"* by removing non infrastructure-related bottlenecks, promoting inter-modal connections, developing the Green Corridor concept through the implementation of concrete projects, developing infrastructure, supporting logistics service providers, establishing harmonised electronic administrative procedures, harmonising control procedures, etc. Timely implementation of the Rail Freight Corridors foreseen in the Regulation for a European rail network for competitive freight (EC Regulation 913/2010) will better connect freight nodes in the Baltic Sea Region to the broader rail freight network. The network will improve operations and impose strong cooperation between rail infrastructure managers on traffic management issues and investment, and in particular put in place a governance structure for each corridor. It foresees sufficient and reliable capacities allocated to freight on these corridors, the coordination between rail infrastructure management and goods terminal management, the definition of performance objectives such as punctuality and capacity and their monitoring, the coordination of works and easier access to and exchange of relevant information. This will contribute to attractive and efficient rail freight services within the Region and with other European regions, which is essential for modal shift.

Report: See above

- *"Increase the role of the Baltic Sea in the transport systems of the Region"* through, inter alia: identifying and implementing Motorways of the Sea[29] and Marco Polo actions; developing ports and their adequate connections to the hinterland in particular by rail and inland waterways; increasing sea shipping competitiveness and efficiency through the prompt introduction of EU Maritime Transport Space without barriers and through the gradual introduction of e-freight and e-maritime concepts; supporting safe, energy-efficient and sustainable Short Sea Shipping and port operations.

Report: See above

- *"Promote sustainable passenger and freight transport and facilitate the shift to intermodality".*

Report: See above

Flagship Projects (as examples):

➢ *11.1. "Complete the agreed priority transport infrastructures".*

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[28] Global Satellite Navigation Systems (GNSS), such as Galileo, will contribute to the efficiency, safety and optimisation of maritime, air and land transportation.

[29] Motorways of the Sea that are already existing or new sea-based transport services that are integrated in door-to-door logistic chains and concentrate flows of freight on viable, regular, frequent, high-quality and reliable Short Sea Shipping links. The deployment of the Motorways of the Sea network should absorb a significant part of the expected increase in road freight traffic, improve the accessibility of peripheral and island regions and states and reduce road congestion.

In particular, the TEN-T Priority Projects such as:

– Upgrading road, rail and maritime infrastructures in Sweden, Finland and Denmark on the Nordic Triangle multimodal corridor;

– Rail Baltica axis linking – by rail – Poland, Lithuania, Latvia and Estonia (as well as Finland through a rail-ferry service);

– Fehmarnbelt Fixed Link between Denmark and Germany with the access railways from Copenhagen and Hannover/Bremen via Hamburg;

– Railway axis Gdańsk-Warszawa-Brno/Bratislava-Wien;

– Motorway axis Gdańsk-Brno/Bratislava-Wien.

Options should also be considered to implement other important projects for the Region such as:

– The Bothnian Corridor (divided into the Swedish side and the Finnish side) which connects the Northern Axis to the Nordic Triangle and to Rail Baltica;

– Links with the Barents Region;

– Elements of the Northern Axis (East-West connections through the Baltic States and in the North of the Region);

– Via Baltica linking – by road – Poland, Lithuania, Latvia and Estonia;

– Multimodal (N-S) Transport Axes: from Scandinavia-Germany/Poland to the Adriatic Sea).

(Lead: all relevant countries; Deadline for progress review: to be determined)

Report: The TEN-T priority projects progressed well during 2010. For instance, intensive preparatory work resulted in the successful advancement of the Fehmarnbelt Fixed Link. Already in the first half of 2011, decisions on technical solutions (immersed tunnel or cable-stayed bridge) were to be taken, with construction works expected to start in the first half of 2014. Concerning the Rail Baltica priority project, Lithuania started the construction of the European railway gauge on the Mockava-Šeštokai section in May 2010, aiming at full completion of this section in May 2011. Moreover, the Lithuanian Government adopted the Action Plan on the implementation of Rail Baltica in May 2010. The plan sets out a timetable of specific projects (preparatory work as well as construction work) to be carried out in order to deploy the European gauge up to Kaunas by 2014. Concerning the further completion of the project, Lithuania, Latvia and Estonia jointly started a feasibility study with the purpose being to evaluate the construction of the Rail Baltica European gauge up to Tallinn (Estonia) in the long term.

The revision of the TEN-T policy is identified as the main short-term priority. Already in the second half of 2011, the discussion concerning the new legislation of the TEN-T guidelines will start. The discussion is both promising and challenging for the Baltic Sea Region, which has big territorial and infrastructural imbalances, making it difficult to find common criteria that would meet the needs of all countries.

To address these challenges and to contribute to the TEN-T revision process, the Ministers of Transport of the Nordic-Baltic 8 countries signed a Common Statement on the TEN-T core network of the BSR on 21 September 2010 in Trakai (Lithuania). The Ministers outlined that the methodology of the new TEN-T network should be flexible in order to reflect the different conditions of the countries, especially as concerns the need to have strong linkages with the EU neighbours. The Statement was later annexed by a common map of a TEN-T core

network in the BSR, including the German and Polish parts, and was submitted to the European Commission as a contribution of the BSR Member States to the TEN-T revision.

➢ *11.2. "Implement the Northern Dimension Partnership on Transport and Logistics"*, including the related legal instruments. (Lead: Northern Dimension Partners; Deadline for progress review: to be determined)

Report: A Memorandum of Understanding establishing the Northern Dimension Partnership on Transport and Logistics (NDPTL) was signed in Naples on 21 October 2009. The next step is to establish a secretariat for the Partnership. After intensive work within the Steering Committee of the NDPTL, an agreement on the secretariat was prepared and signed in Zaragoza on 8 June 2010. The Secretariat will be supported by financial contributions from each participating country. It is envisaged that for 2011, the costs of the secretariat will be covered by voluntary contributions from Denmark, Finland, Germany, Norway and Sweden. Regarding the establishment of a financial scheme for 2012 and 2013, a new financial Annex to the NDPTL Secretariat Agreement was signed by the member countries at the High Level Meeting on 15 December 2010, whereby all the countries agreed to provide annual contributions, thus ensuring the financial stability of the secretariat and the partnership. At the moment, the process of recruiting staff to the Secretariat is ongoing.

The purpose of the Partnership is to improve the most important transport routes in the Region in order to support the region's growth. One of the tasks of the secretariat is to draft an Action Plan of Northern Dimension priority projects covering both infrastructure projects and horizontal measures. The Partnership has already achieved concrete results in its development process. The NORDIM study, initiated to assist and launch the NDPTL in a timely manner, was completed in December 2010. As an output of this study, a list of priority infrastructure projects of all member countries was identified.

The PACs note that the NDPTL is the most important regional instrument in the transport and logistics field for addressing the aims of the EUSBSR in relation to neighbouring countries. The above-mentioned Action Plan will set an agenda for further activities under this Flagship.

➢ *11.3. "Develop the Baltic Motorways of the Seas network"* – linking the Baltic Sea Member States with Member States in Central and Western Europe through sustainable transport links, including the route through the North Sea / Baltic Sea canal / Danish straits. The selected TEN-T and Marco Polo Motorways of the Sea corridors such as the high-quality rail and intermodal Nordic corridor Königslinie involving the Sassnitz-Trelleborg link and the Baltic Sea area Motorways of the Sea involving the Karlshamm-Klaipeda link, as well as the Karlskrona-Gdynia link, should be implemented, and further project ideas (including the Polish links) should be developed through regional cooperation. (Lead: The Baltic Motorways of the Sea Task Force; Deadline for progress review: to be determined)

Report: The Motorways of the Sea (MoS) concept is one of thirty priority projects for the Trans-European Transport Network (TEN-T). Co-financing from the EU can be sought for studies and projects. Studies can be granted funds of up to 50% of the total costs, and investment which includes at least two EU countries is funded by up to 30%. The MoS concept aims in particular to strengthen cohesion and accessibility and to facilitate modal shift. In the Baltic Sea Region, the main emphasis is on cohesion and accessibility. A way to achieve these objectives is to concentrate cargo flows or to create long-term and frequent maritime transport between the EU countries and the outside world.

The Baltic Sea States have been active in making the MoS concept operational. A taskforce is established and consists of representatives from the EU countries in the Baltic Sea area, Norway and the European Commission. The development of the Motorways of the Sea concept in the Baltic is to be coordinated by the Baltic MoS Taskforce. The Taskforce has discussed the future work on the MoS concept, which is envisaged to encompass both corridor-specific infrastructure projects as well as projects of a more horizontal nature that are of wider benefit.

Initial action taken by the Baltic Sea States included a project in 2005-07 which included initial studies and joint horizontal activities with a view to developing the MoS concept in the Baltic Sea. This Master Plan Project, which had a total budget of just over €3.5 million, consisted of four parts: a study on flows of goods and infrastructure in the Baltic Sea Region, actions to improve winter navigation, a study on quality assurance of the priority fairway system in the Baltic Sea and a study on the development of a port hub function for transoceanic traffic on the Baltic Sea, a so-called North Sea Baltic hub.

In September 2006, the Baltic Sea countries requested operators in the transport sector to submit project proposals for MoS projects in the Baltic Sea Region. The end result of this call was that two MoS projects were granted in November 2008 total co-financing from the TEN-T MoS budget of around €15 million. The ports included in the projects were Karlshamn (SE)-Klaipeda (LT) and Trelleborg (SE)-Sassnitz (DE). In December 2009, it was decided to also grant TEN-T co-financing to the MoS project Baltic Link, including the ports Karlskrona (SE) and Gdynia (PL) with an EU contribution of about €17 million.

The project aims of the MoS project Karlshamn-Klaipeda are to improve infrastructure in the two ports and to support intermodality which will contribute to developing the transport corridor between Scandinavia and the Eastern Europe-Black Sea area.

The aim of the MoS project Königslinie is to improve the transport corridor between Sassnitz and Trelleborg by upgrading the capacities of a rail/sea link combined with the development of new intermodal train services. Within the project there is also the potential for a significant modal shift from road to combined rail-sea-rail transport. The Baltic Link project between Gdynia and Karlskrona aims to have a new combined terminal in Alvesta, upgraded railway between Emmaboda and Karlskrona, infrastructure investments in the two ports and investments in a new electrification system on ferry operator Stena Line's new ferries on the Gdynia-Karlskrona route.

In November 2009, the Baltic MoS Taskforce opened an open call for corridor-specific MoS proposals in the Baltic Sea Region, which included horizontal projects. This resulted in December 2010 in three MoS projects being granted co-financing from the TEN-T MoS budget. The ports included were Gothenburg (SE)-Arhus (DK)-Tallinn (EE) with around €29 million, Gedser (DK)-Rostock (DE) with around €24 million, and the horizontal activity MONALISA involving Sweden, Denmark and Finland, receiving co-financing of around €11 million.

The main aim of the MoS project Rostock-Gedser is to improve efficiency and capacity on the ferry link and to increase the multimodal perspective, mainly by investments in port and ferry infrastructure. The MoS project between Gothenburg-Arhus-Tallinn is called The Baltic Sea Hub and Spokes Project and aims to facilitate a modal shift from road to sea by providing more efficient transport solutions and improving access to markets in Central and Northern Europe.

The MONALISA project is not in itself a Flagship Project within the EU Strategy for the Baltic Sea Region, but it addresses strategic actions and two Flagship Projects of Priority Area 11 (Motorways of the Sea and Smarter Transport), in addition to addressing Priority Area 4 and Priority Area 13. The project's main aim is to improve safety of navigation in the Baltic Sea and serve different Motorways of the Sea links in that area.

➢ **11.4. "Shorter plane routes"** through the establishment of 'Functional Airspace Blocks' (FAB) in the Baltic Sea Region (i.e. the North European FAB, the Nordic Upper Area Control FAB and the Baltic FAB). The aim is to develop a cooperation system between countries in the Baltic Sea Region in order to ensure a successful and smooth transition from domestic air traffic management arrangements to a more integrated European dimension with 2012 as a deadline for implementation. (Lead: Poland and Lithuania; Deadline for progress review: to be determined) *FAST TRACK*

Report: The goal of this Flagship is to develop a cooperation system between countries in the Baltic Sea Region through the establishment of 'Functional Airspace Blocks' (FAB) in order to ensure a successful and smooth transition from domestic air traffic management arrangements to a more integrated European dimension.

The NEFAB: Denmark, Estonia, Finland, Iceland, Latvia, Norway and Sweden are members of the North European Functional Airspace Block. A feasibility report on the establishment of the FAB was presented in January 2011. The National Supervisory Authorities will during spring 2011 perform an evaluation ahead of a state level agreement. Denmark and Sweden are of the opinion that the feasibility report shows too low a level of ambition regarding the integrated cooperation and have declared that they will keep to the DK-SE FAB if this ambition cannot increase to the level of performance scenario as described in the feasibility report.

The FAB between Sweden and Denmark: An Agreement between the National Supervisory Authorities was signed in July 2010. A Partnership Agreement between Naviair (Denmark) and LFV (Sweden) establishing the commonly owned NUAC Company to deliver en-route services in the Danish-Swedish FAB was signed on 14 October 2010.

The official DK/SE FAB notification from the Commission was received on 6 July 2010 and published in the official journal on 1 December 2010. The NUAC Company will deliver operational support from 2011. From 2012, the Company will operate three ATCCs and provide Air Navigation Services within Danish and Swedish airspace.

The Baltic FAB between Lithuania and Poland: The Ministries of Transport signed a Letter of Intent on cooperation with regard to the Baltic Functional Airspace Block Initiative in July 2010. By this Letter of Intent, the countries decided to cooperate in carrying out a Feasibility Study on the Polish and Lithuanian Functional Airspace Block. The study, financed by the Polish air navigation service provider PANSA and the European Commission, will analyse practical and technical aspects of the Baltic FAB. The study is to be finished during 2011.

The Parties also agreed upon and established several organisational and cooperation structures: a joint inter-ministerial Strategic Committee for the governance and steering of the Baltic FAB Initiative, a joint Steering Committee for the governance and steering of the progress of the Feasibility Study, and a Baltic FAB Project Team with respective Working Groups which are to prepare and submit concrete solutions and decisions in the main areas of the FAB Project.

It is expected that the Baltic FAB will become fully operational by the end of 2012. Lithuania and Poland have informed Mr. Siim Kallas, the Vice-President of the European Commission, about their intentions to cooperate in the development of the Baltic FAB Initiative, sending him a joint letter on this issue.

> *11.5. "Cooperate for smarter transport"* through development and implementation of concrete pilot initiatives which would contribute to improving safety and freight logistics efficiency, shifting freight from road to rail and sea, and minimising environmental impact of transport in the Region (e.g. the Green Corridor project from the ports of Sweden, Denmark and Germany to the ports of Lithuania and Kaliningrad, the Easy Way project in the Baltic Sea Region[30], the eco-driving project ECOWILL and road safety promotion cooperation programmes). (Lead: Lithuania and Sweden; Deadline for progress review: to be determined) *FAST TRACK*

Report: This Flagship is directed towards the development and implementation of concrete pilot initiatives which would contribute to improving safety and freight logistics efficiency, shifting freight from road to rail and sea, and minimising the environmental impact of transport in the Region. To a greater extent than other parts of Priority Area 11, this project represents novel ideas, initiatives and activities.

One of the most interesting parts of this Flagship concerns Green Corridors. The concept of Green Corridors originates from the European Commission's Freight Transport Logistics Action Plan from 2007. In this Action Plan, the Member States were encouraged to take the initiative. Against this background, Sweden, following an initiative within the government's Logistics Forum in October 2008, started developing a project on Green Corridors.

The three transport projects TransBaltic, East West Transport Corridor II (EWTCII) and Scandria are very important in this context. They are co-funded by the Baltic Sea Region Programme 2007-13. All three projects will run for three years until the end of 2012. The projects have agreed on joint green transport corridor activities together with the Swedish Ministry of Enterprise, Energy and Communications. The purpose of the agreement is to specify the division of labour and harmonisation measures in tackling the green corridor concept among the undersigning parties through to the end of 2012.

One concrete responsibility for the Swedish Ministry is to strive to establish a Stakeholder's Forum for transport and logistics in the Baltic Sea Region. The Forum shall be used by East West TC II, Scandria and TransBaltic as an advisory body. A first "open forum" meeting was held in Tallinn on 14 October 2010.

TransBaltic arranged during spring 2010 regional foresight debates in Vilnius, Stockholm, Bodö and St Petersburg. The time perspective was 2030. A foresight report summarising the ideas and discussions was presented in autumn 2010. EWTCII has two tasks of great importance and general interest also outside EWTCII: the green corridor manual and an information broker system. The work to develop a green corridor manual has now started and includes guidelines, key performance indicators and steering mechanisms. The work on the information broker system has also started. The Scandria project is focusing on optimisation measures such as time, energy and emission savings in infrastructure and logistics. Such

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[30] The Easy Way project, supported via the Trans-European Transport Network Programme, brings together 21 Member States, including several from the Baltic Sea Region, in order to cooperate on and to accelerate the deployment of intelligent transport systems on the Trans-European Road Network. It would be beneficial if the missing countries in this Region, namely Latvia, Estonia and Poland, joined this platform in the near future.

criteria will be tested and implemented during the creation of the Baltic-Adriatic Development Corridor. The first open conference was held in Berlin 15-16 September 2010. A Green Corridor Strategy will also be launched as part of the Scandria project.

In parallel with these projects, another important project began its work during 2010, the SuperGreen project. This is run by a consortium, with some partners coming from the Baltic Sea Region, and is co-financed within the 7th Framework Programme. The first open conference was held in Helsinki 28 June 2010. SuperGreen has selected nine corridors for benchmarking and testing of Key Performance Indicators. Green Corridors in the BSR are included in this selection. SuperGreen will also finish its work at the end of 2012.

Two additional corridor candidates have shown their interest in getting involved in the Green Corridor cooperation: the Rail Baltica Growth Corridor and the Bothnian Green Logistic Corridor.

2011 and 2012 will generally be of great importance for the development and initial implementation of the building blocks for the Green Corridors. A Green Corridor Demo Site is planned to be established in Gothenburg. The Swedish network for green corridors will arrange a Green Corridor Demo Day in September 2011.

The PACs foresee new project proposals as a result of Baltic Transport Outlook, for instance with respect to common infrastructure planning and investments. Also, the outcome of the current TEN-T revision could result in new proposals and projects. Relevant criteria for evaluating such new projects that seek to contribute to successful implementation of the EUSBSR need to be considered.

| PA 12: To maintain and reinforce the attractiveness of the Baltic Sea Region in particular through education and youth, tourism, culture and health | Coordinated by

1) Tourism: Mecklenburg-Vorpommern (Germany)

2) Health: Northern Dimension Partnership in Public Health and Social Well-being

3) Education and youth: Hamburg |
|---|---|

Brief summary of overall progress:

Education

Education in the BSR should be seen in the context of the EU 2020 strategy where it is a transversal and underlying topic in all three pillars of smart growth, sustainable growth and inclusive growth. Education is the basis for developing economies, building innovation and learning about sustainability. In the context of demographic change and the shortage of a qualified workforce, education plays a particularly important role in increasing the number of highly qualified young professionals.

All EU Member States are aiming for the 2020 strategy's targets, including the following education targets:
- The rate of early school leavers should be under 10%;
- At least 40% of the younger generation should have a tertiary degree.

Education in the Baltic Sea Region is to be seen in the European context, i.e. respecting the full educational responsibilities of the Member States. Referring to the macro region of the Baltic Sea, education can and should strengthen what has always been the strength of the Region: A strong regional identity, the most innovative region of Europe, and a high economic potential.

In order to use the full potential in future, further develop the economy and overcome disparities in the Region, the Baltic Sea Region should see education as an underlying topic and further develop educational targets as set out in the EU 2020 strategy: enhancing the performance of education systems, facilitating the entry of young people to the labour market, and empowering people by developing their skills throughout the lifecycle.

There is no obligation for EU Member States to cooperate in education. All activities are voluntary and education is not an EU policy. This may explain why ministries and agencies are still not playing an active role in the Priority Area Education. The lesson to be learned from that is: 1) the macro-regional approach should be linked to the EU 2020 strategy as Member States are working on this (i.e. progress reports to the European Commission); and 2) the PAC has to undertake research to identify colleagues in charge and with knowledge of the issue. Once identified, these people need to be motivated to take part in the activities of the macro-regional strategy; this uses up a lot of PAC time resources. It would be much better if ministerial colleagues came to participate in a proactive way.

Since autumn 2010, the process of clarifying the Flagship Projects (FP) to be put into the Action Plan has continued. The main objective was and is: 1) to find out whether Flagship Projects included in the Action plan really function; and 2) to include Flagship Projects representing areas of the educational and lifelong system which are not yet present in the Action Plan.

A second strand of activities in the PA was, together with the Flagship Project Leaders, to define the function of the steering group, in terms of communication, and the roles of PAC and FP leaders.

The Flagship Projects included in the PA are still changing: through the last amendment of the Action Plan, a new FP has been integrated following a proposal from the PAC: the "Baltic Training Programme – BTP" which includes an area of further vocational training for young adults covering the topic of entrepreneurship. Here, the Norden Association is the FPL and has taken over a very active role in the steering group. One of the two Youth projects has been taken out as no FP leadership could be found. However, another Youth project led by the Blekinge Region is under preparation and will work on mentorship and entrepreneurship; this one should be included in the Action Plan and become a FP. The FP "Mobility of students and researchers in the BSR" has been stopped by both project lead partners (Federal Ministry of Education and Research in Germany, Ministry of Science in Denmark). It held a final conference in cooperation with the Baltic Development Forum (BDF) and the Nordic Council of Ministers on 23 November 2010 in Copenhagen. A final paper was promised to be written, but so far, nothing has been delivered, except a first draft. The PAC agreed with the BDF to cooperate on the "Fifth Freedom" in order to focus more on this topic.

The FP "BSR Quick" is currently preparing another project proposal under the Baltic Sea Region Programme. This new project will be a spin-off and address the development of female entrepreneurs and the elderly workforce.

During the last meeting of the steering group (with PACs, FPLs, NCPs and the Commission) in January 2011, a definition of roles and tasks of PACs, FPLs and NCPs was developed and discussed.

In order to increase visibility, there are plans to set up a PA website. The use of a share point will be examined in order to increase communication within the PA between meetings. With the future technical assistance support, the PAC plans to organise meetings at ministerial level in all countries where no contact exists at present.

Mid-term and long-term aims and objectives for education in the BSR are as follows: make cooperation more binding at ministerial level, set up a strategy working group at ministerial level from all EUSBSR states, put together examples of best practice and experiences, undertake a survey with the aim of identifying major common fields of development in the educational sector, and set up a catalogue of impulses for the development of educational systems.

Priority fields of educational development could be: implement the dual system of vocational training (including the active role of the private sector); implement the dual system of bachelor studies (including the active role of the private sector); implement good practice in early childhood education; further develop diploma recognition (through EQR, etc.); compare systems of monitoring and benchmarking; foster mobility; support teacher training; and provide education in sustainable development.

Tourism

The involvement of stakeholders in the implementation process is developing steadily. Currently, about 60 stakeholders have registered their interest in PA Tourism via the PA Tourism homepage, representing local and regional authorities, universities, projects and marketing organisations. Most of them are involved in local or sub-regional activities. As to direct input and feedback from the stakeholder side, direct contact with various EU projects like BaltMetPromo, Parks&Benefits or Baltic Museums 2.0 and direct interaction during events plays an important role. PA Tourism was presented at several events.

The establishment of a governance structure for cooperation in the tourism sector in the BSR is underway but it might need some 2-3 years until it becomes fully effective. In this respect, the funding of structures and activities also plays a crucial role.
Project proposals have been submitted to the INTERREG IV B South Baltic-Programme and Baltic Sea Region Programme, as well as to the Finnish ERDF programme (cf. Flagship Projects' reports hereunder).

Initial preliminary results are now available. An analysis carried out in FP 12.9 of tourism-related EU projects indicates the existence of about 82 projects, most of them taking place under the umbrella of the INTERREG IV A Programmes. In principle, most of these projects are in line with the objectives of PA Tourism and also those of the Baltic Sea Tourism Forum (BSTF) which indicates a high potential of synergies in the cooperation.

Because of the involvement of the PAC and the FPLs, the objective of developing tourism cooperation at BSR level has become more visible. Nonetheless, the objective as such is not as self-evident to all the stakeholders as one might expect.
Based on current actions, contacts with tourism stakeholders will be further developed. Further meetings with stakeholders are expected to take place in the course of the year. These meetings shall be held in different parts of the BSR, where possible with the support of the INTERREG IV A Joint Technical Secretariat. The target groups are national tourism ministries, tourism-related projects, local and regional tourism marketing organisations and other public authorities.

The involvement of third-country stakeholders, especially from Russia, was on the agenda of the follow-up "Turku Round Table" held on 27 May 2011 in St. Petersburg.

Towards the end of 2011, a stakeholder conference for PA Tourism is planned in which progress will be presented and the next steps discussed.

Health

The NDPHS has a framework, expertise and political support for fostering the implementation of the health area of the EUSBSR. The NDPHS Strategy correlates with the EUSBSR, to ensure that the health and social well-being related activities in the Northern Dimension area be implemented in a coordinated and efficient way and involve all relevant actors. Furthermore, the NDPHS presents an example of pragmatic and successful collaboration between the EU and non-EU countries within a jointly created framework, which contributes to fostering the objectives of the health component of the EUSBSR. During the period under review the NDPHS was able to successfully pursue the implementation of the planned goals, although limited financial resources continue to postpone the achievement of more ambitious plans.

Examples of the recent tangible achievements towards the implementation of the health area of the EUSBSR include the following:

- Fostering macro-regional cooperation in health and making it more integrated and inclusive: The Partnership successfully approached several key regional stakeholders to involve them in the implementation of the EUSBSR. Among the involved key regional stakeholders is the Baltic Sea Parliamentary Conference (BSPC) for cooperation, *inter alia*, in the field of reducing hazardous and harmful use of alcohol. The cooperation continued between the NDPHS and the e-Health for Regions network, the latter having been engaged by the NDPHS to take the lead role for the e-health component of the EUSBSR Action Plan. Finally, several other regional frameworks for cooperation have been contacted for cooperation, among them the BioCon Valley and the ScanBalt BioRegion, both of which are involved in the development and implementation of the Flagship Project "Set up cross-sectoral reference projects for innovation in health and life sciences".

- Providing assistance in identifying potential sources of financing for activities contributing to the implementation of the EUSBSR: The Partnership co-organised a seminar with the INTERACT Point Turku on project development and funding. The participating financing institutions and EU programmes presented their funding programmes and the financial resources available for projects in the field of health and social well-being – 18 different financing programmes were presented in 11 presentations made during the event.

- Fostering macro-regional cooperation in policy-shaping: When discussing the next EU financial programming period, the participants in the above-mentioned seminar agreed that there was a need to raise the profile of health and social well-being and to ensure that it would be visibly exposed in the list of funding programmes' priorities. The NDPHS, supported by other relevant regional stakeholders, plans to take a role in pushing for a change in this regard.

- Development/facilitation of regional Flagship Projects contributing to the implementation of the EUSBSR: Most of the NDPHS expert-level structures embarked on the development of regional Flagship Projects, among them: (i) the EUSBSR Flagship Project on alcohol and drug prevention among youth; (ii) two

projects son improving the services for vulnerable groups in order to prevent HIV; (iii) a project on nutrition, physical activity and prevention of obesity and diabetes in schoolchildren; and (iv) a project on health policy and strategy support to combat the non-communicable diseases epidemic in the Northern Dimension geographical area, etc.

Regarding the challenges and future steps, it is important to note that the NDPHS is well equipped for a focused, coordinated and sustainable implementation of the health component of the EUSBSR. At the same time, project financing availability remains a critical issue in the implementation process. As to the immediate steps to take, these include, but are not limited to the following: (i) further efforts will be make to involve other relevant regional stakeholders in the implementation of the EUSBSR; and (ii) Flagship Project applications will be finalised and submitted to financing institutions and programmes. Limited international and national funding for project development, applications and implementation is a challenge, especially in the area of health and social well-being, which is "under-invested" compared to other sectors. The NDPHS believes that engaging EUSBSR Priority Area Coordinators in the development of the Baltic Sea Region programmes' priorities could help ensure better alignment of funding for the implementation of the EUSBSR Action Plan.

Actions:

Cooperative actions:

- **Education: "Further increase exchanges within the Baltic Sea Region"** for students at schools, colleges, vocational institutions and adult education organisations under programmes from the European Union, from international organisations (such as the Nordic Council of Ministers) and from national / regional / local authorities. This could equally be extended to entrepreneurs and other professionals.

Report: The topics of this action are included in the Flagship Projects 12.1, 12.2, 12.4 and 12.5 that are described below and that are making it concrete.

Education: "Develop people-to-people actions" to reinforce the daily cooperation between citizens. For example, school exchanges to improve mutual understanding and promote language learning should be increased.

Report: The Norden Association already has the opportunity of supporting the people-to-people-actions, as they have a strong network of schools. Flagship Project 12.4 illustrates this action.

- **Tourism: "Highlight and optimise the sustainable tourism potential"** of the Baltic Sea Region by establishing an environmentally-friendly tourism strategy at the level of the Baltic Sea Region (including Russia). This strategy could include the harmonisation of standards, the development of similar projects in different regions, joint marketing of the Region and cooperation on projects.

Report: The objective of this action is to highlight and optimise the sustainable tourism potential by establishing an environmentally-friendly tourism strategy for the BSR, including Russia. The development of a strategy for the Region and a manual for sustainable tourism are on the agenda of FP 12.10. The results shall be confirmed by a PA Tourism stakeholder conference at the end of 2011. As to the involvement of Russia, tourism is not on the list of

common interest that is currently being talked about by the Russian government and the European Commission. Nonetheless, Russian involvement is pursued on a regional basis. Additionally, contact with the Northern Dimension Partnership on Culture will be established.

- *Tourism: "Network and cluster stakeholders of the tourism industry and tourism education bodies"* based on the ongoing activities started with the first Baltic Sea Tourism Summit in October 2008. At the second Baltic Sea Tourism Forum in Vilnius in September 2009, it was decided to continue this process on an annual basis, with the next forum being hosted by the Kaliningrad Region in autumn 2010. Six future fields of intensified cooperation, among them common promotional activities, the creation of a common internet platform and the development of Baltic Sea Region products and services have been agreed on.

Report: According to this action, aspects to be mentioned in the strategy are joint marketing of the Region and cooperation on similar projects. The mapping exercises and the building-up of a network, especially in FP 12.7 and 12. 9, are a first step to identifying the different actors and their objectives. In the next step, the common denominators of the various activities will have to be identified. Next to that, issues like common marketing for the BSR are also being discussed in the Baltic Sea Tourism Forum and individual projects like BaltMetPromo involving the Baltic Development Forum. Through continuous dialogue, these issues will be further elaborated on.

The aforementioned activities also relate to the second cooperative action targets which are the development of networks and clusters of stakeholders in the tourism industry and tourism education bodies in the BSR. Reference is being made in the Action Plan to the "Baltic Sea Tourism Forum". One result of the Kaliningrad Forum in November 2010 is a draft action plan which targets the joint development of products and services and their marketing in the fields of cultural and nature tourism, maritime tourism, events, and wellness and health-related tourism. The PAC accompanies these activities. Next to that, FPL 12.7 and 12.8 are also directly involved in the organisation of the work of the BSTF which promotes close cooperation with PA Tourism. The objective of this action is also supported by the activities in FP 12.8 which aims at setting up a tourism network. The result of these activities will be strongly influenced by the outcome of the project application of FPL 12.8 in the INTERREG IV B Baltic Sea Region Programme in spring 2011.

As the implementation of both cooperative actions is related to the Flagship Projects 12.7, 12.9 and 12.10, they will be finished only after 2012.

- *Health: "Contain the spread of HIV/AIDS and tuberculosis"* through partnerships and international collaboration in prompt and quality care for all, focusing on Tuberculosis / HIV co-infection and ensuring early diagnosis of HIV infections, providing access to treatment and strengthening interventions to reduce vulnerability, especially for Injecting Drug Users (IDU), prisoners, etc

Report: The NDPHS is developing two project proposals to strengthen inter-sectoral collaboration in HIV and related diseases prevention and care for vulnerable groups, with participation of partners from Russia, Poland, Lithuania and Finland. Both projects will aim at improving services for vulnerable groups in order to prevent HIV – one project is targeted at drug users and the other at primary prevention among youth. Concept Notes of both projects have been submitted to the Delegation of the European Union to the Russian Federation for financing from the Non-State Actors and Local Authorities Programme for the Baltic Sea Region. A project planning meeting was scheduled for April-May 2011.

- ***Health***: ***"Fight health inequalities through the improvement of primary healthcare"*** by assessing differences in the accessibility and quality of primary health care in the Region, by reviewing the situation of patients and health professionals, including their deployment, mobility and training and by promoting e-health technology as a means for closing gaps in health care access and quality.

Report: The NDPHS continued its focus on identifying and addressing the key problems related to the improvement of the primary health care in the Region. The role of the local hospitals has been identified among the priorities for regional action. Local hospitals, being an interface between specialist medicine and primary health care, could serve as important components of a comprehensive and equitable health system. At the same time, rapid knowledge expansion and specialisation, coupled with increasing population demands for health care sophistication and the effects of financial austerity, may threaten local structures that do not adapt rapidly enough to the changing environment. Finland, Latvia, Lithuania, Russia, Sweden and Norway have already expressed their interest in regional cooperation in addressing the issue. The first kick-off meeting was scheduled for May 2011 in Riga, followed by a seminar in autumn 2011, where possible development of a Flagship Project could be further discussed.

- ***Health: "Prevent lifestyle-related, non-communicable diseases and ensure good social and work environments"*** by developing comprehensive policies and actions in the entire region to prevent and minimise harm from tobacco smoking, alcohol and drug use to individuals, families and society (especially young people). Actions will contribute to the implementation of the Framework Convention on Tobacco Control and the "Northern Dimension Partnership in Public Health and Social Well-being (NDPHS)[31] Strategy on Health at Work" ensuring good social and work environments and preventing lifestyle-related, non-communicable diseases, using the workplace as an effective arena for promoting a healthy lifestyle.

Report: Several steps were taken towards strengthening the commitment and involvement of decision-makers and policy-makers in the prevention of lifestyle-related, non-communicable diseases (NCD) and ensuring good social and work environments in the Baltic Sea Region. **Different NDPHS contributions have provided a basis for discussions on this issue. Another example of such activities is the established and evolving cooperation with the BSPC.** In addition**,** major progress has been reported by the Member States in the implementation of the NDPHS "Health at Work" strategy, a merger of the ILO, WHO and EU occupational safety and health (OSH) strategies, committing the countries to improve OSH systems and improve the working environment, as part of the general health system. According to the informal surveys conducted during the BSN Annual Meeting, substantial progress has been achieved. Estonia, Finland, Germany Latvia, Lithuania, Norway, Poland, Russia and Sweden reported that work is in progress or partly ready for all or almost all items of the NDPHS Strategy on Health at Work.

Furthermore, the NDPHS is developing several project proposals to prevent lifestyle-related NCDs and ensure good social and work environments. A Concept Note of the "Healthier and Wealthier Cities and Villages: Management of change through monitoring, partnership, promotion and commitment" project has been submitted to the Delegation of the European

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[31] The Northern Dimension Partnership in Public Health and Social Well-being (NDPHS) is a cooperative effort of thirteen governments, the European Commission and eight international organisations. It provides a forum for concerted action to tackle challenges of health and social well-being in the Northern Dimension area and foremost in north-west Russia.

Union to the Russian Federation for financing from the Non-State Actors and Local Authorities Programme for the Baltic Sea Region. A project proposal "Nutrition, Physical Activity and Prevention of Obesity and Diabetes in Schoolchildren" and a project proposal "Stop NCD-epidemic now!: Health policy and strategy support to combat NCD epidemic in Northern Dimension geographical area" were discussed at the first planning workshop in St. Petersburg, Russia on 23-24 March 2011. Estonia, Latvia, Lithuania, Finland, Poland and Russia have expressed their interest in participating in the abovementioned two projects. In addition, the NDPHS is developing other new multi-country project proposals that will focus on industrial sectors and targets with high-risk working conditions, as well as return to work following work disability.

Among the challenges in preventing lifestyle-related NCDs and ensuring good social and work environments in the Baltic Sea Region is the fact that these issues are often given a low priority among the decision-makers. For example, there is a clear difference between the increasing availability and affordability of alcohol beverages in many countries and those countries' capability and capacity to meet the additional public health burden that follows. This problem needs to get more attention from the policy-makers and decision-makers in order to reduce the spread of harmful drinking practices, which are among the main causes of the NCDs.

- *"Bring local authorities close to the citizens"* by developing tools (for example based on the LEADER approach) whereby citizens would see their concerns and interests addressed by local authorities.

Report: no report available.

Flagship Projects (as examples):

➢ *12.1. Education: "Enhance cooperation – on a voluntary basis – between the regional Universities of the Baltic Sea Region"* so that they coordinate their activities (research areas, exchange of students / professors / researchers, cooperation with enterprises) in order to establish the Baltic Sea Region as a region of sustainable development. This cooperation should implement political decisions devoted to Education for Sustainable Development. It could be based on the existing networks of universities, such as the 'Baltic University Programme[32]' involving almost all universities in the Region, and the 'Baltic Sea Region University Network[33]' with 40 members. A model could be the UHI Millennium Institute[34]. The envisaged Northern Dimension Institute which is under preparation by a number of universities in the Region could also provide further opportunities for networking. (Lead: Baltic University Programme in coordination with Lithuania (Vilnius University); Deadline for finalisation: to be determined) *FAST TRACK*

Report: Regional cooperation between universities is quite intensive. The **Baltic University Programme (BUP)** has been functioning since 1991. This Programme is coordinated by BUP at Uppsala University (Sweden). It unites 227 universities from 14 countries. The programme focuses on SD and ESD: university courses, university teacher training, student activities,

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[32] http://www.balticuniv.uu.se/
[33] http://bsrun.utu.fi/
[34] The UHI Millenium Institute is a partnership of colleges and learning and research centres, working together to provide university-level education to people throughout the Highlands and Islands of Scotland.

research activities, exchange of students, common projects, etc. A third BUP Rectors conference will be held in October 2011.

About 40 universities cooperate in the **Baltic Sea Region University Network (BSRUN)**, which started in 2000. The network organises conferences, the exchange of students and staff members, as well as common research projects. Dissemination of information is one of the main activities of the network. The secretariat is located at Turku University (Finland) and is mostly financed by the Finnish government.

The project leader has faced difficulties in securing financing for the Flagship Project and in finding relevant financiers that are interested in financing ESD and networking, and is trying to find possible financiers and contacting them for discussions.

Further cooperation of universities can be strengthened by:

- making financing available for networking between universities in the Region;
- coordination of university teacher training and research activities for the sustainable development of the Region;
- cooperation for common, higher education areas in the Region;
- benchmarking of the governance of universities;
- cooperation among citizens in the Region with a view to preserving and cherishing linguistic and cultural diversity;
- production and updating of courses.

There are no dates set for finalisation of such cooperation. Universities should agree on common indicators to ensure monitoring of the process.

➢ ***12.2. Education: "BSR-Quick".*** The project BSR-Quick aims at qualification for owners, graduates and employees of small and medium-sized enterprises. The project encompasses academic education (dual bachelor study courses) and vocational training. By creating a network of universities, the missing link between SMEs and the academic area will be forged. In addition to education and training, the project will deliver innovative solutions for individual companies (<u>Lead</u>: Hanse Parliament e.V. Hamburg, Germany, with 40 partners from all BSR countries including business organisations, universities and polytechnics, and public administrations. <u>Deadline</u> for finalisation: December 2012).

Report: Besides the formal partners, the project strongly cooperates with nine Russian partners from St. Petersburg and Kaliningrad and has substantial support from 41 associated organisations.

A unique network of universities entitled the "Baltic Sea Academy", providing the missing link between SMEs and academic institutions, was established at the beginning of the project in 2010 and has grown from 8 to 15 members since. The concrete work focuses on education, qualification and very tangible R&D solutions for SMEs. The trainings and study courses developed are very well accepted by the entrepreneurs and often overbooked. Following a "Hanseatic Conference" on Education, a book with perspectives from different countries in the Region will be published in May 2011. The publication will also include strategies for a future education policy.

As a spin-off, a new project was initiated in spring 2011 and is directed specifically at the further qualification and promotion of female entrepreneurs as well as the integration of older employees.

The project will be finalised in December 2012.

- ➢ **_12.3. Education: "Identify barriers hampering mobility of researchers and students in the Baltic Sea Region and enhance cooperation in the Region in the area of mobility"_** *(the so-called "Fifth Freedom")*. (<u>Lead</u>: Denmark, Lithuania and Germany; <u>Deadline</u> for finalisation: to be determined)

Report: No report has been delivered so far.

- ➢ **_12.4. Education: "Promote school exchanges and develop a ring of partner schools around the Baltic Sea"_** in order to improve mutual understanding and promote language training. (<u>Lead</u>: Hamburg (in cooperation with the German Foreign Office); <u>Deadline</u> for finalisation: to be determined)

Report: While developing a ring of partner schools around the Baltic Sea, the following subjects should be dealt with and the following activities should be furthered:

−   The number of exchanges between schools as well as between vocational institutions within the Baltic Sea Region should increase;
−   The existing cooperation between schools should be encouraged and strengthened, e.g. by suggesting the schools deal with subjects of mutual interest as a basis of the cooperation;
−   Language learning should be promoted.
It has not been possible so far to take stock of all existing school partnerships within the Baltic Sea Region. Hardly any country carries out surveys in order to gather data on school partnerships.

Lists of COMENIUS projects are available, but these connections exist only on a temporary basis and do not initiate long-term partnerships in the first place (perhaps now and then as a by-product).

If we have no data of the relevant schools, we are unable to proceed much further. We will have to narrow the scope of our work to a small number of countries within the Baltic Sea Region.

Thus the project leader decided to invite German actors in order to find a solution for this problem, to plan the next steps and to distribute the tasks. But there is a certain reluctance to participate in these actions because they lack financial support.

Without any reliable financial support it will be difficult to proceed.

In order to develop more than a website, money will be needed e.g. for initiating meetings of the schools involved and for sponsoring activities that they plan.

A meeting of the German actors was scheduled for April 2011. After having agreed on the scope of our activities, the project leader will try to find schools in this limited area that are interested in a school partnership with another school within the Baltic Sea Region.

A website with the relevant data will then be created.

Counselling and support will be offered to the schools that look for a suitable partner school.

➢ ***12.5. Education: "Baltic Training Programme" (BTP).*** The project BTP supports the internationalisation of vocational education and training (VET) as well as cross-border entrepreneurship. It is divided into two parts: 1) a testing model, where students at VET and their cooperation project ideas are matched with host companies in another country; and 2) seven stakeholder seminars for target groups such as providers of VET, companies, politicians and civil servants involved in VET. The seminars discuss relevant topics in order to identify actions needed to support internationalisation of VET and cross-border entrepreneurship in the BSR. The area of operations is Estonia, Latvia and the Eastern part of Sweden. (<u>Lead</u>: Norden Association, Sweden; <u>Deadline</u> for finalisation: May 2012).

Report: The project was launched in October 2009 with the main financing from INTERREG IVA Central Baltic. The partnership consists of four partners in Estonia, Latvia and Sweden with the Norden Association in Sweden as Lead Partner.

The method applied is built on matchmaking of viable business projects formulated by final year students at VET with host companies in a neighbouring country. Afterwards, the students participate in a combined educational and internship programme over one month. Project coaching by business consultants is offered to the participants, both students and companies. At the end of the programme, the projects are presented at seminars with stakeholders such as representatives from the industry, educational providers, politicians, etc. So far, two groups have been finalised from a total of 23 business projects.

The main challenge identified during the implementation of the project was the limited number of potential participants, namely students with an entrepreneurial mind and good command of English. Secondly, the educational providers have not proved to be very flexible as regards letting their students participate in the BTP outside the planned periods for internships. The challenges are being met with more direct information to the educational providers, building up a net of antennas supporting the project locally at the schools.

The next steps are three more groups, four seminars with stakeholders and finally a conference in Riga in April 2012. The BTP will be finalised in May 2012.

➢ ***12.6. Education and Youth: "Establish a youth resource centre".*** The Youth Resource Centre in the Baltic States is to be built on the model of Youth Centers in Budapest and Strasbourg, but having a stronger focus on building competences within the field of organisational work and being built for and with young people. The target group of users will be the Baltic Sea Youth Councils and other youth organisations, then extending to include Belarus, Ukraine, Moldova, Russia and potentially the Caucasus. The activities of the centre should be coordinated with the Youth Resource Centre for Eastern Europe and the Caucasus, based in Warsaw, Poland. The centre is to represent a focal point for national and international cooperation between – and development of – different NGOs, and it should provide a venue with good working conditions and possible accommodation. (<u>Lead</u>: Lithuanian Youth Council (LiJOT), in cooperation with the national youth councils of Latvia, Estonia, Finland, Sweden, Norway, Iceland, Denmark, Germany, Poland, Russia and Belarus; <u>Deadline</u> for progress review: to be determined)

Report: No report has been delivered.

12.7. Tourism: "Attract tourists to rural areas especially the coastal ones" by promoting joint sustainable rural and coastal tourism packages (e.g. farm, food tourism, hiking, winter sports, nature-based tourism) and by creating a tourism network made up of actors from the

tourism sector, research and education, and local and the public sector, in order to share and disseminate best practices and know-how with regard to products, services and their accessibility. (Lead: Regional Council of Southwest Finland (in cooperation with Turku Touring); Deadline for progress review: 31 May 2012)

Report: About 40 people participated in the first kick-off meeting in Turku in September 2010 where different aspects of rural and coastal tourism were discussed, accompanied by some networking activity. During autumn, other national networking events were organised. Furthermore, the FPL participated in many Baltic Sea tourism related events and promoted the FP. The mapping of the regional tourism actors of the Baltic Sea Region has started and the formation of a Baltic Sea coastal and rural tourism network has been initiated. About 50 participants have signed up for the network.

Because of its limited resources, the lead partner is seeking new funds for the implementation. The lead partner has had to cover many of the costs of the Flagship from its own sources, namely the annual budget of the organisation. The involvement of the network members and stakeholders is challenging in terms of the lack of funding. The FPL (here: Centre of Expertise for Tourism and Experience Management at Turku Touring) prepared a project application for the 4th Call under the INTERREG IV B Baltic Sea Region Programme that closed at the end of March 2011. The application was coordinated by Turku Science Park. The objective of the proposed project is to set up an Innovation network for the BSR area, piloting tourism, which will strongly support the goals of the FP. The approval of the project would greatly support and speed up the implementation of the FP. The decision will be taken in October 2011.

Many workshops and seminars will be organised throughout the year. During autumn, a national rural tourism seminar will be organised together with the Finnish rural tourism theme group. The FPL will also be involved in a series of meetings around the BSR planned by the PAC. Exchange with the stakeholders in the coastal and rural tourism network will be further deepened with the aim of setting up a draft agenda for development needs and ideas for the promotion of joint tourism packages, though a lot will depend on the outcome of the project application in the INTERREG IV B BSR Programme. A progress review was submitted in June 2011 to the PAC.

12.8. Tourism: "Facilitate environmentally sustainable cruise vessels in the Baltic Sea" by developing programmes bringing together providers of maritime services to passengers (e.g. the cruise industry, maritime leisure activities, national/regional/local authorities…). (Lead: AIDA Cruises, Germany; Deadline for progress review: December 2012)

Report: Currently, no activities under this FP can be reported. AIDA CRUISES, a German cruise ship operator, is in contact with the PAC with regard to taking over the role of the FPL. One important point has been the question of resources that are needed to carry out this task which is apparently difficult for private company stakeholders. So far, no concrete activities have been undertaken in this FP.

12.9. Tourism and culture: "Promote the cultural and natural heritage" by mapping the main areas of interest in order to preserve and revitalise elements of cultural and natural heritage. Major directions in the further development of attractive and characteristic tourist offers in the Baltic Sea Region will be identified. (Lead: Office of the Marshal of the Pomorskie Voivodeship; Deadline for progress review: 31 December 2011) ***FAST TRACK***

Report: A study on projects of initiatives and projects that relate to this FP finished in December 2010. This multilevel analysis identifies 82 projects that are being implemented within 12 INTERREG IV A programmes. Quite a lot of the projects analysed are concurrent with principles of the Strategy. The concurrence is, in many cases, "passive", because the projects are oriented in accordance with priorities of the programmes, not the Strategy. At the same time, in many cases a lack of a broader attitude to the strategy subject is visible, especially in the case of projects oriented towards investments.

The report will be given to the stakeholders/institutions responsible for tourist promotion and development as a source of current and reliable information about initiatives undertaken. Pursuant to the analysis conducted, conclusions and recommendations concerning directions of the Strategy implementation were prepared, and suggested directions for further cooperation between entities implementing particular projects were also indicated. The second step and challenge will be to establish cooperation structures with regard to cultural und natural heritage tourism in the BSR and to define the most suitable tools and methods for implementation.

So far, the FPL has not received any external funding for its activities. A project application in the INTERREG IV A South Baltic Programme has been re-submitted under the 5th call of this programme, with a decision expected in mid-April 2011.The prospect of obtaining funds within the INTERREG IV A South Baltic Programme will give real opportunities for cross-border cooperation with tourist product creations and implementations.

A progress review will be submitted at the end of 2011.

__12.10. Tourism__: "Develop strategies for sustainable tourism" by using available sources of information such as the YEPAT database[35] or the Nordic Culture Point. In addition, within the project AGORA 2.0[36], partners from the Baltic Sea Region (including Belarus) will start implementing pilot projects to improve accessibility to natural, cultural and historical heritage for tourism and to detect features of a common identity of the Baltic Sea Region. (Lead: University of Greifswald (Germany); Deadline for progress review: 31 December 2011)

Report: The project AGORA 2.0 held its 2nd project meeting in Minsk / Belarus (October 2010) and is preparing the 3rd meeting in Tallinn / Estonia where draft solutions will be introduced, including:

– BASTIS (web-based Baltic Sea Heritage Tourism Information System)

– Heritage Scout (web-based heritage panel)

– BSR-wide online questionnaire survey: What do we have in common across the Baltic Sea Region?

– BSR-wide online ranking: Six Baltic Sea Wonders and others.

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[35] www.yepat.info

[36] AGORA 2.0 compiles tools and information concerning sustainable tourism and makes them accessible for interested users. The source for this information is partners representing all three dimensions of sustainability, different levels of administration and tourism management and different thematic interests, projects, actors and stakeholders of tourism www.agora2-tourism.net.

Greifswald University continued the cooperation with other INTERREG IV A and B projects. During a workshop in Greifswald, 26-27 January 2011, leaders of seven ongoing tourism-related BSR projects decided on a work plan to develop a "Manual on sustainable tourism in the BSR" – also involving BSR-wide / European umbrella organisations. The Leader of FP 12.10 is a member of the CBSS Expert Group on Sustainable Development – Baltic 21. The content of this FP is also included in the new Baltic 21 strategy.

To act as a lead partner of an INTERREG IV B project and as an FP coordinator at the same time is a challenging task – but at present it is the only source for financing activities for the FP by projects. Unfortunately, these projects require lots of time for extensive administration tasks which could be better used for work on contents.

FP 12.10 gets financial support through the project AGORA 2.0 (INTERREG IV B Baltic Sea Region Programme 2007-13).

The project AGORA 2.0 will be finished in December 2012. FP 12.10 is expected to finish at the same time. A progress review will be submitted at the end of 2011.

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*12.11. Health***: *"Alcohol and drug prevention among youth"* – project aimed at reducing hazardous and harmful alcohol use and alcohol and substance use in general among young people. (Lead: Northern Dimension Partnership in Public Health and Social Well-being (NDPHS) and its member countries; Deadline for progress review: to be determined) *FAST TRACK*

Report: The preparation of the project proposal for application for funding is ongoing. Three project planning meetings have been held so far. As of February 2011, 11 countries and organisations are involved in the project planning process: the Baltic Healthy Cities Association, the Baltic Sea States Sub-regional Cooperation, Estonia, Finland, Iceland, Latvia, the Nordic Council of Ministers, Norway, Poland, Russia and Sweden.

Financing matters are among the main challenges. There are no financing programmes that would accept an application involving all partner countries and organisations. Therefore, it was decided to split the project into one project specifically for Russia and another – similar project – for the other partners.

The next step is to finalise the project proposal with the aim of submitting it for funding in 2011. A project planning meeting was scheduled for 6 June 2011 in Helsinki, Finland.

*12.12. Health***: *"Improvement of public health by promotion of equitably distributed high quality primary health care systems"* – project aimed helping increase cost-efficiency of the public health system and more efficiently counteracting communicable diseases as well as health problems related to social factors. (Lead: the Northern Dimension Partnership in Public Health and Social Well-being (NDPHS) and the Blekinge County Council; Deadline for progress review: mid-2011) *FAST TRACK*

Report: The project includes 12 project partners from Belarus, Estonia, Finland, Latvia, Lithuania and Sweden, as well as Kaliningrad Region, Russia as an associated project partner. The project has now moved from the planning phase to the implementation phase. The project activities were affected by the decision to close down the Committee for International Health Care Collaboration (SEEC), the previous Lead Partner of the project. Fortunately, the Blekinge County Council has agreed to take over as a Lead Partner, although the time-frame

for the planned activities, milestones and deliverables is lagging behind due to the above-mentioned difficulties.

So far, the following detailed activities and outputs have been realised:

(i)   Country working papers, outlining existing remuneration/incentive payment schemes, have been prepared and are used to produce a transnational synthesis report. Based on this report, a transnationally valid incentive payment scheme will be developed and piloted in Latvia;

(ii)   In parallel, a working group on quality indicators for primary health care performance has conducted research into indicators that are being used in the participating countries and Great Britain (which is an advanced country in the field) and how reporting systems are set up. The data collected is being used to create a joint basis and approach for the implementation of a new remuneration system which will foster efficiency and quality, through both financial incentives and benchmarking between the General Practitioners;

(iii)   Two nurse training weeks have been held in Turku, Finland (October 2010) and Blekinge, Sweden (November 2010);

(iv)   The ImPrim Project website (www.oek.se/imprim) is updated on a regular basis and is user-friendly. The website contains information about the project achievements and provides access to the relevant documentation. It also provides information about the upcoming ImPrim activities and the events organised by associated organisations.

As to the next steps, the following milestones and deliverables were expected by May 2011:

(i)   Transnational workshop in Klaipeda, Lithuania, to present and discuss mid-term evaluation results of a pilot project on testing a jointly developed incentive payment scheme in Latvia;
(ii)   Training instrument developed for the medical qualification and basic graduation of a physician;
(iii)   Transnational workshop on motivational counselling in Turku, Finland;
(iv)   Guidelines developed on the use of tools for quality improvement from a bottom-up perspective;
(v)   Presentation of a multilingual ToT Programme containing BSR best practice for leaders in professional development;
(vi)   3rd Transnational Partner Meeting in Turku, Finland;
(vii)   Pilot project in Gomel, Belarus: two rural practices equipped according to modern standards;
(viii) Kick-off pilot project: "Health Synergy", Klaipeda, Lithuania;
(ix)   ImPrim Newsletter on professional development issues.

12.13. Health: "ICT for Health" – Strengthening social capacities for the utilisation of eHealth technologies in the framework of the ageing population. The INTERREG IV B project "ICT for Health" is managed within the eHealth for Regions network and is aimed at contributing to better deployment of eHealth technologies through enhancing social capacity, acceptance and knowledge of citizens and medical professionals. It addresses some of the key challenges of the Baltic Sea Region, namely demographic changes and the large differences with regard to access to, and quality of, health services. (Lead: University of Applied Sciences, Flensburg; Deadline for finalisation: December 2012).

Report: The ICT for Health is running according to the planned timeframe and has encountered no serious problems so far. After 14 months of fundamental conceptual work, project partners are now starting the implementation work, e.g., the piloting of learning courses.

So far, the following detailed activities and outputs have been realised:

(i)   To raise awareness about the project, key project messages were formulated;

(ii)   Communication tools (website, SharePoint) were implemented (www.ictforhealth.net);

(iii)   An eHealth-Acceptance-Index (EAI) measuring eHealth acceptance was developed;

(iv)   The impact of demographic change on health care systems in the partner regions was compared;

(v)   The first version of a web-based learning course for citizens with chronic heart failure (SALUDA) is ready and the recruitment of patients for the pilot started;

(vi)   Practice of eHealth teaching for professionals as well as selected patient education being offered in five partner countries was surveyed. Possible teaching content for the target groups is described;

(vii)   The special needs of people with chronic diseases travelling and the possible effects from the electronic health record on patient empowerment were analysed;

(viii)   Exchange with other projects established ("Best Agers", "epSOS").

The ICT for Health runs from January 2010 to December 2012. The next steps are to:

(i)   Hold an online debate on the topic of eHealth acceptance, planned for spring 2011;

(ii)   Carry out a pilot run with 400 participants with chronic heart failure to test the SALUDA learning course in all partner countries and to measure the effectiveness of eHealth acceptance and self-monitoring, planned to run in summer and autumn 2011;

(iii)   Formulate eHealth education standards and conceptualise an eHealth Master programme, planned from spring to winter 2011;

(iv)   Launch the multilingual personal health portal, planned to run from summer 2011 until the evaluation at the end of 2012.

Pillar 4: To make the Baltic Sea Region a safe and secure place

PA 13: To become a leading region in maritime safety and in security	Coordinated by Finland and Denmark

Brief summary of overall progress:

The coordination process started in late 2009. It is necessary to recall that this Priority Area did not build on existing structures, thus the efforts to get activities initiated started from scratch. The Priority Area Coordinators, the Danish Maritime Safety Administration and the Finnish Ministry of Transport and Communications, have established an international **Steering Committee** to provide advice and assistance.

The creation of an efficient Steering Committee with well defined **terms of reference** can be considered as a good practice for other Priority Areas. It provides added value in creating a multi-national cross-sectoral forum for project-oriented as well as political dialogue among the Baltic Sea States, gathering leaders, experts and generalists from a wide range of different national ministries and government agencies with an interest in maritime safety and security. Therefore, the Steering Committee supplements the existing forums of the Region, which are frequently dealing with a single or a few highly specialised items. So far, three meetings have been held and in future two regular and one thematic meeting are planned per year.

The Priority Area Coordinators have also made much effort to establish **new networks** and ensure as **broad participation of stakeholders** as possible, e.g. representatives of other Priority Areas or of the BONUS programme are invited to the meetings, and there is regular contact with the relevant Priority Area Coordinator(s) from the **Danube Strategy** to exchange experience and lessons learned. The Priority Area Coordinators have been trying to actively involve **third countries** and will continue to encourage the participation of Iceland, Norway and the Russian Federation.

It is worth noting, that in late 2010, a major project, which forms a part of the "Motorways of the Sea concept" was approved by the EU Trans-European Transport Network (TEN-T). The project is entitled **"Motorways and electronic navigation by intelligence at Sea" (MONALISA)** and supports the implementation of two fields of Priority Area no. 13 (re-surveying of major sea routes and e-Navigation) as well as priority fields of Priority Areas 4 and 11. Albeit not formally a Flagship Project of the EU Strategy for the Baltic Sea Region, it is indeed a contribution to the implementation of the Strategy, for which reason the project has a standing invitation to attend Steering Committee meetings of Priority Area 13 in order to brief about the progress of this project.

The main **added value** of the current set up of the Priority Area seems to be in assisting Flagship Projects in conveying results and recommendations to the political level. By doing so, the Priority Area Coordinators can help to ensure that different projects, including those of other Priority Areas, cooperate and share experience, if relevant. The Priority Area has the potential to identify and make proposals for further cooperation within its area.

A **new potential Flagship Project** proposal was favourably discussed during the Steering Committee meeting in March 2011, namely "BaltWin – Enhanced Ice Navigation in Challenging Conditions of the Baltic Sea" which focuses on finding better and safer ways of handling winter navigation in the Baltic Sea.

The **main challenges** have been funding of the Flagship Projects as well as lack of human and financial resources available to the Priority Area Coordinators. However, the latter problem should be solved by the grant for the technical assistance offered via the Commission's services by the European Parliament.

The actions are not reported on separately, but relate to the Flagship Projects.

Action:

Strategic actions:

- *"Create a common maritime management system and monitoring, information and intelligence sharing environment for the Baltic Sea"*: While respecting relevant data protection provisions, the creation of an integrated network of reporting and surveillance systems is needed for all maritime activities, such as maritime safety, maritime security, protection of the marine environment, fisheries control, customs, border control and law enforcement. In addition, there is a need to identify possible gaps and inconsistencies in fields where cooperation between civil and military assets exists, or could be developed in the future. The network should build on existing and future initiatives and pilots to integrate systems.

Report:

- *"Improve the coordination of systems relating to ship routing and monitoring vessel traffic, and consider establishing new systems".* The task is also to improve the coordination and information-sharing mechanisms between the existing systems to ensure their effective interoperability. Coastal states should jointly consider whether new measures (routing/traffic separation schemes/mandatory reporting systems) should be introduced. Decisions on these measures should be based on an analysis of the risks and effectiveness of the measures based on a formal safety assessment and research projects. Improved satellite navigation systems should be jointly utilised, such as Galileo, to support maritime positioning and navigation, especially for Automatic Identification Systems (AIS), Vessel Traffic Management Systems (VMS), and hazardous-cargo monitoring, for port approaches, ports and restricted waters as well as for safety systems for Search and Rescue.

Report:

- *"Jointly apply surveillance tools"*, such as coastal radars, Automatic Identification Systems (AIS), Vessel Monitoring Systems (VMS), Long Range Identification and Tracking of Ships (LRIT), earth observation satellites and maritime patrol, in the Baltic Sea Region. The cooperation between Baltic Sea Region Member States and the European Maritime Safety Agency in tracing illegal discharges by ships will continue[37]. Further dialogue between relevant authorities, including the armed forces, to investigate the possibility of jointly operating national assets at regional level should take place.

Report:

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[37] In the framework of the CleanSeaNet initiative, in accordance with Directive 2005/35.

▪ ***"Ensure that vessels, in particular those transporting energy products or other dangerous cargo, are up to the highest maritime safety standards"*** and that crews serving onboard are well trained, in the framework of EU efforts on quality shipping especially in the light of the recently adopted third EU maritime safety package.

Report:

Flagship Projects (as examples):

➢ ***13.1. "Conduct a technical feasibility study on a Baltic Sea Coastguard Network"***. It should involve national "coast guard-like" services in EU Member States and third countries, in the context of maritime safety, maritime security, and pollution prevention and response in the Baltic Sea. (Lead: Finnish Coast Guard tbc, relevant European agencies to be associated, DG MARE to follow up; Deadline for finalisation: 31 December 2011)

Report:

Leader: The Finnish Border Guard has been confirmed as leader of this Flagship Project which is being implemented through the "Baltic Sea Maritime Functionalities" project.
Description: The Baltic Sea Maritime Functionalities project (BSFM) is aimed at developing maritime actors by defining cooperation, conceptualising maritime functions and creating target statuses in relation to them, and demonstrating these functions in the context of the Baltic Sea. The project's objective is to create the viewpoint of the Baltic Sea Region on European Union's CISE (Common Information Sharing Environment for the surveillance of the EU maritime domain) project where all the actors are involved. The aim is to depict the maritime functionalities from the viewpoint of one state and to depict their connection to the international exchange of information. However, while conducting the project, the existing development work (e.g. CISE TAG, MARSUNO) should be considered so that all overlapping and possible competition will be avoided.
State-of-play: A draft of the project's written study was produced as part of the Finnish national preparation in March 2011. The parts of the study that are being developed in other projects, such as MARSUNO, are referenced directly from them. The planning of the study demo has started. The idea is to utilise the functionalities of the SUCBAS demo in exchanging surface situational images and to engage it with information exchange entities from different actors using the rules defined in data management and from the viewpoint of the subtext. Implementation of the demo's design is planned for the EU integrated maritime policy meeting scheduled to take place on 4 October 2011 in Poland. The planning of the study   demo   has   started.
Financing: no external financing is foreseen
Next steps: As the draft is finished, the participants defined in the preparation phase will be offered a possibility to take part in the study. The final participants finalise the definitions and goals for the functionalities, as well as the requirements of data management. The design of the demo's details continues after the draft of the study's written part is finished.
Expected finalisation: new deadline has been set – December 2011.

➢ ***13.2. "Become a pilot region for the integration of maritime surveillance systems"***. The overall objective of this Maritime Policy pilot project and preparatory action is to develop and test mechanisms for improving maritime awareness by sharing operational

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information between government departments and agencies responsible for monitoring activities at sea of all Baltic Sea countries[38]. One specific goal is the development of technical interfaces that securely allow for all countries to join in a common situational image containing restricted law enforcement and other information. (<u>Lead</u>: the MARSUNO pilot project is led by Sweden, DG MARE to follow up; <u>Deadline</u> for finalisation: 31 December 2011) **FAST TRACK**

Report:

Leader: Swedish Coast Guard

Description: The pilot project is a step towards achieving the aims of rendering existing monitoring and tracking systems more interoperable between at least three coastal Member States of the Northern European Sea basins (hereinafter "the project partners"). In particular, the aim is to determine the extent to which this cooperation enhances exchanges of information and enforcement of international, EU and national legislation as well as cooperation that already takes place between the Member States. The objectives of the project are:

1. To test the capacity of project partners to exchange surveillance and monitoring information relating to Coast Guarding activities that take place in the Northern European Sea basins.

2. To test joint maritime surveillance operational procedures between law enforcement authorities. Testing may include joint sharing of existing systems as well as observations and development of procedures for joint operations.

3. To determine the extent to which project partners are potentially able to set up an exchange of information – basic data – mechanism at a cross-sectoral and cross-border level that is viable and durable in time, also concerning cooperation between civil and military assets.

4. To identify legal, administrative and technical obstacles that may hinder the exchange of the above-mentioned information on a long-term basis.

5. To identify – on the basis of the acquired experience in exchanging the information – best practices and/or legal adjustments needed to overcome the obstacles identified.

6. To determine the extent of added value in both qualitative and quantitative terms, and relate this to what already exists from a cross-border/cross-sectoral cooperation perspective.

The work is divided into six work groups or so-called "layers":

1. Integrated Border Management – Law Enforcement (IBM-LE)
2. Vessel Traffic Monitoring Information Systems (VTMIS)
3. Maritime Pollution Response (MPR)
4. Search and Rescue (SAR)
5. Fisheries Control (FC)
6. Maritime Situational Awareness (MSA)

State-of-play: The MARSUNO project has been in operation for 15 months and is following the work plan with some minor deviations. Several groups have finished their first sub-tasks and work has started on five thematic reports of the project's layers 1-5, summing up the

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[38]Cooperation should also be developed with other relevant projects such as MARSUR organised by the European Defence Agency and SUCBAS led by Finland. The aim of SUCBAS (Sea Surveillance Cooperation Baltic Sea) is to adapt and develop multinational cooperation within Sea Surveillance in the Baltic Sea area. Participating countries are Finland, Sweden, Estonia, Latvia, Germany, Denmark, Poland and Lithuania. EDA MARSUR aims at developing a solution that fulfils the need for a coherent, common, recognised maritime picture for the ESDP maritime mission and tasks taking into account the inter-pillar approach. The project includes 14 Member States (CY, DE, ES, FI, FR, GR, PT, UK, BE, IT, IE, NL, PL, SE) as well as EUMS, EMSA, FROTEX, JRC, EUSC and the European Commission.

results and recommendations they have agreed on within each work group. A final report will be delivered to the European Commission/DG MARE by the end of December 2011, under the responsibility of the Maritime Situational Awareness layer (work group). During 2010 a lot of effort was made regarding the mapping project partners' capacity to exchange surveillance and monitoring information, and this is continuing during 2011. It is foreseen that in the autumn of 2011 one of the work groups will perform a demo and examine how the information exchange work can be based on different platform solutions. A gap analysis identifying administrative, technical and legal obstacles will be carried out during March 2011 and the results from this will be used in the project's further work. The final report will emphasise best practice within different sectors and suggest solutions for identified gaps to improve conditions for information exchange with other EU Member States as well as third countries.

Financing: Total budget: €3 047 085; EU contribution: maximum €1 896 810; the grant agreement between the European Commission and the Swedish Coast Guard was signed on 28 December 2009. Each participating authority will contribute a minimum level of financing, as stated in the grant agreement, while the EU Commission will contribute approximately 60% of the specified amount.

Next steps: A gap analysis will be carried out within all working groups. Several seminars were scheduled for the spring of 2011. From September to December 2011, the project's work groups will finalise their work in different reports containing examples of best practice solutions for information exchange, and suggestions of how to improve identified obstacles for information exchange within the different sectors (user communities).

➤ *13.3. "Speed up re-surveying of major shipping routes and ports"*, as agreed in HELCOM, in order to ensure that safety of navigation is not endangered by inadequate source information. (Lead: HELCOM in cooperation with the International Hydrographic Organisation; Deadline for progress review: 2013)

Report:

Description: The aim of the project is to speed up hydrographic re-surveys of the Baltic Sea, and thus to contribute to improving the safety of navigation. More specifically, the activity aims at developing and starting implementation of the revised Baltic Sea Re-survey Scheme, to be based on national re-survey plans and to cover the whole Baltic Sea area in a harmonised way. The 2002 Re-survey Scheme, developed by the Baltic Sea Hydrographic Commission (BSHC) following the HELCOM 2001 Copenhagen Declaration, will be revised e.g. taking into account the actual shipping routes (based on AIS) and the new routing measures established or planned in the Baltic Sea. The hydrographic re-surveys are a continuous activity. It has been agreed by the coastal countries that the national re-survey plans, including time schedule estimations, are to be finalised and presented preferably by 2013, but not later than 2015.

Motorways and electronic navigation by intelligence at sea - "MonaLisa project" (September 2010 – December 2013): Albeit not formally a Flagship Project, the MonaLisa project is considered to contribute to the implementation of Priority Area 13, in particular Flagship Project 13.3, for which reason a brief description of the project is included here. The project is led by the Swedish Maritime Administration. Its total budget amounts to €22.4 million, of which 50% is co-financing provided by the Trans-European Networks. The MonaLisa project is divided into four activities:

1. Dynamic and proactive route planning – "Green Routes"

2. Verification System for officers' certifications
3. Quality assurance of hydrographic data
4. Global sharing of maritime information

Quality assured hydrographic surveys are urgent due to the increasing number of large vessels navigating with deep draft. Verifying that unknown shoals do not exist between old sounding lines is urgent, and is the reason re-surveys must be performed as soon as possible. Re-survey of HELCOM fairways and Baltic Sea port areas should be carried out as soon as possible by way of modern, quality-assured methods to ensure that hydrographic data is presented in nautical charts and other nautical publications. The activity of re-surveying major sea routes (HELCOM fairways cat. I and II) started in September 2010. The other activities are starting in 2011.

State of play: The revision of the Baltic Sea Re-survey Scheme, including its principles, has been agreed on at a political level (HELCOM Ministerial Meeting on 20 May 2010, Moscow). The BSHC committed in September 2010 to implementation of the revised Scheme and tasked its Monitoring Working Group with developing the harmonised scheme by 2013 (2015). Currently, re-surveys have been mainly on the so-called category 1 areas. The amount of re-surveyed areas are increasing, but still there is a lot of re-surveying to be done even on category 1 areas. The re-survey database is available at http://helcomresurvey.sjofartsverket.se/helcomresurveysite/.

Next steps: The MWG is planning to have a meeting in May 2011 with the aim being to review the progress, to agree on implementation details and to have a workshop where all can jointly load their re-survey areas into the database. This meeting will also prepare for reporting to IRCC3, EUSBSR, BSHC and HELCOM. The BSHC will report the re-survey scheme and the database to the IHO Inter-Regional Coordination Committee (IRRC) at its 3rd meeting in May 2011 as an example of a regional implementation of the World Wide Status of Hydrographic Surveying (C-55). The EU TEN-T MonaLisa project, which inter alia aims to carry out re-surveys in Finnish and Swedish waters, was approved in late 2010. The BSHC will review the progress of the implementation at its 16th Conference in September 2011.

Expected finalisation: The new Baltic Sea Re-survey Scheme is to be fully harmonised and put in place by 2015 at the latest. However, most of the BSHC members have strong intentions to finalise their schemes by 2013. Generally, national re-surveys are a continuous activity according to specific national timetables.

> ➤ *13.4. "Become a pilot region for e-navigation*[39]*"* by establishing one or more e-navigation trial zones, in view of the gradual achievement of an integrated network of e-navigation systems for European coastal waters and the high seas (Efficient, Safe and Sustainable Traffic at Sea (EfficienSea) project, financed by the 'Baltic Sea Region' transnational programme). (Lead: Danish Maritime Safety Administration; Deadline for finalisation: 31 December 2011) *FAST TRACK*

Report:

Description: This Flagship Project relates to a work package of the EU INTERREG IV B Baltic Sea Programme project "Efficient Safe and Sustainable Traffic at Sea" (EfficienSea). e-Navigation[40] is a concept under development that provides the mariner with the information

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[39] According to the E-navigation Committee of the International Association of Marine Aids to Navigation and Lighthouse Authorities, "E-navigation is the harmonized creation, collection, integration, exchange and presentation of maritime information on board and ashore by electronic means to enhance berth-to-berth navigation and related services, for safety and security at sea and protection of the marine environment."

[40] According to the e-Navigation Committee of the International Association of Marine Aids to Navigation and Lighthouse Authorities, "E-navigation is the harmonized creation, collection, integration, exchange and

required to navigate safely and effectively. Information is gathered from a number of sources from the vessel's own sensors as well as shore-side services, which is processed and presented to the mariner in a single system. In contrast, today information is often presented on a number of different displays onboard that only partially can exchange information. e-Navigation will help to reduce information complexity and thus enhance safety. The aim of the EfficienSea e-Navigation work is two-fold: a) to prepare project partners for e-Navigation through the development of prototype services and the establishment of test beds in the Baltic Sea with vessels, users and infrastructure; and b) to support and assist the global e-Navigation process.

State of play: The Flagship Project is progressing well and has completed the preparations for the establishment of e-Navigation trial zones and started work on developing prototypes for several e-Navigation services. A number of prototype services, including provision of meteorological and oceanographic data on routes, maritime safety information presented in the nautical chart and route exchange facilities, are already operational. The prototype services developed will e.g. allow the mariner to be notified directly, if a lighthouse is unlit, a buoy is out of position or waves reach a certain height. The prototype also offers route exchange, allowing two vessels to exchange planned routes, which reduces the risk of collision at sea while also increasing authorities' possibilities to foresee and warn the vessels against dangerous situations. The actual testing of the infrastructure for e-Navigation onboard a number of vessels was launched in September 2010. One of the objectives of the project is to make the test results available to the international community working with e-Navigation. From 31 January to 2 February 2011 the EfficienSea project, in cooperation with the International Association for Marine Aids to Navigation and Lighthouse Authorities (IALA) and other partners, organised the conference "e-Navigation Underway". The conference gathered 130 delegates from 21 countries onboard the cruise liner M/S Crown of Scandinavia, one of the vessels in the project's test fleet. Representatives from the maritime community including international organisations, industry, research institutes and national authorities presented e-Navigation test bed results from all over the world in order to exchange lessons learned and methodology. The conference resulted in 19 concrete recommendations for the e-Navigation process[41]. The EfficienSea e-Navigation work can be considered a regional contribution to the ongoing development of a future, global standard for e-Navigation within the International Maritime Organization – the UN agency responsible for the safety and security of shipping. Problems encountered and solutions found: while the development of e-Navigation is progressing well, it has become clear, that the testing and full development of the e-Navigation concept will require more time and funding. Funding for the work on e-Navigation beyond the completion of the EfficienSea project by January 2012 is uncertain.

Financing: The total budget of the EfficienSea project is approximately €8 million, while the budget of the e-Navigation work package is €1 953 786, of which the EU finances 75%.

Next steps: The project runs from 2009 to January 2012. During 2011 the work to test the prototype services as well as the infrastructure will continue.

Expected finalisation: The project will be completed by January 2012, but it is foreseen that additional efforts to develop and implement e-Navigation are required.

➢ *13.5. "Create a network of centres of excellence for maritime training"* to provide young people with attractive prospects for a life-long career in maritime enterprises / professions and facilitate mobility between sea and land-based jobs. ***"Jointly develop high***

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presentation of maritime information on board and ashore by electronic means to enhance berth-to-berth navigation and related services, for safety and security at sea and protection of the marine environment."

[41] Information available at http://efficiensea.org/

standards of training, drills and exercises" for upgrading seafarers' competences and adapting requirements to today's shipping industry (sophisticated vessels, ICT, security and safety, navigation in icy conditions). Ensure familiarity with security plans and procedures for ship and port facility security.[42] (<u>Lead</u>: Poland; <u>Deadline</u> for progress review: 1 June 2011)

Report:

Leader: The Polish Ministry of Infrastructure has overall responsibility, while the Maritime University of Szczecin has been appointed to lead the project.

Description: The aim of the project is to deliver best practices of European maritime training institutions to provide young people with attractive prospects for a life-long career in maritime enterprises / professions and facilitate mobility between sea and land-based jobs, as well as upgrading competences to adapt requirements to today's shipping industry. The following general steps are planned to be carried out:

1. To establish a European network of cooperative academies and centres of maritime training, supported by representatives of maritime transport and industry;

2. To provide education and training that correspond to the industry's needs and expectations;

3. To create a Joint European best practice model for broad maritime career possibilities;

4. To create a life-long learning system for those who work at sea. The project is expected to run from 2010 – 2012.

State of play: An initial international seminar entitled "Create a network of centers of excellence for maritime training" took place on 1 October 2010 at the Maritime University of Szczecin, Poland. Representatives of the European Commission, the EMSA, the Polish Ministry of Infrastructure and nine European countries participated in the event. The seminar defined strategic goals of future work and networks, objectives and steps forward. The project´s website www.c4mt.eu was also launched. Recalling the outcome of the seminar, the Flagship Project Leader has investigated possible ways of financing the project and has established a consortium of 13 Baltic Sea Region maritime training institutions, with the aim being to submit an application to the Baltic Sea Region Programme. <u>Problems encountered and solutions found:</u> the main difficulty is to find suitable EU funds to carry out the project. The consortium created will allow the project proposal flexibility as concerns the opportunity to send a letter of application for calls of other financing programmes.

Financing: An application for funding was to be submitted to the 4th Call of the Baltic Sea Region Programme by 31 March 2011. Simultaneously, other ways of financing are also being considered.

Next steps: Organising the 2nd seminar of the project (Gdynia on 20 May 2011); Elaborating the best practice model of maritime training.

Expected finalisation: The project is planned to be completed by 2014, by which time a model for curriculum consisting of best practices and standards for maritime training and education is to be delivered.

➢ ***13.6. "Develop a plan to reduce the number of accidents in fisheries".*** This could be achieved by improving the way information on accidents is gathered and analysed, enhanced training and awareness programmes, as well as sharing best practices and developing specific measures to increase the safety of fishermen. (<u>Lead</u>: Member States and/or Inter-Governmental Body tbc; <u>Deadline</u> for progress review: to be determined)

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[42] Experience could be drawn inter alia from the DaGoB project (Safe and Reliable Transport Chains of Dangerous Goods in the Baltic Sea Region), a project part-financed by the European Regional Development Fund within the BSR INTERREG IIIB Neighbourhood Programme, 2006-07.

Report:

State of play: There is currently no lead for this Flagship Project, which is why the Priority Area's Steering Committee worked on resolving this during its initial three meetings, and foresees to revert to the topic again at its next meeting. At a meeting of the Steering Committee in March 2011, the representative of the European Commission's Directorate-General for Maritime Policy and Fisheries informed that the issue of accidents in fisheries had been discussed at a recent meeting of the Baltic Sea Regional Advisory Council (BSRAC[43]) whose aim is to advise the European Commission and Member States on matters relating to management of the fisheries in the Baltic Sea. As reported, the BSRAC might have an interest in the Flagship Project, thus the Priority Area Coordinators will investigate this possibility.

➢ *13.7. "Conduct a formal risk assessment for LNG carriers in the Baltic Sea Area".* Maritime transportation of liquefied natural gases (LNG) for energy consumption has become an increasingly important market. This is expected to affect the Baltic Sea Region as well. Experience with accidents relating to LNG ships and LNG terminals is very limited. There is a need for a formal risk assessment (FSA) for this type of maritime transportation within the Baltic Sea Region. The purpose is to identify any preventive measures and regulations in relation to safety and security. The FSA should involve both government and industry stakeholders with the scope to develop model procedures, contingency plans, guidelines and legislative incentives. The initiative is only possible through proper funding, and a pre-study on possible funding should be undertaken (<u>Lead</u>: Poland; <u>Deadline</u> for progress review: to be determined)

Report:

Leader: The Polish Ministry of Infrastructure has the overall responsibility, while the Maritime University of Szczecin was appointed to lead a project, which should ideally also involve other interested EU Member States and organisations.
Description: It should be noted that this Flagship Project was not included under Priority Area 13 in the original version of the Action Plan, but its inclusion got broad support from Member States and was subsequently confirmed by the EUSBSR High Level Group. The purpose of conducting a risk assessment is to determine any preventive measures and regulations related to security and safety. A formal risk assessment should include interested parties from both the governments and industry in order to develop standard procedures, emergency plans, guidelines and legal incentives. The aim is to perform analysis in order to understand the risks associated with the use of LNG tankers in the Baltic Sea. The possibility of a tanker accident especially in the vicinity of population centres (grounding), when passing passenger ferries (collisions) and crossing under the bridges (a collision with the pillars of bridges, acts of terrorism) should also be carefully assessed.
State of play: A kick-off meeting was scheduled to be held in Szczecin, Poland in April 2011, depending on feedback from the Baltic Sea Region Programme.
Financing: An application entitled "Marine LNG technology in the Baltic Sea – risk, environmental impact, economical effectiveness" was to be submitted by the Maritime University of Szczecin for the 4th Call of the Baltic Sea Region Programme by 31 March 2011. In this project proposal, one of the work packages (WP 3 Formal risk analysis of LNG

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[43] BSRAC is one of seven Regional Advisory Councils established by the European Council to increase stakeholder involvement in the development of a successful Common Fisheries Policy. The other RACs are for the Mediterranean Sea, the North Sea, North western waters, South-western waters, Pelagic stocks and High seas/long distance fleet, cf. http://www.bsrac.org

carriers in the Baltic Sea) is entirely devoted to Flagship Project 13.7.

Next steps: A meeting of stakeholders was scheduled for the first quarter of 2011, its objectives: to create a Steering Committee with a view to submitting a project proposal to the Baltic Sea Region Programme 2007-13.

Expected finalisation: Proposed deadline – 2014.

| PA 14: To reinforce maritime accident response capacity protection from major emergencies | Coordinated by Denmark |

Brief summary of overall progress:

A national preparation meeting on the PA took place in April 2010 to prepare for the macro-regional kick-off meeting in May. It included participants from seven different Danish public authorities. One main focus was trying to find ways of involving partners from other Baltic Sea Region countries as lead partners in the two Flagship Projects without a lead (14.1 "Assess volunteer troops' capacities regarding maritime pollution response, as well as maritime search and rescue operations"; and 14.3 "Develop scenarios and identify gaps for all main hazards of the Baltic Sea Region"). However, only Estonia and Finland attended the kick-off meeting of 28th of May 2010, and none of the participants had the necessary mandate to take on a lead part in the Flagship Projects.

As it is clear that a whole Priority Area should not be the task of one single country, the Commission has initiated work on supporting Priority Area 14. It is believed that part of the explanation behind the difficulties encountered by the Priority Area Coordinator in developing a macro-regional network stems from the fact that the subject area is dealt with by different authorities in different countries (i.e. the Ministry of Defence in one country, the Ministry of the Environment in another country, and so forth). Promisingly, the effort to revitalise the area has already resulted in additional contact points being nominated in Sweden, Finland and Germany. The Commission is also looking at other ways of supporting the development of networks in the area, including the possibility of having an external consultant examine the area.

However, there is some progress in two Flagship Projects, namely:
14.2. "Map existing marine pollution response capacities and make sub-regional plans for cross-border response cooperation", led by the Admiral Danish Fleet Headquarters, which is working towards presenting the Region with its first overall risk assessment of pollution caused by shipping accidents covering the entire Baltic Sea area (including Russia) based on a common methodology, and 14.3. "Develop scenarios and identify gaps for all main hazards of the Baltic Sea Region" where the Council of the Baltic States (including Russia) has shown interest in taking the lead.

Action:

Strategic actions:

- *"Implement the HELCOM Baltic Sea Action Plan[44] (BSAP)"* to ensure swift national and international response to maritime pollution incidents, including intensifying cooperation between offshore and shoreline response (notably including local and regional authorities), and enhanced cooperation on places of refuge based on Directive 2002/59. Furthermore, a mutual plan for places of refuge is under development to ensure that a ship

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[44] Agreed in November 2007 by Sweden, Finland, Estonia, Latvia, Lithuania, Poland, Germany, Denmark, Russia and the European Community.

in distress is always granted the most suitable place of refuge irrespective of national borders.

Report:

Cooperative actions:

▪ ***"Develop a winter storms and storm surge prevention and preparedness approach"*** in the Baltic Sea Region. Develop methods on how to enhance cooperation between different local, regional and national agencies having a role in emergency operations relating to winter storms and storm surge, and on how to increase synergies with the Community Civil Protection Mechanism. Methods for cooperation should be given a broad interpretation including public awareness actions, contingency planning, disaster scenarios, communication systems, use of technology, joint exercises and training, etc.

Report:

Flagship Projects (as examples):

➢ *14.1. **"Assess volunteer troops' capacities regarding maritime pollution response, as well as maritime search and rescue operations"*** using, among others, the VOMARE project, financed by the 'Central Baltic' cross-border programme, which is part of the 'territorial cooperation' objective. (Lead: Member States and/or Inter-Governmental Body tbc; Deadline for progress review: to be determined)

Report: the project has no lead and is not active for the moment. A number of innovative approaches, including expanding the understanding of the term 'volunteer troops' in order to widen the field of potential leaderships, have been attempted, but to no avail. The Priority Area Coordinator remains attentive to the Flagship Project, but ideas on how to persuade potential leaderships appear to have been exhausted.

➢ *14.2. **"Map existing marine pollution response capacities and make sub-regional plans for cross-border response cooperation"*** based on assessment of the integrated risk of shipping accidents. (BRISK project[45], financed by the 'Baltic Sea Region' transnational programme, which is part of the 'territorial cooperation' objective). (Lead: Admiral Danish Fleet HQ; Deadline for finalisation: 24 October 2011) ***FAST TRACK***

Report:

Lead: The Lead Partner of the BRISK-RU project is the Central Marine Research & Design Institute Ltd. in St. Petersburg, and the Coordinator is the Information Office of the Nordic Council of Ministers in Kaliningrad.
Description: The main effort is made through the BRISK project, the international project on the sub-regional risk of spills of oil and hazardous substances in the Baltic Sea. This project is developing a risk analysis model with the aim being to map areas with the highest risk of pollution and environmental damage caused by shipping activities. This analysis is the first overall risk assessment to cover pollution caused by shipping in the waters of all Baltic Sea countries based on a common methodology. The BRISK project will build a mutual understanding of the concepts of risk and damage, which is the first step to improve the capacities of the Baltic Sea countries to tackle medium-size and large spills of oil and

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[45] In addition, there are several projects dealing with on-land response, such as SÖKÖ II and Baltic Master II.

hazardous substances. The risk analysis model of BRISK takes a variety of risk-reducing measures into account. Risk-reducing measures include preventive measures such as the use of pilots' onboard ships to assist in navigating through difficult waters as well as relief measures such as the emergency response for spills. This feature provides the possibility to model the effects of different response and prevention activities. The inclusion of risk-reducing measures takes the risk analysis a decisive step forward – from simply describing the status quo into providing support to decision-makers for improving response strategies and planning investments in emergency capacities. Possible future scenarios can be investigated and compared by varying the type, number, location and intensity of more than a dozen different risk-reducing measures. The BRISK-RU project will carry out activities in the Russian Federation complementary to the BRISK activities.

State of play: The BRISK project is progressing very well and a risk analysis model including a variety of risk-reducing measures is under development.

Financing: The BRISK project's total budget is around €3.3 million, with approximately €2.5 million to be allocated from the European Regional Development Fund. The BRISK-RU project is financed by the Nordic Council of Ministers.

Expected finalisation: April 2012

➤ **14.3.** For all main hazards in the Baltic Sea Region, including winter storms and floods, ***"develop scenarios and identify gaps"*** in order to anticipate potential disasters, thus enabling a rapid and effective EU response through the Community Civil Protection Mechanism. In addition, and drawing on existing possibilities for funding in the Civil Protection Financial Instrument, strengthen training activities and exercises in cooperation with the countries of the Baltic Sea Region. (<u>Lead:</u> Member States and/or Inter-Governmental Body tbc; <u>Deadline</u> for progress review: to be determined)

Report:

Lead: The project had been dormant since the kick-off of the Priority Area until very recently, when an initiative facilitated during the Annual Forum of the EU Strategy for the Baltic Sea Region in Tallinn in October 2010 resulted in the Council of the Baltic Sea States taking   leadership.

Description: The project will map those risks, which have macro-regional and/or cross-border dimensions through geographic proximity, functional interdependencies or through other mechanisms, or where clearly joint approaches would bring added value and where assistance capacity is needed. It aims at providing a best practice, which can be used as a model for other EU macro-regions.

Funding: An application for the Civil Protection Financial Instrument - Call for proposals: "Projects on prevention and preparedness" was submitted before 18th of March 2011.

Expected finalisation: 18 months from the start of the project.

PA 15: To decrease the volume of, and harm done by, cross-border crime	Coordinated by Finland and Lithuania

Brief summary of overall progress:

The Priority Area Coordinators have chosen to use the existing structures of cooperation, namely Europol and the Baltic Sea Task Force, especially its Operative Committee (BSTF OPC), as a main forum for coordinating the Priority Area. As the BSTF already facilitates cooperation between all the states in the Baltic Sea Region, the Priority Area Coordinators decided not to convene a kick-off meeting for the whole Priority Area. This approach has proved to be a success. On the one hand, the work combined in regular Law Enforcement cooperation did not require any extra financing, and on the other hand, the extra efforts required by the Flagship Projects were easily addressed by Europol, FRONTEX as well as concerned Member States and third countries.

The Priority Area content was modified in line with the Priority Area Coordinators' wishes at the High Level meeting on 12 April and 13 December, 2010 held in Brussels and published in the current updated Action Plan (December 2010 version). The Priority Area Coordinators opted for the following division of tasks: Finland took over the Flagship Projects 15.1, 15.2 and 15.4, while Lithuania took over the newly formulated (in December 2010) Flagship Projects 15.3 and 15.5. Links have been established with Priority Area 13 on producing the outcome for Flagship Project 15.2 *"To create a single national coordination centre"*.

The Flagship Projects 15.1 and 15.4 are now successfully completed. The other three Flagship Projects are under way, with the work already started.

The EU-Russia Law Enforcement cooperation has suffered from the lack of an operational agreement between Europol and Russia.

Action:

Strategic actions:

- *"Improvement of cooperation between customs, border guards and police"*, both inside each Member State and between Member States, and including at sea: establish a common coordination mechanism based on existing cooperation bodies; use joint law enforcement actions, joint mobile patrol squads, joint investigation teams, joint intelligence teams, sharing of equipment between services and cooperation on the development, purchasing, deployment and use of technology as frequent tools for practical cooperation[46]; and discuss with third countries their involvement in this cooperation. In parallel, it is necessary to *"evaluate the potential for further integration of law enforcement functions and tasks"*, while respecting the competences of relevant actors as established by national legislations, as part of the assessment of the implementation of the 2008-10 Strategy of the Task Force on Organised Crime in the Baltic Sea Region (BSTF). This

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[46] Without affecting the responsibilities of FRONTEX regarding the coordination of operational cooperation between Member States at the external borders.

should also be seen in the light of actions aiming at improving the functioning of the Single Market.

Report: The Strategic Actions were reformulated for parts of the Flagship Projects, see below.

Flagship Projects (as examples):

➢ ***15.1. "Conduct a threat assessment for the Baltic Sea Region"***, in line with the Organised Crime Threat Assessment methodology, concerning organised crime and border security, and longer term threat assessment of critical infrastructure. (Lead: Europol in cooperation with the BSTF and Baltic Sea Regional Border Control Cooperation and FRONTEX as concerns external borders (coordinated by Finland); Deadline for finalisation: 31 December 2010) ***FAST TRACK***

Report:

Lead: This Project was led by Europol in good cooperation with Member States, the BSTF and FRONTEX as concerns external borders. Europol received high-level contributions from the Member States, third countries (Norway and Russia) and FRONTEX according to the agreed schedule.

Description*:* The Threat Assessment was created in line with Europol's Organised Crime Threat Assessment methodology concerning organised crime and border security as well as longer term threat assessment of critical infrastructure for the Baltic Sea Region, including the source areas of this criminality. This project was led by Europol in good cooperation with the Member States, the BSTF, the Baltic Sea Regional Border Control Cooperation, and FRONTEX concerning the external borders. Europol and FRONTEX had the first Flagship meeting at Europol in June 2010, where all the Baltic Sea Region States (excluding Lithuania and Iceland) were represented. The meeting discussed the methodology for the material collection. The participating Member States and organisations received the technical requirements for the data collection with contact points, deadlines, etc.

State of play: The project was successfully completed two weeks before the deadline and its expected result, namely the Threat Assessment for the Baltic Sea Region (BOCTA), was published before mid December 2010. BOCTA consists of 25 pages of analysis on the collected material. The main findings are:

1. The division of the Baltic Sea Region into a prosperous, highly innovative North and West, and a less developed East and South, is creating opportunities for multiple criminal activities

2. Each country in the Region has its own set of indigenous organised crime groups (OCGs) that cooperate internationally

3. Lithuanian OCGs are key players in the Baltic Sea Region and are involved in multi-commodity crime

4. Estonian OCGs may expand their role as a link between OCGs based in the Russian Federation and those based outside the Nordic region

5. Outlaw motorcycle gangs (OMCGs) are expanding their criminal activities in the Baltic states and Russia

6. Cigarette smuggling remains a major criminal activity of OCGs active in the Baltic Sea area

7. OCGs based in the Russian Federation specialise in the supply of illegal goods to the EU and in a range of economic crimes that include fraud and money laundering

8. OCGs active in cyber crime based in the Russian Federation, Ukraine and Estonia are amongst the most developed in that criminal field. With their advanced hacking skills they pose a significant threat to e-commerce worldwide

9. Nordic countries act as the main destination points for the trafficking of human beings in the Baltic Sea Region

On the basis of BOCTA, Finland and Europol took the initiative to invite a Senior Level Police Chiefs' meeting to discuss and consider the future of the EU-Russian cooperation in various criminality areas. The meeting was held at Europol on 25 January 2011. Seventeen EU Member States, Russia (with a high level delegation), Norway, the Commission and the Council representatives participated in the meeting. The conclusions of the meeting were distributed to the participants and reported to the EU Law Enforcement Structures (COSI, Europol) and BSTF OPC. The follow-up of the meeting in the form of the operative cooperation (led by a single EU Member State) and other fora are currently under consideration. Europol has the possibility to support this cooperation.

Financing: The work has been done within the existing structures without any extra financing.

➢ *15.2. "Create a single national coordination centre"* in each Member State, which coordinates 24/7 the activities of all national authorities carrying out external border control tasks (detection, identification, tracking and interception) and which is able to exchange information with the centres in other Member States and with FRONTEX. *"Create one single national border surveillance system"*, which integrates surveillance and enables the dissemination of information 24/7 between all authorities involved in external border control activities in all or – based on risk analysis – selected areas of the external border. (EUROSUR phase 1). This Flagship Project will be linked to and completed under Priority Area 13 ("To become a leading region in maritime safety and in security"); there is also Law Enforcement Flagship Project 2: ("Become a pilot region for the integration of maritime surveillance systems"). (Lead: Finland; Deadline for finalisation: 31 December 2012) *FAST TRACK*

Report: This Flagship Project is linked with and carried out under Priority Area 13 *("To become a leading region in maritime safety and in security")*, as are Flagship Projects 13.1 ("*Conduct a technical feasibility study on a Baltic Sea Coastguard Network*" – "Baltic Sea Maritime Functionalities (BSFM)" project) and 13.2: ("Become a pilot region for the integration of maritime surveillance systems" – MARSUNO project). For more information on both Flagship Projects, please refer to Priority Area 13.

➢ *15.3. "Implementation of the Baltic Sea Task Force on Organised Crime Regional Strategy 2010-14"* (Lead: Lithuania; Deadline for progress review: 1 June 2011)

Report:

Description: The Flagship Project "Set up common Police and Customs Cooperation Centres" was reformulated in December 2010 at the High Level Group meeting to: **"Implementation of the Baltic Sea Task Force on Organised Crime Regional Strategy 2010-14".**

The Baltic Sea Task Force (BSTF) sees its mission in supporting the participating countries, their governments and law enforcement agencies in delivering a coordinated overview and initiation of joint activities to meet both the operational and political needs in preventing and combating organised crime in the Baltic Sea Region (BSR). The major goals of the BSTF when implementing the BSR are as follows:

1. Strengthening the BSTF and Europol alignment
2. Facilitating operational cooperation to combat organised crime in the BSR
3. Further development of cooperation with other external partners

4. Development of the involvement of Russia in operational activities within the EU and Europol frameworks, based on regional needs.

Lithuania started its chairmanship of the Task Force on Organised Crime for the period of 2011-12. The leading of the Flagship Project 15.3 will be done within the BSTF OPC Secretariat.

State of play: The very first BSTF operational planning and coordination meeting, attended by representatives from 10 Baltic Sea Region states, Europol and Interpol was held in Vilnius, Lithuania on 24-25 February 2011. Among other issues, new initiatives following BOCTA findings (Flagship Project 15.1) and decisions of the EU-Russia high level meeting were agreed.

Financing: Lithuania has allocated certain financing in the 2011 governmental budget to cover the expenses of the presidency. The Priority Area Coordinators have also applied (25.02.2011) for a Technical Assistance grant (€120 000) offered by the European Parliament via the European Commission services. The aim is to use this extra financial support to activate the operative cooperation and common operative projects within the BSTF OPC work in 2011-12.

➢ **15.4. "Pool resources for the posting of liaison officers to third countries and international organisations"** in order to fight serious forms of cross-border crime, such as drug trafficking, inter alia by considering the further development of the existing Council Decision on the common use of liaison officers posted abroad by the law enforcement agencies of the Member States within the Baltic Sea Region. (Lead: Finland; Deadline for progress review: 1 June 2011)

Report:

Description: To more effectively fight serious forms of cross-border crime, such as drug trafficking, the aim is to elaborate the initiative of the cross-use of liaison officers posted to third countries from BSTF countries and enforce the EU Council Decision 2003/170/RIA from 27 February 2003.

State of play: The project was prepared by the BSTF Operative Committee (OPC). The first step taken during summer 2010 was to collect information on the Member States' Liaison Officers posted abroad, both inside and outside the EU. During the meeting in Tallinn (Estonia, September 2010) the OPC agreed to encourage the EU Member States to more efficiently and regularly use the existing Liaison Officers Network for the needs and benefit of all the Member States in the Baltic Sea Region as well as to get the third countries' acceptance of the proposed working method. This decision was finally confirmed by the personal representatives of Heads of the Baltic Sea States (Task Force) in their meeting in Vihula Manor, Estonia (2nd December 2010).

Financing: no extra financing

➢ **15.5. "Take preventive measures against trafficking in human beings"** and provide support and protection for victims and groups at risk, by means of transnational actions. (Lead: Lithuania; Deadline for progress review: to be determined)

Report:

Description: This project aims at identifying the extent of trafficking in human beings (THB) in the Baltic Sea Region as well as at coordinating prevention measures of different governmental and non-governmental agencies. Over the last decade, Lithuania has achieved very good results in this area, receiving international recognition for them. During Lithuania's

chairmanship of the CBSS, the Lithuanian Ministry of Internal Affairs together with the International Organisation for Migration (Vilnius Bureau) and the European Migration Network organised a conference on "Prevention and Control of THB – Regional Aspects" in Vilnius in May 2010. The conclusions of the Conference were accepted unanimously in close cooperation with the CBSS Task Force on Trafficking in Human Beings and the Directorate-General for Justice and Home Affairs of the European Commission.

Next steps: It is foreseen to bring together a Situation Report produced by the CBSS Secretariat and a Europol Report on THB, which is currently being finalised. On the basis of the recommendations of both reports, suggestions for further actions under this Flagship Project will be made.

Financing: Since 2002, Lithuania has been coordinating prevention measures against THB according to the national 3-year programmes adopted, which used to receive considerable governmental financing. The recent national programme of 2009-12 has not received financial allocations due to difficulties of the ongoing economic crisis. With the identification of the concrete needs and objectives of the Flagship Project, Lithuania will apply to the EC for financial support.

Horizontal Actions

Actions:

- *"Align available funding and policies to the priorities and actions of the EU Strategy for the Baltic Sea Region"*.

The Strategy is not in itself a funding instrument: proposed actions should be funded, to the extent necessary, from existing sources. These may include Structural and Cohesion Funds, other EU funding (e.g. rural development funds, fisheries, external action, research, environment, etc.), national, regional and local funds, banks and International Financial Institutions (in particular the European Investment Bank (EIB)), NGOs and other private sources. These funding opportunities should be made more transparent for stakeholders and project participants. While many projects will have readily available funding, others may need assistance in identifying sources. Cooperation between Member States is crucial to achieve the desired result. The Member States, Regional and Local Authorities and private bodies could identify a body to act as the central point of reference for reconciling the availability of different sources of financing to the needs of the actions and projects. In a global sense, policies in general should also be better aligned. (Deadline for progress review: 31 December 2010)

Report: Please refer to the relevant sections in the Communication for a summary of the work on aligning funding with the Strategy. A separate document on the contribution of Structural Funds programmes to the Strategy will also be made available on the Strategy's website.

- *"Cooperate on the transposition of EU directives"* so that national implementing rules do not create unnecessary barriers. This would facilitate transnational initiatives and cooperation.

In many areas – Single Market, environment, transport interoperability, procurement, labour and social security – European legislation is implemented at national level and the discretion allowed by the directives may lead to the creation of unintended barriers and blockages. Groups of relevant officials within the Baltic Sea Region should coordinate their work to ensure that the Region's governments align implementation to avoid such blockages. This will remove barriers, or avoid building new barriers, to trade, labour mobility, transport links and enhanced environmental protection. All such coordination would be completely voluntary and would remain entirely within EU legislation.

Report: [This Action has not yet been initiated]

- *"Develop integrated maritime governance structures in the Baltic Sea Region"*

The implementation of a large number of the maritime actions detailed in pillars 1 to 4 will require strengthened internal coordination within Member States in the Baltic Sea Region, as well as cross-border networks between these integrated maritime functions. Based on the Communication on Maritime Governance of June 2008, the European Commission would recommend that Member States develop such mechanisms, including appropriate stakeholder consultation frameworks. (Deadline for progress review: 31 December 2010)

Report: Since the adoption of the Commission's Communication "Guidelines on an Integrated Approach to Maritime Policy: Towards Best Practices in Integrated Maritime Governance and Stakeholder Consultation" in 2008, all Baltic countries have taken significant steps to

strengthen the internal coordination of sectoral policies, and to develop integrated maritime governance structures; they have developed, or are in the process of developing, maritime strategies.

The Baltic Member States share the latest developments of maritime governance structures in the CBSS Working Group on Maritime Policy that was established in June 2009. The Commission also invites Member States to share their approach to maritime governance on the internet (http://ec.europa.eu/maritimeaffairs/memberstates_en.html). In addition, the Baltic Sea States Sub-Regional Cooperation (BSSSC) and the Baltic Sea Parliamentary conference (BSPC) have also established structures for cooperation on the development and implementation of the IMP in the Baltic Sea Region.

- *"Become a pilot project in implementing the Marine Strategy Framework Directive"* and take early action to restore the Baltic Sea.

The Marine Strategy Framework Directive[47] includes the option for a region to be a pilot project, subject to some eligibility conditions, when the status of a marine region is so critical as to necessitate urgent action. This entails that the European Commission provides supportive action. The recognition of the environmental degradation of the Baltic Sea led to the adoption of the HELCOM Baltic Sea Action Plan (BSAP)[48], which is coherent with the concept of an early programme of measures required for a pilot project. Therefore, the consideration of supportive action by the Commission should be urgently addressed in the framework of the EU Strategy for the Baltic Sea Region. With a view to progress towards the establishment of a pilot project in the Baltic Sea, an important form of "supportive action" already at this stage could be to optimise the use of EU funds having regard to the critical status of the Baltic Sea, thereby securing effective integration of environmental concerns in the real application of sectoral policies, to better address the urgent environmental challenges related to the Baltic Sea, as agreed by the European Council. (Deadline for progress review: 31 December 2010)

Report: This action is not expected to be taken forward unless all Member States of the Baltic Sea region would agree to informing the Commission of a revised timetable for an early implementation of the Directive. There was no agreement to do so in 2010.

- *"Encourage the use of Maritime Spatial Planning in all Member States around the Baltic Sea and develop a common approach for cross-border cooperation"*

Increased activities in the Baltic Sea lead to competition for limited marine space between sectoral interests, such as shipping and maritime transport, offshore energy, ports development, fisheries and aquaculture in addition to environmental concerns. Maritime Spatial Planning is a key tool for improved decision-making that balances sectoral interests that compete for marine space, and contributes to achieving sustainable use of marine areas to benefit economic development as well as the marine environment. The development of a Maritime Planning System for the Baltic Sea, based on the ecosystem approach, is encouraged at national level as well as common cross-border cooperation for the implementation of the Maritime Spatial Planning in the Baltic Sea following the key common principles set out in the recently adopted Commission's Roadmap for Maritime Spatial Planning. The European

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[47] Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive), OJ L 164, 25/6/2008, p.19).

[48] See http://www.helcom.fi/BSAP/en_GB/intro/

Community and the HELCOM Contracting States have agreed in the context of the HELCOM Baltic Sea Action Plan to develop such an integrated tool, and relevant initiatives are also in process with VASAB, the Baltic Regional Advisory Council[49] and relevant stakeholders. The Commission will also launch preparatory actions in the Baltic Sea to test the implementation of Maritime Spatial Planning in a cross-border context in close cooperation with the Baltic Member States. The transnational INTERREG project BaltSeaPlan and the DG MARE project Plan Bothnia are the first key projects in that respect. (Deadline for progress review: to be confirmed)

Report: Increased activities in the Baltic Sea have led to competition for limited marine space between sectoral interests, such as shipping and maritime transport, offshore energy, ports development, fisheries and aquaculture in addition to environmental concerns. Maritime Spatial Planning is a key tool for improved decision-making that balances sectoral interests that compete for marine space, and contributes to achieving sustainable use of marine areas to benefit economic development as well as the marine environment. Since the launch of the Commission's Roadmap for Maritime Spatial Planning in 2008, setting out the key principles for MSP, there has been much progress at the EU level and in Baltic Member States, which has been reported in the Commission Communication "Maritime Spatial Planning in the EU – Achievements and Future Development"[50].

The level at which MSP is applied in the Baltic Region is varied and ranges from legally binding MSP in the territorial sea as well as the EEZ to application of MSP in the territorial sea by regional councils or municipalities or no MSP at all. Some Baltic Countries have fully applied MSP; others are taking first steps in developing MSP at national level. The challenge is to ensure a common approach and cooperation between Member States on MSP. To test the implementation of MSP in a cross-border context and to make further progress, a study on cross-border cooperation is ongoing with HELCOM as lead partner and partners from other MS institutions involved. This "Plan Bothnia" study is supported by the European Commission as a preparatory action in the Baltic Sea.

Cross-border cooperation is encouraged through the HELCOM and VASAB activities and relevant INTERREG projects. In 2007, HELCOM agreed on a recommendation for the development of broad-scale marine spatial planning principles in the Baltic Sea area, including among others the joint development of common principles and consultation of jointly concerning actions. In a VASAB ministers conference (Oct. 2009) MSP guidelines were agreed. They acknowledged that Maritime Spatial Planning is a joint priority of all the cooperating countries around the Baltic Sea, together with urban development, aimed at establishing territorial cohesion of all the Baltic Sea Region and Europe. As mentioned above, HELCOM and VASAB are working together to establish a joint MSP platform and common, shared principles for MSP. HELCOM and VASAB are taking a prominent role in promoting MSP in the Region together with other stakeholders, by forming a joint working group on MSP. The group has agreed on a joint set of MSP principles for the Baltic Sea.

INTERREG projects help BSR countries to develop good know-how of MSP in the Region. The ongoing BaltSeaPlan project brings together the key MSP players throughout the Baltic Sea Region and offers the chance to create a joint understanding of the necessary instruments

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[49] The main aim of the BS Regional Advisory Council is to advise the European Commission and Member States on matters relating to management of the fisheries in the Baltic Sea.
[50] Maritime Spatial Planning in the EU – Achievements and Future Development, COM(2010) 771 of 17.12.2010.

and processes for a successful MSP. BaltSeaPlan builds on the results of projects like BaltCoast, Balance, Coastman, EWW and PlanCoast. The spatial data describing the marine environment and sea-use has improved considerably due to these projects but the principles for harmonising spatial data and the systems for managing this data are still missing.

- *"Develop and complete Land-based Spatial Planning"*

This action is of key importance in ensuring coherence between actions and maintaining an integrated approach. Without a clear picture of the Region, and an awareness of sensitive areas, population and economic pressures and other factors, sustainable development is not feasible. Land-based spatial planning is already underway, led by VASAB[51], and this initiative should be strengthened, in coordination with maritime spatial planning, and completed. The VASAB Long-Term Perspective for the Territorial Development of the Baltic Sea Region[52] is a first contribution to that and should be taken into account by other priority coordinators with regard to spatial objectives, conditions and impacts of their actions (VASAB; Deadline for progress review: to be confirmed)

Report: The major contribution to the development of land-based spatial planning was the elaboration of the "Long-Term Perspective for the Territorial Development of the Baltic Sea Region" (LTP). The LTP was adopted by the VASAB 7th Conference of Ministers responsible for Spatial Planning and Development of the Baltic Sea Region in October 2009 in Vilnius. The LTP is in line with the Territorial Agenda of the EU and it complements the EU BSR Strategy with regard to more detailed objectives and actions concerning territorial cohesion and development of the Baltic Sea Region. The LTP concentrates on issues which require transnational solutions such as urban networking across borders and urban-rural cooperation, improving external and internal accessibility as well as development of maritime spatial planning.

As part of the implementation process of the EU BSR Strategy, the LTP is currently being implemented through a number of short-medium and long-term actions together with other stakeholders of the Region.

Examples of actions are:

o VASAB's 7th Conference of Ministers responsible for Spatial Planning and Development in October 2009 adopted the Vilnius Declaration which noted the importance given to land-based and maritime spatial planning in the EUSBSR and considered the LTP as a contribution to it and to further development of spatial planning in the Region, and confirmed that VASAB will continue this work.

o VASAB's Expert and Stakeholder Meeting on Demographic Trends and Labour Market Development was held on 8 June 2010 in Kaunas, leading to political recommendations.

o VASAB's Expert Workshop on Urban-Rural Partnerships in the Baltic Sea Region was held on 21 September 2010, Minsk, Belarus, discussing further steps in developing the urban-rural partnership concept.

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[51] VASAB - Vision and Strategies Around the Baltic Sea – is an intergovernmental network of 11 countries of the Baltic Sea Region promoting cooperation on spatial planning and development in the Baltic Sea Region.
[52] Adopted by the Ministers responsible for Spatial, Planning and Development of the Baltic Sea Region countries in October 2009 in Vilnius.

- o VASAB's Annual Conference "Integrated Approach to Spatial Development of Europe – Meaning of Territorial Cohesion" was held on 7-8 February 2011 in Warsaw to assess the progress achieved recently in advancing territorial cohesion in the Baltic Sea Region (BSR), to raise awareness of the BSR becoming a model region for territorial cohesion and to offer BSR as a testing ground for implementation of TA2020 provisions.

- o Influencing and using a number of transnational INTERREG projects such as BaltSeaPlan, Eco-Region, New Bridges, Baltmet Promo, TransBaltic and Rail Baltica Growth Corridor.

- o Participation in the Eco-Region – a Baltic 21 Lighthouse project on sustainable development.

- o Closer cooperation with the Council of Baltic Sea States in order to have better coordinated implementation of the LTP across various sectors of the economy of the Baltic Sea Region countries.

- o Preparation of an application for an ESPON project on developing a spatial monitoring system for the BSR.

- o Presentation and discussion of LTP results on accessibility at the Transport Quality Forum of the BSR Programme's Annual Conference in Jyväskylä.

- ▪ ***"Strengthening multi-level governance, place-based spatial planning and sustainable development"***

The action looks to establish dialogue amongst actors at all levels of governance in the Baltic Sea Region (a Baltic Dialogue) in order to consolidate findings and disseminate good methods and experiences. The aim of this dialogue is to ensure the involvement of all levels of governance, including the European Commission, national ministries and authorities, local/regional authorities, macro-regional organisations, financial institutions, VASAB and HELCOM. A second component is to work with showcases building on the Regions' special field of expertise, spatial (strategic) planning and water management, and through this work establish good examples and methods that allow generalisation. A third component is a "Local signal panel" enabling the Priority Areas and Flagship Projects the possibility to reach all levels of governance. This local panel would make it possible for all actors involved in the Strategy to easily and rapidly ask a question or put forward a suggestion and get a "signal" back from the local/regional level (Deadline for progress review: to be confirmed).

Report: An application has been made to the Baltic Sea Programme to address three of our goals, i.e. to present two showcases, to build a dialogue forum also involving local and regional actors and to create a local signal panel. Cooperation has been established with PA 1 and an outline of regional and local perspectives for that area has been presented. The next step is to approach all Priority Areas to have a discussion on how a multi-level governance approach can be included in the PA and which of the Flagship Projects are most relevant. Presentations have been made to HELCOM (at the idea stage), CBSS, VASAB, the Union of Baltic Cities and the Baltic Sea Commission.

At the end of 2010, an agreement was signed between the Regional Councils in Västerbotten and Kalmar and the Sida Baltic Sea Unit was signed. Support for the multi-level governance approach is given by the Swedish Government and relevant national authorities.

To simplify the communication, INVOLVE has been introduced as a short name for this horizontal action about multi-level governance, place-based spatial planning and sustainable development. It's about involving local/regional levels together with national and EU levels in the process, but also about involving local and regional aspects at all EUSBSR levels.

The work with Baltic Dialogue will be developed. Examples of important actors to contact are the European Commission, ministries, national authorities, associations of local/regional authorities, macro-regional organisations, financial institutions, VASAB, HELCOM and other relevant pan-Baltic or European organisations.

To fulfil the EUSBSR objectives, a strong political commitment is important. To reach this on local/regional levels, there are two important components – willingness and ability. Willingness is built on an understanding of the EUSBSR concept and a belief that this is of benefit for my municipality/region. Ability is dependent on resources, tools, the regulatory framework, etc. This is an important task not only for this horizontal action, but also for all involved – to spread such an understanding and belief, and to support the local/regional ability. In the longer run, the vision is to define one multi-level showcase within each and every Priority Area.
Other objectives include:

- Creation of a "local signal panel".

- Local/regional EUSBSR analyses in municipalities/regions in the BSR. Inventory and analysis of ongoing activities contributing to the EUSBSR objectives as well as an analysis of how the EUSBSR influences/implicates the municipality/region and consequently the need for further activities.

- External analysis/evaluation and innovative documentation of the showcase's working methods.

- State-of-the-art analysis of policy-relevant studies of multi-level governance in the BSR. Survey of multi-level governance processes already in place in the BSR. Elaboration of a methodology for empirical identification and evaluation of patterns and processes of MLG. Development of a process framework (provisional model) for operationalising and analysing multi-level governance.

- Manual for practical designers of multi-level governance structures to avoid pitfalls and to have clear orientations for the development of multi-level governance.

- Policy recommendations in order to create a better context for the dissemination of multi-level governance.

- Training material and pilot training at partner countries; e-training could be used.

- *"Transform successful pilot and demonstration projects into full-scale actions"*

This knowledge has been gained through projects financed by EU, national, regional funds or private funds. For example, such projects have been / are being implemented under the

umbrella of HELCOM, Baltic 21, the Nordic Council of Ministers, partnerships in the framework of the Northern Dimension etc. Under the 'Baltic Sea Region' transnational programme which is part of the 'territorial cooperation' objective of the ERDF, some projects are also supported. The potential of this transnational programme, which already covers the Baltic macro-region, should be maximised. (Deadline for progress review: to be determined)

Report: This Action has not yet been initiated.

- ***"Use research as a base for policy decisions"*** through common research programmes in the Baltic Sea Region.

To achieve the objectives of the Strategy (including restoring the Baltic Sea environment, adapting to climate change, developing sustainable fisheries, agriculture and tourism or establishing common spatial planning), there is a need for actions and measures by all countries in many different sectors. Often these are very expensive, and it is necessary to prioritise. Applied (or policy-linked) research with participations from all countries in the Baltic Sea Region can provide the necessary data for such decisions to be made. The Baltic Nest decision support system[53] and the BONUS Joint Baltic Sea Research and Development Programme are among the most important, together with the planned research programme on costs for no actions (a Baltic "Stern" report[54]). In particular, the network of funding organisations established through BONUS could be expanded and used also for other common research activities, such as those supported by the Nordic Council of Ministers. (Deadline: to be determined)

Report: DG RTD: BONUS was adopted by the European Parliament and Council on 22 September 2010 (Decision 862/2010/EU). It will be implemented under Article 185 of the Treaty on the Functioning of the European Union (formerly Article 169 of the TEC), which provides for the participation of the Union in research and development programmes undertaken by several Member States. Based on previous work undertaken within the framework of the BONUS ERA-Net and BONUS ERA-Net Plus initiatives (2003-10), BONUS brings together all eight Baltic Sea Member States in a joint research effort to improve the efficiency and effectiveness of the Baltic Sea Region's environmental research programming. By implementing a policy-driven, fully-integrated joint research programme, based on extensive stakeholder consultations, BONUS will provide concrete scientific outputs facilitating the implementation of ecosystem-based management of environmental issues in the Baltic Sea area while contributing to the establishment and structuring of the ERA in the Baltic.

In 2010 BONUS intensified its links with the EU Strategy for the Baltic Sea Region (EUSBSR), and opened a dialogue with the DG REGIO and Interact Programme (Turku) in regards to building further on the existing synergies.

Broadening of the BONUS Programme's funding base was a key priority in 2010 and initial steps were taken towards involving innovation funding agencies, and in particular the EUSBSR Flagship Project BSR Stars; this dialogue is continuing in 2011.

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[53] Developed at the Baltic Nest Institute www.balticnest.org.
[54] The 'Stern Review on the Economics of Climate Change' is a report released in October 2006 by the economist Lord Stern of Brentford for the British government. It discusses the effect of climate change and global warming on the world economy in particular by comparing the costs of actions compared to the costs of no action.

- *"Ensure fast broadband connection for rural areas"* using local solutions to include the rural communities in the communication networks.

This action should be combined with initiatives to support internet use, for example free access at official buildings or free internet support for basic services. Support for internet use should include assistance to less advantaged social groups with low income and low education, with actions aimed at supporting digital literacy and ICT training, including fiscal or other incentives aimed at favouring PC ownership, including the enterprise replacement of PCs with portable devices with the aim being to adopt different work patterns that would favour a better integration of work and family life. (Deadline: to be determined)

Report: Digital technologies have a key role to play in improving people's daily lives, for example, in increasing consumer choice and providing better access to information, entertainment and other services. Although Europe has the highest average levels of broadband penetration worldwide (24.8%), it has far from the best networks, and take-up varies considerably. Only 1-2% of Europeans have a fast fibre-based internet, compared to 12% in Japan and 15% in South Korea. EU consumers also pay higher prices for those high-speed connections compared to Japanese or Koreans.

With the aim of closing the gap, the Commission presented an ambitious Digital Agenda for Europe focusing on the 21st century technologies and online services that will enable Europe to boost job creation, promote economic prosperity and improve the daily lives of EU citizens and businesses in a wide variety of ways. The Digital Agenda has set the following targets for broadband: by 2013, broadband coverage for all EU citizens and, by 2020, fast broadband coverage at 30 Megabits per second for all EU citizens, with at least half of European households subscribing to broadband access at 100 Megabits per second. Fast and ultra-fast internet access will play a central role in economic recovery and in providing a platform to support innovation throughout the economy, as electricity and transport did in the past.

In order to further boost the growth of innovative wireless broadband services, there is a need for a better coordination of the radio spectrum management. Meeting the targets set by the Europe 2020 strategy and the Digital Agenda, including the 100% broadband coverage objective, can only be done by a mix of technologies – fixed and wireless. Efficient and coordinated use of the wireless spectrum will be key to ensuring the 100% coverage target by extending broadband to remote and sparsely populated areas. It is necessary to develop a comprehensive policy, based on a mix of technologies focusing on two parallel goals: on the one hand, to guarantee universal broadband coverage, both fixed and wireless, and over time to foster the deployment and take-up of ultra-fast broadband.

To this end, the Commission adopted the broadband package on 20 September 2010 (the Broadband Communication, the NGA Recommendation and Spectrum Policy Programme), which will provide a common framework for the deployment of ultra-fast broadband internet in the European Union and meet the Europe 2020 and the Digital Agenda targets. These three documents along with the revised framework for e-Communications and the Community Guidelines for the Application of State Aid Rules in Relation to Rapid Deployment of Broadband Networks make up the Community level contribution to ensuring Europe has a world-class internet infrastructure to compete in the world economy.

Member States are vital when it comes to the implementation of the Europe 2020 and the Digital Agenda targets. Thus all Member States should have operational broadband plans/strategies, which should take a long-term and balanced view of the cost and benefits of

early investment in and roll-out of ultra-fast internet, spectrum allocation and licensing agreements. The plans should also give clear guidance on the uptake of EU broadband funds and EIB instruments, which should aim to unlock the financing for the higher-risk infrastructure projects.

- ▪ *"Define and implement the Baltic Sea basin component of the European Marine Observation Data Network (EMODNET) and improve socio-economic data."*

Marine data – geological, physical, chemical and biological – collected largely by public institutions, are still fragmented, of uncertain quality and difficult to assemble into coherent pictures of the entire Baltic Sea basin. The Commission has proposed a European Marine Observation and Data Network (EMODNET). As a preparatory action of this initiative, a first version of sea basin-scale map layers of Baltic geology (sediments, geohazards, mineral resources) and broad-scale marine habitats (building on the work of the BALANCE project) was to be ready by 2010. The Commission has also developed a database on data for maritime sectors and coastal regions that constitute a first step towards developing Baltic Sea basin-wide socio-economic indicators. (Lead: Poland tbc. <u>Deadline</u>: to be determined)

Report: Marine data – geological, physical, chemical and biological – collected largely by public institutions, are still fragmented, of uncertain quality and difficult to assemble into coherent pictures of the entire Baltic Sea basin. In order to (1) increase the efficiency of all those who work with marine data – industry, public authorities and research bodies, (2) stimulate innovation and growth, and (3) reduce uncertainties in the past, present and future behaviour of the sea, the "marine knowledge 2020" initiative was launched in the autumn of 2010. As a preparatory action of this initiative, a first version of sea basin-scale map layers of Baltic geology (sediments, coastline, sedimentation rates, geohazards, mineral resources) is being finalised. Input data preparation is largely complete, threshold testing is well underway and draft models are being worked out now. The portal providing access to these layers is now on-line.

EMODNET Geology's substrate and sediment maps are crucial inputs to the physical habitat model that is also being developed under the marine knowledge initiative. Other inputs include seabed salinity, energy (both oceanographic wave and tidal models, as well as a high resolution fetch-based wave model), stratification and oxygenation levels. All of these layers are available through the EUSeaMap portal.

In addition, HELCOM has agreed to adopt the physical classes mapped for EUSeaMap as the high-level structure for the EUNIS habitat classification, which will be a substantial improvement to the way Baltic habitats are organised within EUNIS. This contribution from EUSeaMap will be a critical part of HELCOM's update of the Red List, which is now underway and due to be completed in 2014. The HELCOM will add detailed, biologically-distinct habitats to the high-level structure defined by EUSeaMap's modelling of physical variables.

The Commission has also developed a database on data for maritime sectors and coastal regions that constitute a first step towards developing Baltic Sea-basin-wide socio-economic indicators.

- ▪ *"Build a regional identity"* at the level of the wider region based on a common vision.

This would involve opinion surveys and marketing campaigns, awareness and visibility-raising exercises, promotion of cultural heritage linked to the shared Baltic Sea and the preparation of a common history book. Possibilities could include creating annual prizes for

the best projects promoting the Region or otherwise supporting the EU Strategy for the Baltic Sea Region, or applying jointly (as the Baltic Sea Region) for the organisation of a major world or European-level sporting event. The drafting of a common history book could be considered as there is already a strong interest by the 'Academia Baltica', an institution for research and adult education based in Kiel (Germany). (Lead: BaltMet; Deadline: to be determined)

Report: Naturally it is difficult to measure or assess the "level" of regional identity existing. Policy roundtables arranged by the horizontal action leader and discussions at the EUSBSR annual forum with various stakeholders have nevertheless helped identify the key issues to be tackled. The first Policy Roundtable was organised in Vilnius on 31 May, 2010 in parallel with the Baltic Development Forum's Annual Summit. The second Policy Roundtable of BaltMet Promo was on 14 October, 2010 in Tallinn, back-to-back with the First Annual Forum of the EU Strategy for the Baltic Sea Region. The following Policy Roundtable was scheduled for May 30th 2011 in Berlin. The fourth Policy Roundtable will be parallel with the Baltic Development Forum's Summit in Gdansk on 24-27 October, 2011. A basic lesson learned is that there are at least two basic approaches to the question of regional identity – identity as a brand and identity as a feeling of belonging. Both can be developed, but have to be based on existing common goods of the BSR and cannot be imposed from above.

A common understanding is that both are long-term tasks that have no particular deadline, as identities are ever-evolving. Finding common definitions of a regional identity and its prerequisites is important work in order to achieve a common vision that is anchored among as many stakeholders as possible, as called for in the EUSBSR Action Plan. This work will continue in through policy roundtables. Understandably, discussions are more focused in terms of branding than a feeling of belonging. Developing and finding clear ownership for the discussions on feelings of belonging is the greatest challenge of the HAL.

List of concrete outputs/results
The BaltMet Promo project (INTERREG IVB funded) has advanced in identifying existing common goods from a branding point of view, and a first result of this process is the Baltic Sea Region Investors Guide.
As a complement to the situation analysis of place branding and place promotion efforts in the Baltic Sea Region conducted by the HAL last year, the HAL has also collected information on existing transnational projects in the Region with relevance for regional branding and identity. These are listed at http://www.baltmetpromo.net/public/branding.html#horizontal. Discussions on how to translate these project results into policy and lessons learned for the good of all stakeholders have started, and without the existence of the Horizontal Action this would not have taken place, as the projects are dispersed throughout different funding programmes and sectoral initiatives.

Cross-cutting cooperation
The HAL has established a database of actors with relevance for regional branding in order to be able to request more coordinated reporting on this issue. Within the strategy structures, HAL invites PA 7, PA 8 and PA 13 to policy roundtables, and vice-versa HAL is invited to discussions within concerned PAs. Notably, branding is included as an element in the starting innovation Flagship Project StarDust, developing towards the BSR Stars Programme, and this provides a long-term perspective for developing branding as a support tool for transnational innovation cooperation.
In terms of cooperation with NCPs, the HAL points out that it could be worthwhile considering asking them to identify key stakeholders in national ministries and agencies. Help

with identifying relevant contacts in DGs would also be welcomed, e.g. from DG COMM and DG EAC. In view of the deepened and more coherent analysis available on the issue of regional identity, as a result of EUSBSR efforts, the HAL would suggest an all-round modification of the wording of the Horizontal Action Regional Identity so that it better reflects the identified tasks necessary.

Process

The HAL points out that the very valuable process started within the BaltMet Promo project concerning the identification of BSR common goods from a branding point of view, risks being cut short because of the discrepancy between the necessary long-term approach of identity building and the relatively short-term approach of project financing. While the ultimate goal of developing a BSR branding approach is to establish it as an independent element of profitable commercial activities, it is clear that this cannot be done within just a couple of years and thus needs sustained project financing for some time to come (see next steps).

Concerning the process of advancing a feeling of belonging, an established forum is still at the stage of emerging. European technical assistance financing for establishing such a forum would be very useful.

Next steps

The HAL engages in coordination between and evaluation of branding and identity projects in the Region through inter alia joint meetings, seminars, a common web space, and project development advice for projects contributing to the Horizontal Action.

The HAL will continue to advance discussions on both regional identity in terms of branding as well as a feeling of belonging. The HAL will continue efforts to bring together outputs from relevant transnational projects for learning for all stakeholders. For regional branding this will take place within the established policy roundtables. In order to ensure their continuation, as well as concrete output in terms of identifying common goods for regional branding and starting to develop the brand, the HAL is submitting a new project proposal to the Baltic Sea Programme 4th Call called Baltmet Brand-Id. The project will have a strong branding and identity approach including a Regional Branding Strategy and Branding Platform and an inclusive stakeholder approach bringing together all the other EUSBSR projects that have identity and branding aspects on their agenda. To solidify the approach to regional identity in terms of a feeling of belonging, the HAL will explore the opportunities of technical assistance.

- ***"Support for sustainable development of the fisheries areas"*** under the European Fisheries Fund (EFF) Operational Programmes and the Community FAR-NET network[55].

This is expected to assist in improving the quality of life of the Baltic coastal communities by promoting the protection of the environment, regenerating and developing coastal hamlets and villages with fisheries activities, and protecting and enhancing the natural and architectural heritage. These programmes should also contribute to favourable conditions for the development of sustainable tourism of the Baltic Sea coastal areas, in particular by promoting eco-tourism. It is estimated that ca. 60-70 local fisheries groups will be created in the Baltic Sea Region which could potentially implement the action during the 2007-13 period. (Lead: each Member State network for fisheries areas, in cooperation with the Community FAR-NET network; Deadline for progress review: to be determined)

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[55] Community network of the groups for sustainable development of fisheries areas.

Report: DG MARE: The new Priority Axis 4 of the European Fisheries Fund provides support for the sustainable development of fisheries areas. In particular, it supports measures to promote economic diversification (tourism, food, renewable energy, etc.) and an improved quality of life in areas affected by a decline in fishing activities. An important innovation in the implementation of Axis 4 is the emphasis on the territorial approach, which encourages a focus on specific areas and seeks to mobilise local actors from all sectors: public, private and civil society, to work together as "groups" to design and implement integrated local development strategies. The European Commission established the European Network for Fisheries Areas (FARNET) to assist in the implementation of Axis 4 of the EFF. The FARNET Support Unit supports and guides Fisheries Local Action Groups (FLAGs) in devising and implementing their local development strategies and acts as a platform for networking between fisheries areas.

It is estimated that around 125 FLAGs will be created in the Baltic Sea Region. These groups are also encouraged to engage in interregional and transnational cooperation. The total public investment by Baltic Member States under Axis 4 (EFF + other public contributions) for the period 2007-13 amounts to €452 million, which is almost half of the total EU public investment under Axis 4 (this figure also includes some inland FLAGs and the North Sea FLAGs for the MS that cover both the Baltic and the North Sea).

All FLAGs around the Baltic are expected to be selected by the 2nd half of 2011. In seven Baltic countries, 116 FLAGs have already been selected and approved by the Managing Authority of the EFF Operational Programme. In Poland, 26 FLAGs have been selected and another 12 FLAGs are expected to be approved in a second selection round. In Lithuania, the process of selecting the FLAGs is currently being finalised. Groups in DK, FIN, DE, SE, EE and LV have already started implementing projects. In some Scandinavian countries, where the rural and the fisheries areas overlap, LEADER local action groups have taken on direct responsibility for the management and delivery of Axis 4 funds (with clear demarcation between the funds).
Some delays in implementing Axis 4 have occurred due to the novelty of the approach and the lack of experience in many MS at the level of both the MAs and stakeholders. Support and resources are needed at all levels (EU, national and local) to put in place a system so radically different from past programmes.
A Baltic Sea Network of EFF Managing Authorities and the FLAGs is being created with the support of DG MARE. The main objective will be to foster transnational cooperation under Axis 4 of the EFF (sustainable development of fisheries areas) among the FLAGs in fisheries-dependent areas of the Baltic Sea Region. This cooperation is expected to result in joint projects contributing to the implementation of the EUSBSR.

Annex: HELCOM actions and corresponding actions under the Action Plan for the EU Strategy for the Baltic Sea Region[56]

Lead countries / Contact persons		EU actions	HELCOM actions
EU contacts	**HELCOM contacts**		
Priority area 1: To reduce nutrient inputs to the sea to acceptable levels; coordinated by Poland and Finland			
Finland: Ulla Kaarikivi-Laine **Poland:** Katarzyna Biedrzycka			
Strategic actions			
	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi and Maria Laamanen, HELCOM Secretariat maria.laamanen@helcom.fi	*"Implement actions to reduce nutrients"* full implementation of: - key Directives relating to eutrophication - actions in the HELCOM Baltic Sea Action Plan	On-going activities Updating and further development of a set of core eutrophication indicators and their publishing on the HELCOM website by 2013 to enable up-to-date provision of information on the eutrophication status of the Baltic Sea (CORESET). Implementation of the HELCOM project to review and revise the environmental targets (TARGREV project) and country-wise provisional nutrient reduction targets (in cooperation with BNI) during 2010-2012 based on the integrated thematic assessment on eutrophication, results of the Fifth HELCOM Pollution Load Compilation and EMEP data.
	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	*"Promote measures and practices which reduce nutrient losses from farming and address eutrophication"* - full implementation of the Nitrates and Water Framework Directives,	On-going activities Work in the HELCOM Baltic Agriculture/Environmental Forum established in 2010

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[56] This Annex, developed by HELCOM, is included courtesy of HELCOM.

		and the new Common Agricultural Policy Cross-Compliance requirement to establish buffer strips along water courses - additional Rural Development measures to maximise fertiliser efficiency or achieve nutrient recycling based on: - identification of all the intensively used agricultural land of the whole catchment area to focus on these areas first - consideration of further measures needed through environmental or agricultural policies	- targeting of measures and investments to most optimal installations with biggest potential environmental benefit and also from areas with high nutrient impact to the Baltic Sea - review of HELCOM List of agricultural hot spots, represented by both point and diffuse sources. List of priority installations in agricultural sector in Belarus that are contributing to transboundary pollution of the Baltic Sea adopted at the 2010 HELCOM Moscow Ministerial Meeting Conduction and participation in various projects: HELCOM BALTHAZAR Project 2009-2012: - in Leningrad and Kaliningrad Regions as well as the City of St.Petersburg: implementation of on-farm pilot projects in consideration of environmental benefit to the Baltic Sea (re. BSAP) Baltic COMPASS Project (Comprehensive Policy Actions and Investments in Sustainable Solutions in Agriculture in the Baltic Sea region): - implementing large scale on-farm pilot investments in Baltic Sea coastal states and in Belarus, based on identified most feasible and efficient technologies and management measures (spatially and geographically)
All Member States	Mikhail Durkin, HELCOM Secretariat	***"Full implementation of the Water Framework Directive in order to***	On-going activities River Basin Management Plans and their

	mikhail.durkin@helcom.fi	***maximize the environmental benefits for the Baltic Sea"*** – measures to obtain good ecological status in all water bodies, including coastal waters, by year 2015 – full implementation (including reporting) of the Water Framework Directive, together with the Nitrate Directive and the Urban Waste Water Directive, in line with the objectives of the Marine Strategy Framework Directive for 2020	Operational Programmes that are relevant for the watershed of the Baltic Sea were taken into account while elaborating National Implementation Programmes for the Baltic Sea Action Plan. HELCOM Agriculture and Environment Forum serves for exchange of experience between the Contracting Parties on application of WFD with regards to prevention of pollution from agriculture. Follow-up of national work on reaching the requirements of UWWT Directive and support to facilitation of compliance with the stricter HELCOM requirements. HELCOM participation in PURE (Project on Urban Reduction of Eutrophication) project – Increased phosphorous removal, according to the HELCOM Recommendation 28E/5, in five waste water treatment plants Need for further action Review of and transfer of know-how on waste water treatment technologies that are available in the region for reaching more stringent HELCOM effluent standards (both chemical and biological)
Cooperative actions			
	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	***"Establish and restore more wetlands"*** - to recycle the nutrients and to mitigate floods	On-going activities The HELCOM Joint Comprehensive Environmental Action Programme (JCP)

<table>
<tr>
<td></td>
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<td>The wetlands should be established where long term effects can be expected considering the different climatic conditions, the sensitivity for eutrophication etc.</td>
<td>includes four transboundary hot spots which address management of coastal wetlands and the BSAP includes an endorsed list of examples for reducing nutrient inputs which includes establishment of wetlands.

ARTWEI Project

− addressing priority measures in selected coastal lagoons and transit water areas in the Baltic Sea Area

Needed action

Further support to recover transboundary hot spots represented by coastal lagoons by 2012 when the JCP is expected to be implemented.

HELCOM could initiate a joint activity for establishment and restoration of wetlands. The initiative would have potential for protection of biodiversity as well.</td>
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<td></td>
<td>Maria Laamanen, HELCOM Secretariat
maria.laamanen@helcom.fi</td>
<td>**"Set up the BONUS 185 (169) scheme"**

- in order to have a sustainable research framework (this action is underway and expected to be implemented from the end of 2011/early 2012)</td>
<td>On-going activities

BONUS EEIG has observer status in HELCOM, and there is cooperation between the two organisations.

Participation by the HELCOM Secretariat in the drafting process of the Strategic Research Agenda of BONUS with the aim to ensure that research needs stemming from the implementation of the ecosystem approach and the BSAP will be sufficiently covered.

HELCOM's ecosystem approach to management of human activities and the Baltic Sea Action Plan have set a continuous demand for scientific information supporting policy making and hence on-going cooperation also with the Baltic Sea</td>
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			area scientific community.
		"Facilitate cross-sectoral policy-oriented dialogue" - integration of agricultural, environmental and rural development issues	<u>On-going activities</u> HELCOM Agriculture and Environment Forum − facilitating actions to reduce nutrient inputs from agriculture through dialogue between national environmental and agricultural authorities HELCOM's participation in Baltic COMPASS Project: − forum for discussion and adaptation of environmental and agricultural interests and policies on the regional level
Flagship Projects			
Sweden Swedish Chemicals Agency Åsa Thors (Asa.Thors@kemi.se) Bo Nyström (Bo.Nystrom@kemi.se)	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	*"Remove phosphates in detergents in countries where this is not yet the case as recommended by HELCOM Baltic Sea Action Plan"* - a timetable to be prepared for the early phasing-out in the Baltic Sea of use of phosphates in detergents **(FAST TRACK) 31 Dec. 2012** Questions and Answers on Phosphates in Detergents can be found on the website of the Swedish Chemical Agency Expected finalization of the project is June 2011	<u>On-going activities</u> Implementation of HELCOM Recommendation 28E/7 on Measures aimed at the substitution of polyphosphates (phosphorus) in detergents. Country programmes and measures for laundry detergents were presented at the HELCOM Ministerial Meeting in 2010 and will be implemented in accordance with national timetables, and in all cases not later than by 2015. Discussion on inclusion of also dishwasher detergents will be carried out in accordance with EU process. A proposal for an EU Regulation has been put forward by EC to ban phosphorus in laundry detergents by 2013. P-containing detergents in laundry are banned for household use in LV (2010), SE (2009) and voluntarily phased out in DE (since 1980-s) and FI (since early 1990-s). P-containing dishwasher

			detergents are banned in household use in SE from 2011
Sweden Swedish Environment Protection Agency Anne Andersson, (anne.andersson@naturvardsverket.se)	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi and Lotta Ruokanen, HELCOM Secretariat lotta.ruokanen@helcom.fi	***"Cleaner waste water"*** - identifying, building / upgrading priority Waste Water Treatment Plants around the Baltic Sea (for example in Neman and Sovetsk), taking into account the HELCOM requirements to remove phosphorous and nitrogen - functioning of existing Waste Water Treatment Plants to be improved, taking into account the HELCOM on-going process	On-going activities HELCOM participation in the PURE Project (Project on Urban Reduction of Eutrophication) to promote the implementation of the stricter HELCOM requirements for Urban Waste Water Treatment Plants (UWWTPs) (HELCOM Recommendation 28E/5 on Municipal wastewater treatment) (including several Baltic municipalities as well as Belarus). List of priority installations in waste water treatment sector in Belarus that are contributing to transboundary pollution of the Baltic Sea was adopted at the 2010 HELCOM Moscow Ministerial Meeting Follow-up of national work on reaching the requirements of UWWT Directive and support to facilitation of compliance with the stricter HELCOM requirements Need for action Review of waste water treatment technologies that are available in the region for reaching more stringent HELCOM effluent standards (both chemical and biological) – partly on-going within PURE Development of List of "Green Spots" consisting of WWTPs that are in compliance with requirements of HELCOM

			Recommendation 28E/5
tbd		**"Analyse results of pilot actions"** - funded by the Baltic Sea Region programme and LIFE to recommend "best practices" **(FAST TRACK) 30 June 2010**	
Sweden Sindre Langaas (sindre.langaas@lrf.se) **Denmark** Leif Raun (lfr@landscentret.dk) **Finland** **Germany**	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi and Kaj Granholm, HELCOM Secretariat kaj.granholm@helcom.fi	**"Putting best practices in agriculture into work – Baltic DEAL"** - knowledge and promotion of how to have a nutrient-balanced agriculture and of how to reduce the leaching from agriculture into the Baltic Sea through the rivers - improving the extent and quality of national agrienvironment services and related information activities targeting farmers and their advisors Deadline: 31 December 2013	On-going activities Support and follow-up the activities of – Baltic COMPASS Project – Baltic DEAL Project– to address individual farm level Support to the Baltic Sea Farmers Prize (developed and promoted by WWF and BFFE) take it into account when developing the concept of "Green List of Farms". Need for further action: Based on the outcomes of the HELCOM Thematic Assessment of Eutrophication in the Baltic Sea and relevant inputs from the HELCOM Pollution Load Compilation work, to prioritize measures within areas with high nutrient impact to the Baltic Sea
Finland Ministry of Environment Kristiina Isokallio (kristiina.isokallio@ymparisto.fi) Laura Sajonmaa (Laura.Saijonmaa@ymparisto.fi)	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi and Kaj Forsius, HELCOM Secretariat kaj.forsius@helcom.fi	**"Assessment of regional nutrient pollution load and identification of priority projects to reduce nutrient inputs from Belarus to the Baltic Sea"** - in the context of the Northern Dimension Environmental Partnership Deadline: 31 December 2011	On-going activities For Belarus: within the Baltic COMPASS and PURE Projects – activities in Belarus to build capacity in nutrient runoff assessing on a farm and river basins scale, i.e. through training, international workshops and investments in continuous water quality monitoring

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			equipment
			Support to the project on assessment of transboundary nutrient loads originating from Belarus (led by the Finnish Ministry of Environment) – through the list of priority projects in waste water and agricultural fields – through PLC data from countries sharing watersheds with Belarus

Priority area 2: To preserve natural zones and biodiversity, including fisheries; coordinated by Germany			
Germany: Heike Imhoff			
Strategic actions			
	Maria Laamanen, HELCOM Secretariat maria.laamanen@helcom.fi and Monika Stankiewicz, HELCOM Secretariat monika.stankiewicz@helcom.fi	***"Implement the HELCOM Baltic Sea Action Plan"*** - specific reference to the Biodiversity and Nature Conservation segment, as well as the Maritime Activities segment re. the HELCOM Ballast Water Road Map & 2004 IMO BWMC - closely related to implementation and development of EU policies, including the Common Fisheries Policy	On-going activities HELCOM Maritime work on alien species (see further below). HELCOM Red List Project (2009-2013) to develop Red Lists of birds, marine mammals, macrophytes, benthic invertebrates and fish and lamprey species, and to update a Red List of Baltic Sea habitats/biotopes by 2013, including finalising a classification system for Baltic Sea habitats. HELCOM-VASAB Joint Working Group on Maritime Spatial Planning and testing and applying of the newly adopted common principles for broad scale maritime spatial planning by 2012. PlanBothnia project for piloting the use of the adopted common principles for broad scale maritime spatial planning. HELCOM Fisheries and Environmental Forum for the implementation of the fisheries related items of the Baltic Sea Action Plan. HELCOM SEAL work on the protection of seals

			in the Baltic Sea.
	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi and Maria Laamanen, HELCOM Secretariat maria.laamanen@helcom.fi	*"Reduce the negative effects of fishing on the Baltic ecosystem"* - additional national measures to minimise the effect of fishing on the marine ecosystems within their territorial waters and for fishing vessels flying their flag in line with, or more stringent than the existing Community legislation - especially for the protection of the critically endangered Baltic harbour porpoise population	On-going activities HELCOM Baltic Fisheries and Environmental Forum. HELCOM has finalised a project in cooperation with ASCOBANS to build-up a database on harbour porpoise sightings, by-catches and strandings and now needs to ensure updating of the database Need for actions Establishment of a project on assessment of impacts of fishing activities within MPAs.
Flagship Projects			
Germany Federal Ministry for the Environment, Nature Conservation and Nuclear Safety Division KI II 5 Dörte Ratzmann (doerte.ratzmann@bmu.bund.de)	Maria Laamanen, HELCOM Secretariat maria.laamanen@helcom.fi	*"Create marine protected areas"* - Member States to complete the designation of a network of marine protected areas in the Baltic Sea / BSPAs - adopted and implemented management plans that correspond to the threats towards the species or habitat they are created to protect - designation of the Natura 2000 network in the Baltic Sea to be taken into account in the context of maritime spatial planning - Coordination with measures under the Common Fisheries Policy (CFP) **(FAST TRACK)**	On-going activities Implementation of the BSAP and the HELCOM Moscow Ministerial Declaration related to the need to designate further MPAs especially in the EEZ and to develop management plans and measures for all BSPAs by 2015. HELCOM's Fisheries and Environmental Forum considers various issues and also measures that are under the CFP. Need for actions To consider joint activities for developing and implementing management plans and measures for protected areas, including a possible project on evaluating impacts of fisheries in MPAs and

			creating a toolbox of measures for management.
HELCOM **Sweden** **Germany**	Monika Stankiewicz, HELCOM Secretariat monika.stankiewicz@helcom.fi and Germany leading the work of the Correspondence Group: Manfred Rolke, BSH manfred.rolke@bsh.de	***"Restrict the introduction of new alien species by ships"**_proposed to be moved under PA4_ - enforcement of the international Ballast Water Management Convention and by means such as onboard treatment and the installation of ballast water reception facilities in ports with important traffic flows from and towards outside the Baltic Sea - HELCOM countries agreed in the Baltic Sea Action Plan (BSAP) to ratify the Convention possibly by 2010, and by 2013 at the latest - HELCOM Road Map has been agreed, focusing e.g. on the ballast water management and risk assessment for inner Baltic voyages - HELCOM is working on joint OSPAR / HELCOM guidance on the voluntary interim application of ballast water exchange standards	Accomplished work Common decision has been reached that ballast water exchange should not be a management option in the Baltic Sea. HELCOM has developed the list of alien species in the Baltic. Joint HELCOM/OSPAR Guidance on voluntary ballast water exchange have been agreed for both incoming (BWM.2/Circ. 14) and outgoing traffic (BWM.2/Circ.22). Guidance to distinguish between unacceptable high risk scenarios and acceptable low risk scenarios – a risk of spreading of alien species by ships on Intra-Baltic voyages has been adopted by HELCOM. On-going activities New HELCOM project "Pilot risk assessments of alien species transfer on intra-Baltic ship voyages" has been launched. Sweden ratified the Convention on 23 November 2009, and the ratification process is on-going in other Baltic Sea countries. HELCOM / OSPAR / REMPEC Guidance on voluntary ballast water exchange in the high seas

			by ships to/from Mediterranean agreed by HELCOM and awaiting adoption by other relevant regional commissions Work is on-going to cover alien species in the HELCOM monitoring and assessment programmes
	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi **Germany**	***"Establish measures to facilitate migration and reproduction of migratory fish species"*** Based on a classification and inventory of rivers with historic and existing migratory fish species (cf. HELCOM BSAP) - national eel management plans are also expected to contribute to the restocking of this species	<u>Accomplished work</u> Overview of the state of salmon (*Salmo salar*) and sea trout (*Salmo trutta*) populations in rivers flowing to the Baltic Sea (DG MARE funded project, started in 2010) <u>On-going activities</u> Work within HELCOM Baltic Fisheries and Environmental Forum, in cooperation with ICES e.g. on: - strengthening of the knowledge base and information exchange on European eel

Priority area 3: To reduce the use and impact of hazardous substances; coordinated by Sweden			
Sweden: Karin Klingspor			
Strategic actions			
	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	***"Implement actions to reduce hazardous substances"*** specific HELCOM BSAP Hazardous Substances segment - full implementation of the key Directives and Regulations relating to chemicals - supervision of compliance with Regulation (EC) 782/2003 which transposes the Antifouling Convention by the International Maritime Organisation (IMO) into Community law	On-going activities Revised HELCOM objective with regard to hazardous substances (in order to ensure that HELCOM always has the focus on hazardous substances of most importance/ most environmental harm in the region) was adopted as a part of HELCOM Moscow Ministerial Declaration (HELCOM Recommendation 31E/1) BALTHAZAR project 2009-2012: - establishment of a prioritized list of landfills and other hazardous waste sites and municipal management schemes with a high risk of hazardous waste pollution to the Baltic Sea; - pooling of financial resources in cooperation with IFI's and implementation of pilot projects in North West Russia; - assessment of the hazardous waste management regime and regulatory framework in support of Russian National Implementation Programme for HELCOM BSAP. COHIBA project 2009-2011: - identify the most important sources of 11 hazardous substances of special concern, - quantify inputs of the selected substances to the Baltic Sea, - analyze the pathways of the selected substances from production, processes and uses to the marine environment, - develop cost-effective management options to reduce discharges

Cooperative actions			
		"Restrict the input of hormone-like substances" - analysis of the sources, flows and impacts of pharmaceutical products in the marine environment	<u>On-going activities</u> Was taken into account within revision of HELCOM objective with regard to hazardous substances (HELCOM Recommendation 31E/1)
		"Assess the need to clean up contaminated wrecks and chemical weapons" ‒ protect sensitive marine ecosystems, taking into account earlier work carried out by HELCOM.	<u>On-going activities</u> Annual reports of Lead country (Denmark) on dumped chemical munitions at sea and HELCOM reports from 1994 and 1995, containing thorough information on the dumping sites as well as quantity, quality and potential impacts of the chemical munitions in the Baltic Sea The 2010 HELCOM Ministerial Meeting established ad hoc Expert Group to update and review the existing information on dumped chemical munitions in the Baltic Sea (HELCOM MUNI).
	Maria Laamanen, HELCOM Secretariat maria.laamanen@helcom.fi	*"Continue the research on hazardous substances"* ‒ need to improve further the knowledge basis, including through the development of the planned BONUS 185Joint Baltic Sea Research and Development Programme	<u>On-going activities</u> HELCOM CORESET project develops core hazardous substances indicators with target levels reflecting good environmental status Work on monitoring of biological effects of hazardous substances, e.g. through the BEAST Project (funded from the BONUS Programme) <u>Need for actions</u> Further joint monitoring is required and considered within HELCOM in connection with a proposal to establish a project for review of

			HELCOM's monitoring programmes
Flagship Projects (the updated list of Flagship Projects is contained in the Action Plan of the EU SBSR from 17.12.2010)			
Finland Finnish Environment Institute Kari Lehtonen (kari.lehtonen@ymparisto.fi)	Maria Laamanen, HELCOM Secretariat maria.laamanen@helcom.fi and Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	***"Develop tools and indicators for the assessment of biological effects of anthropogenic chemical stress in the Baltic Sea"*** investigating the causality between chemical pressure and biological effects at different levels of biological organization The project will also contribute to capacity building and strengthening of network via workshops (BEAST project financed by the Bonus Joint Baltic Sea Research and Development Programme)	Development of tools for biological effects of hazardous substances is one of the priority actions of the BELCOM BSAP Outcomes of the BEAST project will be taken into account in development of HELCOM CORESET indicators for hazardous substances
Poland Chief Inspectorate for Environmental Protection Katarzyna Biedrzycka (k.biedrzycka@gios.gov.pl)		***"Assess the need to clean up chemical weapons"*** – Activities should encompass identification of the current priority threats and establishment of the costs and benefits of any possible action through agreed research programmes. – This should build on existing knowledge and mapping in the Baltic Sea. – The development of major offshore infrastructure projects should also take into account the location of underwater chemical weapon dumping sites	<u>On-going activities</u> Annual reports of Lead country (Denmark) on dumped chemical munitions at sea and HELCOM reports from 1994 and 1995, containing thorough information on the dumping sites as well as quantity, quality and potential impacts of the chemical munitions in the Baltic Sea. On the initiative of Germany and Poland, the 2010 HELCOM Ministerial Meeting established an ad hoc Expert Group to update and review the existing information on dumped chemical munitions in the Baltic Sea (HELCOM MUNI) that held its first meeting in 15 November 2010.
Sweden	Mikhail Durkin, HELCOM Secretariat	***"Sustainable management of contaminated sediments"***	The Project will contribute to the revision of HELCOM Guidelines for disposal of dredged

Swedish Geotechnical Institute Göran Holm (goran.holm@swedgeo.se)	mikhail.durkin@helcom.fi	A guideline and a tool-box for treatment technologies, an assessment and decision support system will be developed, and field tests to validate and demonstrate treatment methods under various conditions will be performed. SMOCS project financed by the Baltic Sea Region Programme Deadline: 16 December 2012	material at sea, including the assessment of options for beneficial use of dredged material
HELCOM	Maria Laamanen, HELCOM Secretariat maria.laamanen@helcom.fi and Samuli Korpinen, HELCOM Secretariat samuli.korpinen@helcom.fi	***"Development of HELCOM Core Set Indicators" (HELCOM CORESET)*** to support regular updating of the thematic assessments, which assess whether HELCOMs strategic goals and ecological objectives have been reached, and whether the implementation of the Baltic Sea Action Plan has been successful. The indicators should be fully in line with Good Ecological Status (GES) as defined in the EU Marine Strategy Framework Directive, and the ensuing guidelines or criteria	HELCOM CORESET Project for the development of a HELCOM core set of indicators and targets (2010-2013) will ensure the necessary cooperation and coordination, and finally also the marine region-wide harmonisation needed to set Baltic Sea specific targets for GES related to hazardous substances and biodiversity Likewise the HELCOM work is carried out within the field of eutrophication
Finland Finnish Environment Institute Ansa Pilke (ansa.pilke@ymparisto.fi)	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	***"Control of Hazardous Substances in the Baltic Sea Region"*** Identifying the sources and inputs of 11 hazardous substances and substance groups which are addressed in the HELCOM BSAP, and develop measures to reduce the load of these substances. The project also aims at improving knowledge of best practices and capacity building (COHIBA-project co-financed by the EU Baltic	HELCOM participates in the COHIBA Project as a partner responsible for communication and dissemination of information. The COHIBA approach for screening of sources of hazardous substances will be tested within the 2nd phase of Balthazar Project in the Russian Federation The Final Conference of the Project will be

		Sea Region Programme 2007-13). (Lead: Finnish Environment Institute (SYKE). Deadline for finalisation: 2012)	arranged on 11-12 October 2011 in Helsinki, Finland
Germany ISI Fraunhofer Institute Eve Menger-Krug (Eve.Menger-Krug@isi.fraunhofer.de)	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	***"Innovative Management of Hazardous Substances in the Baltic Sea Region", (InnoMaHaz)*** – mapping sources and evaluating cost-efficiency of measures to a set of emerging hazardous substances, e.g. pharmaceuticals. – innovative measures will be analysed in terms of cost-efficiency and ease of implementation. This analysis will target selected fields, which have been identified in COHIBA as potential gaps, e.g. import of products (such as textiles), flame retardant use in the building sector or new urban infrastructure concepts for waste, waste water and urban run-off.	Follow-up of COHIBA Project Not yet started – only at the planning phase
The International Chemical Secretariat Per Rosander (per.rosander@chemsec.org) Jerker Ligthart (jerker@chemsec.org)	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	***"Reduce the use of the Substances of Very High Concern (SVHC) in the Baltic Sea Region"*** aims at bringing forward substances relevant for the environment in the Baltic Sea, such as the recommendations on hazardous substances made through the Baltic Sea Action Plan (BSAP) to the REACH candidate list	Not yet started – only at the planning phase
Sweden Swedish Medical Products Agency Charlotte Unger	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	***"Make the Baltic Sea Region a lead in sustainable development for pharmaceuticals"*** establishing a network on	This Flagship Project will support the establishment of an expert network and exchange of knowledge on the problem of pharmaceutical contamination of the Baltic marine environment,

(charlotte.unger@mpa.se)		pharmaceuticals with the focus on sustainable development where good practice and experience are exchanged between people with knowledge of medical products, health and environmental aspects within the region.	as decided by the 2010 HELCOM Ministerial Meeting. Kick-off meeting of the Flagship Project is preliminary planned in second half of 2011

Priority area 4: To become a model region for clean shipping; coordinated by Denmark			
Denmark Danish Maritime Authority Clea Henrichsen(cge@dma.dk) Helle Knudsen (hkn@dma.dk)	Lolan Eriksson, Chair of HELCOM Maritime Group, Ministry of Transport and Communications of Finland lolan.eriksson@mintc.fi and Monika Stankiewicz, HELCOM Secretariat monika.stankiewicz@helcom.fi		
Strategic actions			
	HELCOM is implementing this strategic action **Additional HELCOM contact:** Finland leading the work of the Correspondence Group - Jorma Kämäräinen, Finnish Transport Safety Agency jorma.kamarainen@trafi.fi	**"*Implement actions to reduce ship pollution*"** Based on the Maritime Activities segment in the HELCOM BSAP - IMO/MARPOL (Annex VI) introduces even stricter conditions for SOx in the Baltic Sea - IMO/MARPOL (Annex IV) provides for establishing marine areas as a NOx emission control areas - possibility to establish the Baltic Sea as a NOx Emission Control Area (NECA) - EU to assess, whether action is required at EU level or specifically within the Baltic Sea Region	On-going activities Work is well under way. All Baltic Sea countries agreed that the Baltic Sea should be designated as a NECA. Joint submission by the HELCOM countries to IMO on the Baltic Sea NECA is being finalized, e.g. based on a HELCOM study on the Baltic NECA economic impact for presentation of a progress report in June 2011, further concluding on the submission in November (HELCOM MARITIME 10/2011) and a decision in December 2011.
Cooperative actions			
Flagship Projects			

HELCOM		"Promote measures to collect ship generated waste"	On-going activities
			Policy framework is in place.
		- enhanced application of HELCOM's 'no special-fee' system for port reception facilities especially for oily wastes from machinery spaces, sewage and garbage)	HELCOM Recommendation 28/10 requires that ships should not be charged for using port reception facilities, under the "no-special-fee" system. Costs should instead be recovered from general harbour fees or general environmental fees. Majority of the ports apply the system. There is room for improvement is some ports.
		- availability of port reception facilities in the Baltic Sea Ports to be further enhanced covering the delivery of all wastes, especially waste waters, taking into account the proposal by the HELCOM Member States to the International Maritime Organisation (IMO), asking for a prohibition of the discharge of sewage from ships, especially from passenger ships and ferries **(FAST TRACK)**	HELCOM Moscow Ministerial Meeting adopted Roadmap for upgrading port reception facilities for sewage in passenger ports in the Baltic Sea Area. Road map is to be implemented by 2015 at the latest (the condition for the Baltic Sea Special Area under Annex IV of MARPOL to take effect). A Cooperation Platform on PRF in the Baltic Sea, with specific ToR, has been established to facilitate the implementation of the Roadmap, involving national administrations, passenger ports, and passenger shipping industry, and water and wastewater utilities. A round of stakeholder meetings re. PRF is being arranged (Gdynia, 4 March 2011; Tallinn, 5 April 2011; Helsinki, June 2011).
Finland Finnish Transport Safety Agency Jorma Kämäräinen (jorma.kamarainen@trafi.fi) **Sweden** Swedish Maritime Administration		"Promote measures to reduce emissions from ships and enhance the development" - for shore side electricity facilities or for emission treatment in all major ports around the Baltic Sea - promoted through taxation or tariff measures in order to come to a level	On-going activities The HELCOM-supported flagship InnoShip Project is to give advice to decision-makers on cost-efficient policy options to further reduce ship emissions, especially in the light of designation of the Baltic Sea as a NECA (which will concern only new ships) and the need to create a level playing field for existing ships.

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Reidar Grundström (Reidar.Grundstrom@Sjofartsverket.se)		playing field **(FAST TRACK)**	The flagship Clean Ship project is also active in this area. Need for actions on national and port level to implement HELCOM Recommendation 28E/13 on introducing economic incentives as a complement to existing regulations to reduce emissions from ships.
HELCOM **Sweden** (Swedish Maritime Administration Reidar Grundström Reidar.Grundstrom@Sjofartsverket.se) **Finland** (Government of Åland Mikael Wennström, mikael.wennstrom@regeringen.ax)		*"Introduce differentiated port dues depending on the environmental impact of ships"* - to set incentives for ships producing low emissions, managing waste water and ballast water in a sustainable way, using environmentally friendly technologies **(FAST TRACK)**	Need for actions on regional, national and port level to implement HELCOM Recommendation 28E/13 on introducing economic incentives as a complement to existing regulations to reduce emissions from ships. Need to raise the interest of ports regarding implementation of Ballast Water Management Convention
Finland (Finnish Transport Safety Agency Jorma Kämäräinen (jorma.kamarainen@trafi.fi))	*HELCOM has already accomplished this.* **Additional HELCOM contact:** Jorma Kämäräinen, Finnish Transport Safety Agency jorma.kamarainen@trafi.fi	*"Eliminate the discharge of sewage from ships"* - establishing, through the International Maritime Organisation, the Baltic Sea as a Special Area according to the Annex IV of MARPOL	Accomplished work HELCOM countries submitted to IMO MEPC 60 in December 2009 a joint proposal to designate the Baltic Sea as a control area for sewage discharges from passenger ships, whereby passenger ships will be required to treat their sewage to remove nutrients or deliver it to port reception facilities. HELCOM countries have also submitted in June 2010 supplementary information to the proposal for consideration by MEPC 61 (MEPC 61/7). MEPC 61 approved new regulations, which – after adoption at MEPC 62 in 2011 - will come into force when the Baltic Sea countries inform IMO on adequacy of PRF for sewage in their passenger ports.

			HELCOM countries have been requested to encourage voluntary tightening of the existing regime for sewage discharges from ships.

The European Cruise Council, representing the leading cruise companies operating in Europe, has committed their members to undertake to discharge waste water ashore at Baltic ports with adequate port reception facilities which operate under a "no-special-fee" system. |
| Region Blekinge, Sweden - Baltic Master II

Therese Nilsson, (therese.nilsson@regionblekinge.se) | | *"Improve the waste handling on board and in ports"*

- through better involvement of different actors, i.e. coastal municipalities and ports together with national authorities, research institutes, universities and pan-Baltic organisations and finding practical solutions to improve waste handling (BALTIC MASTER II) | On-going activities

Policy framework in place (e.g. HELCOM Recommendations 23/1, 22/3, 22/1, 19/3, 19/12, 19/10, 19/9, 14/7 and more at www.helcom.fi) |
| Danish Maritime Authority

Mogens Schrøder Bech(mb@dma.dk)

Nordic Council of Ministers | | *"Conduct a feasibility study on LNG infrastructure for short sea shipping"* to form the basis for further action in this field | |

Priority area 9: To reinforce sustainability of agriculture, forestry and fisheries; coordinated by Finland and Sweden			
Finland: Minna-Mari Kaila and Leena Anttila **Lithuania**: Laimonas Čiakas **Sweden:** Agnetha Alriksson	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi		
Strategic actions			
		"Continue the adaptation of the Baltic fishing fleet capacity to the available resources" - evaluate the economic performance of the fleet segments and apply necessary measures to adjust fishing capacity to a level in-line with the available resource using national means or regulations within the framework of the CFP	
		"Improve control and stop illegal fishing" - enhancement of national quota utilisation and fisheries control and inspection, especially by high- tech monitoring and surveillance, improved coordination and harmonisation among Member States - an effective traceability system based on existing legislation and further analysis of developments should be established - Copenhagen Declaration on combating unreported cod fishery in the Baltic Sea should be implemented	<u>On-going activities</u> Information exchange within HELCOM Baltic Fisheries and Environmental Authorities Forum <u>Need for action</u> Availability of new technical means to monitor landings/catches; exchange of available Vessel Monitoring System (VMS) data

Cooperative actions			
		"Develop sustainable strategies for wood" within the framework of Sustainable Forest Management (SFM) and Research and Development Programmes (RDP) - to develop a common Baltic Sea Region approach - national forest programmes or similar and / or national renewable energy plans, balancing renewable energy development, nature conservation strategies and wood mobilisation	
Lithuania Ministry of Agriculture Laimonas Čiakas (laimon@zum.lt) Vitalija Fokienė (vitalija.fokiene@zum.lt)	Kaj Granholm, HELCOM Secretariat kaj.granholm@helcom.fi	*"Enhance the combined effects of the rural development programmes"* - streamlining of the rural development measures in the national rural development programmes, including joint studies and monitoring - need to develop joint training and advisory measures, with more emphasis on common innovation across borders - deeper cooperation between the Local Action Groups in LEADER and other stakeholders in rural areas, leading to development of joint projects	<u>On-going activities</u> HELCOM participation in Baltic COMPASS Project 2010-2012: – discussions of experiences and assessment of environmental efficiency of past Rural Development Programmes between different countries – contribute to drafting of and discussion on implementability of changes to RDPs to adjust them accordingly in each country to target the locally critical issues
NCM/SNS Mika Mustonen (mika.mustonen@efi.int), Teemu Seppä (teemu.seppa@mmm.fi) Mads Randbøll Wolf (mrw@norden.org) Katrine Hahn (hahn@life.ku.dk)		*"Develop strategies for a sustainable use of and breeding with forest-, animal-, and plant genetic resources"* that are considered to have positive effect on hindering soil erosion, to minimize the use of acidifying substances, on Carbon capture and storage and finally to conserve genetic	

		diversity	
Nordic Council of Ministers Swedish Board of Agriculture Joakim Holmdahl (joakim.holmdahl@jordbruksverket.se)		***"Animal Health and disease control"*** should be reinforced. Actions and experience by the Nordic Council of Ministers should be exploited for further cooperation and development, including the Nordic Baltic cooperation in this field	
		"Enhance the combined effects of the European Fisheries Fund (EFF) programmes – streamlining of the coastal development measures in the national EFF programmes, including joint studies and monitoring – need to develop joint training and advisory measures, with more emphasis on common innovation across borders – deeper cooperation between the stakeholders, leading to development of joint projects – - inter-regional and trans-national cooperation to be promoted among the fisheries groups under the EFF support for the sustainable development of fisheries areas, mainly through the national and the Community networks	
Flagship Projects			
Sweden Ministry of Agriculture	Anne Christine Brusendorff, HELCOM Secretariat	***"Develop and improve coordination and cooperation among Member States and stakeholders"*** *on fisheries*	On-going activities Work within HELCOM Baltic Fisheries and

Robert Andrén (robert.andren@agriculture.ministry.se) Agnetha Alriksson (agnetha.alriksson@agriculture.ministry.se)	anne.christine@helcom.fi and Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	*management in the Baltic Sea* A forum called Baltfish has been established to enhance collaboration among Baltic Sea Member States as a first step towards further regionalisation of fisheries management. The forum will elaborate with relevant Baltic Sea organisations including the BS RAC and HELCOM how integration of concerned stakeholders in fisheries management and policy implementation can be strengthened The project is expected to continue without a pre-determined endpoint	Environmental Forum assists the coordination and cooperation and a joint contribution to the EU on the reform of CFP addresses for further regionalization of management and decision-making. Co-ordination of activities between the HELCOM Fisheries and Environment Forum and BaltFish, e.g. through back-to-back meetings.
Denmark Ministry of Food, Agriculture and Fisheries Ole Poulsen (opo@fvm.dk), Stina Gmür (stgm@fvm.dk)	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	*"Eradicating discards"* Even though discard rates are comparatively low in the Baltic Sea, there is scope for measures to reduce or eliminate them. This could be done by establishing joint pilot projects to identify viable solutions including gear modifications or temporal closures A Technical Working Group was established in spring 2010 with two meetings held in April and May The project is expected to be finished by the end of 2010 or first half of 2011	A joint statement to EU elaborated by the HELCOM Baltic Fisheries and Environmental Forum on the discard issue
Poland Ministry of Agriculture and Rural Development Maria Szemplinska (Maria.Szemplinska@minrol.gov.pl)	Kaj Granholm, HELCOM Secretariat kaj.granholm@helcom.fi	*"Sustainable rural development"* - to develop sustainable rural tourism, agriculture, forestry and aquaculture or inland water fisheries - new practices on using an integrated approach to be developed to minimize	On-going activities HELCOM participation in Baltic COMPASS Project 2010-2012

Sweden Swedish National Network for Rural Development Hans-Olof Stålgren (hans-olof@stalgren@hush.se)		the leakage of nutrients	
Sweden Swedish Board of Fisheries Laura Piriz (Laura.piriz@fiskeriverket.se)	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	***"Ensure sustainable fishing"*** - addressing failures and opportunities in the policy as identified in the Common Fisheries Policy reform process in cooperation with stakeholders concerned and including the development of alternative approaches and the exchange of existing best practice in support of the reform of the policy - public authorities and stakeholders to take into account the recommendations of the HELCOM Baltic Sea Action Plan	<u>On-going activities</u> Work within HELCOM Baltic Fisheries and Environmental Forum. Development of the Core Set of indicators to reflect the ecological objectives of the Baltic Sea Action Plan and updating of the existing almost forty indicator fact sheets on the HELCOM website annually
Finland: Finnish Game and Fisheries Research Institute Unto Eskelinen (unto.eskelinen@rktl.fi)		***"Encourage sustainable aquaculture production methods"*** - implemented by the European Fisheries Fund (EFF) operational programmes of the EU Member States	Project proposal "Innovative practices and technologies for developing sustainable aquaculture in the Baltic Sea region" was submitted for possible funding from the EU BSR programme 2007-13
NCM/SNS Mika Mustonen ([mika.mustonen@efi.int),](mika.mustonen@efi.int) Teemu Seppä ([teemu.seppa@mmm.fi)](teemu.seppa@mmm.fi) Mads Randbøll Wolf ([mrw@norden.org)](mrw@norden.org) Katrine Hahn ([hahn@life.ku.dk)](hahn@life.ku.dk)		***"Sustainable forest management in the Baltic Sea Region - EFINORD"*** EFINORD interacts with EU especially in policy related issues and integrates forest research of the Nordic region into Europe. The network should focus on sustainable forest management, reflecting regional issues; primarily biomass production and ecosystem	

		services, which are high on the agenda for forest owners, industry, and society at large At the moment, there are altogether nine projects under the flagship. The projects are at various stages of project cycle. Project "Hardwoods are good" has received funding (1.2 million € from the South Baltic Programme) and implementation is underway. Three projects/activities ("Evolutionary genetic pockets for broadleaved tree species", "Cooperation in breeding of Norway spruce" and "Creating a Nordic-Baltic information service for forests and forestry") have received seed-money from the Nordic Council of Ministers. The goal of the seed money granted to launch start-up phase and to further develop project activities. The rest of the projects are currently still at planning phase or seeking funding.	
NordGen Nordic Council of Ministers Mads Randbøll Wolf ([mrw@norden.org]( ))		**"Network of institutions for management and conservation of plant genetic resources (PGR) in the BSR under changing climate conditions"** to secure sustainable conservation and use of plant genetic resources relevant for food and agriculture. To accomplish this, networks of institutions within the region are already established to exchange and develop knowledge within the field.	
Denmark Innovation Centre for Bioenergy and	Kaj Granholm, HELCOM Secretariat	*"Establish a Forum for Inventive and Sustainable Manure Processing" -*	On-going activities HELCOM Agriculture and Environment Forum

Environmental Technology (CBMI) Knud Tubrik (kt@cbmi.dk) **Finland** Agrifood Research, Technology Research and Environmental Research (MTT)	kaj.granholm@helcom.fi and Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	*BATMAN* - exchange of information on how to process manure in sustainable ways in the Baltic Sea Region to minimize the environmental impact, and to reach benefits such as renewable energy	HELCOM BALTHAZAR Project HELCOM participation in the Baltic COMPASS Project
Germany Julius-Kühn-Institut Silvia Haneklaus (silvia.haneklaus@jki.bund.de) **BATMAN**	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	***"Recycling of phosphorus".*** Recycling of phosphorus is an urgent challenge as it is estimated that the world's easily and economically usable phosphorus will last only for 50-150 years. At the same time the phosphorus load on waters caused by agriculture is a cause for eutrophication. New practices on using an integrated approach should be developed to minimize the leakage of nutrients / phosphorus and to maximize the recycling of all kind phosphorus sources in addition to manure	Follow-up by HELCOM LAND and HELCOM Agriculture and Environment Forum
Nordic Council of Ministers Swedish Board of Agriculture Joakim Holmdahl (joakim.holmdahl@jordbruksverket.se)	Mikhail Durkin, HELCOM Secretariat mikhail.durkin@helcom.fi	***"Reinforcement of animal health and disease control"*** In the Nordic-Baltic region veterinary contingency planning has been on the common agenda for some years and some of the experience will be used in a future cooperation in the whole Baltic Sea Region. The efforts made to facilitate training in the Nordic-Baltic region in the use of risk analysis and creation of networks for sharing experiences should be explored	

Priority area 13: To become a leading region in maritime safety and security; coordinated by Finland and Denmark			
Denmark Bjarke Wiehe Bøtcher, DaMSA, (bbt@frv.dk) Niels Wammen-Jensen Hamad Butt Steen Balslev **Finland** Silja Ruokola Hannu Laurikaineni	Lolan Eriksson, Chair of HELCOM Maritime Group, Ministry of Transport and Communications of Finland lolan.eriksson@mintc.fi and Monika Stankiewicz, HELCOM Secretariat monika.stankiewicz@helcom.fi		
Strategic actions			
		"Create a common maritime management system and monitoring, information and intelligence sharing environment for the Baltic Sea" - creation of an integrated network of reporting and surveillance systems is needed for all maritime activities, such as maritime safety, maritime security, protection of the marine environment, fisheries control, customs, border control and law enforcement - identify possible gaps and inconsistencies in fields where cooperation between civil and military assets exists, or could be developed in the future	
	HELCOM will contribute to this strategic action	*"Improve the coordination of systems relating to ships' routing and monitoring of the vessel traffic and consider establishing new systems"*	On-going work on safety measures under the HELCOM Maritime Group. A HELCOM meeting of experts on maritime

		- improve the coordination and information sharing mechanisms between the existing systems to ensure their effective interoperability	safety, 22 February 2011, Malmö, identified 12 areas for strengthening of regional expert cooperation in navigational safety.
		- Coastal states should jointly consider whether new measures (routing/traffic separation schemes/mandatory reporting systems) should be introduced	Overall risk analysis of shipping accidents on-going under the HELCOM's BRISK and BRISK-RU Projects.
		- decisions on these measures should be based on the analysis of the risks and effectiveness of the measures based on a formal safety assessment and research projects	Joint application to IMO regarding increased use and optimization of AIS application-specific messages, based on the AISBALTIC Project. The work will continue (within the AISBALTIC follow-up actions and the Efficient Sea Project reported to HELCOM AIS EWG) to promote the use of the messages in the Baltic Sea to enhance the information exchange between ships and shore authorities.
		- jointly utilize improved satellite navigation systems, such as Galileo, to support maritime positioning and navigation, especially for Automatic Identification Systems (AIS), Vessel Traffic Management Systems (VMS), hazardous-cargo monitoring, for port approaches, ports and restricted waters as well as for safety systems for Search and Rescue	
	Additional HELCOM contact: Bernt Stedt, Chairman of HELCOM Response Group, Swedish Coast Guard bernt.stedt@coastguard.se	***"Jointly apply surveillance tools"*** such as coastal radars, A*utomatic Identification System (*AIS*)*, V*essel Monitoring System (*VMS*)*, *Long Range Identification and Tracking of Ships* (LRIT), earth observation satellites and maritime patrol aircraft, in the Baltic Sea Region	<u>Well under way</u> Joint aerial surveillance activities, supported by AIS, VMS, satellites and oil drift forecasting tool Seatrack Web coordinated by HELCOM RESPONSE and its Informal Working Group on Aerial Surveillance.
		- cooperation between Baltic Sea Region Member States and the European Maritime Safety Agency in	Cooperation with EMSA well established, including coordinated request for satellite images covering the Baltic Sea.

		tracing illegal discharges by ships will continue - further dialogue between relevant authorities, including the armed forces, to investigate the possibility of operating jointly national assets at regional level should take place	
Cooperative actions			
		"Ensure that vessels, in particular those transporting energy products or other dangerous cargo, are up to the highest maritime safety standards" and that crews serving onboard are well trained, in the framework of EU efforts on quality shipping especially in the light of the recently adopted third EU maritime safety package	Need to implement HELCOM Recommendation 28E/11 on further measures to improve the safety of navigation in ice conditions in the Baltic Sea.
Flagship Projects			
Member State or Inter-governmental Body (tbc), relevant European agencies to be associated The Finnish Border Guard Marko Tuominen (marko.tuominen@raja.fi)	**Additional HELCOM contact:** Bernt Stedt, Chairman of HELCOM Response Group, Swedish Coast Guard bernt.stedt@coastguard.se	***"Conduct a technical feasibility study on a Baltic Sea Coastal Patrol Network"*** - to involve national "coast guard-like" services in EU Member States and third countries, in the context of maritime safety, maritime security, and pollution prevention and response in the Baltic Sea	
MARSUNO pilot project led by Sweden Swedish Coast Guard Headquarters Dan Thorell (dan.thorell@coastguard.se)		***"Become a pilot region for the integration of maritime surveillance systems"*** - to develop and test mechanisms for improving maritime awareness by sharing operational information between government departments and	

		agencies responsible for monitoring activities at sea of all Baltic Sea countries - development of technical interfaces that securely allow for all countries to join in a common situational image containing restricted law enforcement and other information **(FAST TRACK)**	
HELCOM International Hydrographic Organisation (Juha Korhonen, Finnish Transport Agency)	Monika Stankiewicz, HELCOM Secretariat monika.stankiewicz@helcom.fi	***"Speed up re-surveying of major shipping routes and ports"*** - to ensure that safety of navigation is not endangered by inadequate source information	<u>On-going activities</u> The Moscow Ministerial Meeting agreed to extend the scope of the 2001 HELCOM Copenhagen Declaration to cover all routes and other areas used for navigation according to the revised Baltic re-survey scheme to be developed based on the 2009 Baltic Sea Hydrographic Commission <u>Vision for the re-survey</u> as well as to: - present their national re-survey plans preferably by 2013, but not later than 2015, including time schedule estimations; - undertake necessary measures to ensure that sufficient funding, including external funding, will be available for re-surveys; - undertake measures to improve mariners' abilities to assess and interpret hydrographic content in nautical charts and publications either in printed or digital form, especially in the Electronic Chart Display and Information System. The BSHC Re-survey Monitoring Working Group has adjusted its Work Programme accordingly (as approved by BSHC 15th Conference in 2010). An application to the **EU TEN-T funding** to speed up re-surveys of the Finnish and Swedish area has been approved in 2011).

Danish Maritime Safety Administration Thomas Christensen (thc@frv.dk)		*"Become a pilot region for e-navigation"* - establishing one or more e-navigation trial zones, in view of the gradual achievement of an integrated network of e-navigation systems for European coastal waters and the high seas (EfficienSea project) **(FAST TRACK)**	
Poland Ministry of Infrastructure, Department of Maritime Transport and Inland Navigation Dorota Lost-Sieminska Justyna Bartnicka (jbartnicka@mi.gov.pl)		*"Create a network of centres of excellence for maritime training"* - to provide young people attractive prospects for a life-long career in maritime enterprises / professions and facilitate mobility between sea and land based jobs *"Jointly develop high standards of training, drills and exercises"* for upgrading seafarers' competences, and adapting requirements to today's shipping industry (sophisticated vessels, ICT, security and safety, navigation in ice conditions) - ensure familiarity with security plans and procedures for ship and port facility security	Need to implement HELCOM Recommendation 28E/11 on further measures to improve the safety of navigation in ice conditions in the Baltic Sea. HELCOM supports at policy level training in ECDIS use (through its Ministerial Meeting in Moscow in May 2010).
Member State or Inter-governmental Body (tbc)		*"Develop a plan to reduce the number of accidents in fisheries"* - improving the way information on accidents is gathered and analysed, enhanced training and awareness programmes, as well as sharing best practices and developing specific measures to increase the safety of	

		fishermen	
Poland		*"Conduct a pre-study on possible funding for a formal risk assessment for LNG carriers in the Baltic Sea Area"* - to identify any preventive measures and regulations in relation to safety and security.	

Priority area 14: To reinforce maritime accident response capacity protection from major emergencies; coordinated by Denmark			
Denmark Danish Defence Command / Policy Branch Claus Smith Rasmussen	Bernt Stedt, Chairman of HELCOM Response Group, Swedish Coast Guardbernt.stedt@coastguard.se and Monika Stankiewicz, HELCOM Secretariat monika.stankiewicz@helcom.fi		
Strategic actions			
	HELCOM is already implementing this strategic action and is ready to take the lead	***"Implement the HELCOM Baltic Sea Action Plan (BSAP)"*** - to ensure swift national and international response to maritime pollution incidents, including intensifying cooperation between offshore and shoreline response (notably including local and regional authorities), and enhanced cooperation on places of refuge based on directive 2002/59 - a mutual plan for places of refuge is under development to ensure that a ship in distress is always granted the most suitable place of refuge irrespective of national borders	On-going HELCOM cooperation Well under way A stand-by network of response vessels in all Baltic Sea countries is already established and ready to assist each other in case of ship pollution according to HELCOM Response Manual. On-going HELCOM Project "Sub-regional risk of spill of oil and hazardous substances in the Baltic Sea" (BRISK), co-financed within the Baltic Sea Region Programme from ERDF. Complementary activities in Russia are funded within the Nordic Council of Ministers (NCM) BRISK-RU project. These two projects aim at ensuring that each sub-region in the Baltic Sea will be capable of efficiently responding to major pollution at sea. HELCOM Response Manual has been amended with cooperation on oiled wildlife response. A new HELCOM Expert Working Group on

			Shoreline Response established e.g. to include also transboundary shoreline response into the HELCOM operational procedures.
			HELCOM Recommendation 31E/5 on Mutual Plan for Places of Refuge adopted at the HELCOM Ministerial Meeting on 20 May 2010, Moscow.
Cooperative actions			
		"Develop a winter storms and storm surge prevention and preparedness approach" - develop methods on how to enhance cooperation between different local, regional and national agencies having a role in emergency operations relating to winter storms and storm surge, and on how to increase synergies with the Community Civil Protection Mechanism - methods for cooperation should be given a broad interpretation including public awareness actions, contingency planning, disaster scenarios, communication systems, use of technology, joint exercises and training, etc.	
Flagship Projects			
Member State or Inter-governmental Body/VOMARE project (tbc)		***"Assess volunteer troops capacities regarding maritime pollution response, as well as maritime search and rescue operations"***	On-going activities HELCOM-supported Project "EnSaCo" on transboundary cooperation on shoreline and wildlife response, including organization of volunteers, between Sweden, Finland, Estonia and Russia.

			HELCOM cooperation with Sea Alarm and WWF Finland, including the jointly developed HELCOM Recommendation 31E/6 on Wildlife Response Planning in the Baltic Sea area adopted by 2010 HELCOM Ministerial Meeting.
Admiral Danish Fleet HQ Project Manager: Peter Poulsen, DK		*"Map existing marine pollution response capacities and make sub-regional plans for cross-border response cooperation"* - based on assessment of the integrated risk of shipping accidents (BRISK project, financed by the 'Baltic Sea Region' transnational programme, which is part of the 'Territorial Cooperation' objective) **(FAST TRACK) 24 Oct. 2011**	On-going activity The BRISK and BRISK-RU Projects (see a strategic action) implemented under the umbrella of the HELCOM Response Group. Note: The lifespan of the project has been extended to April 2012.
Member State or Inter-governmental Body (tbc)		*"Develop scenarios and identify gaps"* for all main hazards, including winter storms and floods in order to: - to anticipate potential disasters, thus enabling a rapid and effective EU response through the Community Civil Protection Mechanism	

Horizontal actions			
Become a pilot project in implementing the Marine Strategy Framework Directive			
	Maria Laamanen, HELCOM Secretariat maria.laamanen@helcom.fi	The Marine Strategy Framework Directive includes the option for a region to be a pilot project, subject to some eligibility conditions, when the status of a marine region is so critical as to necessitate urgent action. This entails that the European Commission provides supportive action. The recognition of the environmental degradation of the Baltic Sea led to the adoption of the HELCOM Baltic Sea Action Plan (BSAP), which is coherent with the concept of an early programme of measures required for a pilot project. Therefore, the consideration of supportive action by the Commission should be urgently addressed in the framework of the EU Strategy for the Baltic Sea Region. With a view to progress towards the establishment of a pilot project in the Baltic Sea, an important form of "supportive action" already at this stage could be to optimise the use of EU funds having regard to the critical status of the Baltic Sea, thereby securing effective integration of environmental concerns in the real application of sectoral policies, to better address the urgent environmental challenges related to the Baltic Sea, as agreed by the European Council.	<u>On-going activities</u> The HELCOM Moscow Ministerial Declaration established the role of HELCOM as the regional platform for the implementation of the MSFD. Overall coordination for the regional implementation of the MSFD is being carried out by the Joint Advisory Board of the HELCOM CORESET and TARGREV projects. Expert work on establishing indicators and GES targets is being carried out in the HELCOM CORESET project, and the TARGREV project for strengthening the eutrophication status targets' scientific basis. The HELCOM National Implementation Programme Project (NIP Project) presented a first evaluation of the nine National Implementation Programmes for how the countries have/will implement the HELCOM Baltic Sea Action Plan, at the HELCOM 32/2011 high-level segment in order to share experience on common solutions to joint Baltic-wide activities. The outcome of the evaluation was reflected in a Communiqué of the High-level Segment, noting the progress and successful implementation in various fields, as well as the areas in which more activities are required. Together with a representative of the NIB/NEFCO Technical Assistance Fund for the HELCOM BSAP (BSAP Fund), the HELCOM Secretariat is trying to promote the development of project ideas within these focus areas, through visits to the countries and dialogues with interested stakeholders.

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Encourage the use of Maritime Spatial Planning in all Member States around the Baltic Sea and develop a common approach for cross-border cooperation			
		Increased activities in the Baltic Sea lead to competition for limited marine space between sectoral interests, such as shipping and maritime transport, offshore energy, ports development, fisheries and aquaculture in addition to environmental concerns. Maritime Spatial Planning (MSP) is a key tool for improved decision-making that balances sectoral interests that compete for marine space, and contributes to achieving sustainable use of marine areas to benefit economic development as well as the marine environment. The development of a Maritime Planning System for the Baltic Sea, based on the ecosystem approach, is encouraged at national level as well as common cross-border cooperation for the implementation of the Maritime Spatial Planning in the Baltic Sea following the key common principles set out in the recently adopted Commission's Roadmap for Maritime Spatial Planning. The European Community and the HELCOM contracting States have agreed in the context of the HELCOM Baltic Sea Action Plan to develop such an integrated tool, and relevant initiatives are also in process with VASAB, Baltic Regional Advisory Council78 and relevant stakeholders. The Commission will also launch preparatory actions in the Baltic Sea to test the implementation of	Accomplished work Establishment of the joint HELCOM-VASAB working group on maritime spatial planning (HELCOM-VASAB MSP WG) Adopted mandate for the joint HELCOM-VASAB MSP WG HELCOM-VASAB Baltic Sea Broad –scale Maritime Spatial Planning Principles adopted in the end of 2010 Approved Work Plan for the years 2010-2013 for the Working Group by the Second Meeting of the Joint HELCOM-VASAB MSP WG On-going activities The application of the MSP principles is being tested within the EU funded HELCOM led project PlanBothnia project. The discussion within the group continues on the international legislative basis for MSP as well as the application of the ecosystem approach as an overarching principle for MSP, with the aim to identify basic elements and find a common understanding on these two issues.

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		Maritime Spatial Planning in a cross-border context in close cooperation with the Baltic Member States.	
Transform successful pilot and demonstration projects into full-scale actions			
		This knowledge has been gained through projects financed by EU, national, regional funds or private funds. For example, such projects have been / are being implemented under the umbrella of HELCOM, Baltic 21, the Nordic Council of Ministers, Partnerships in the framework of the Northern Dimension etc. Under the 'Baltic Sea Region' transnational Programme which is part of the 'Territorial Cooperation' objective of the ERDF some projects are also supported. The potential of this transnational Programme, which covers already the Baltic macro-region, should be maximised.	
Use research as a base for policy decisions			
	Maria Laamanen, HELCOM Secretariat maria.laamanen@helcom.fi	To achieve the objectives of the strategy (including the restoring of the Baltic Sea environment, adapting to climate change, developing sustainable fisheries, agriculture and tourism or establishing common spatial planning), there is a need for actions and measures by all countries in many different sectors. Often these are very expensive, and it is necessary to prioritise. Applied (or policy linked) research with participations from all countries in the Baltic Sea region can provide the necessary data for such decisions to be made. The Baltic Nest decision support	On-going activities The HELCOM Baltic Sea Action Plan is an example of a comprehensive action plan which is based on coherent scientific information, including a long tradition of HELCOM in monitoring and assessment activities. HELCOM continues activities to strengthen the knowledge basis that support the various activities in implementing the Baltic Sea Action Plan. Development of the Core Set of Indicators is the first step of the revision of HELCOM's monitoring programmes and is being carried out

		system and the BONUS+ programme (continued as BONUS 185) are among the most important, together with the planned research programme on costs for no actions (a Baltic "Stern" report).	by the HELCOM CORESET project. Activities needed Revision of HELCOM monitoring programmes to adjust to the current needs and new policy frameworks should be undertaken and HELCOM HOD have agreed in principle on a HELCOM MORE project to begin the revision.
Define and implement the Baltic Sea basin component of the European Marine Observation Data Network (EMODNET) and improve socio-economic data			
		Marine data – geological, physical, chemical and biological - collected largely by public institutions, are still fragmented, of uncertain quality and difficult to assemble into coherent pictures of the entire Baltic sea-basin. The Commission has proposed a European Marine Observation and Data Network (EMODNET). As a preparatory action of this initiative, a first versions of sea-basin scale map layers of Baltic geology (sediments, geohazards, mineral resources) and broad-scale marine habitats (building on the work of the BALANCE project) will be ready by 2010. The Commission has also developed a database on data for maritime sectors and coastal regions that constitute a first step towards developing Baltic sea-basin-wide socio-economic indicators.	On-going activities HELCOM and its data hosts hold large quantities of data collected by the Contracting Parties through the various HELCOM monitoring programmes initiated already in the 1970s. Development of the HELCOM map and information service on the HELCOM web site will continue. Need for actions To ensure the use of the above-mentioned data, as well as data structures and that EMODNET will contribute to the development of the HELCOM data collection and storage

Chapter 3: A presentation of the contribution of the Structural Funds programmes

This chapter describes the contribution of the Structural Funds programmes to the implementation of the Baltic Sea Strategy. It is based on the reports provided by Managing Authorities of the different convergence, competitiveness and employment, as well as European territorial cooperation programmes covering the Baltic Sea Region.

They are presented:

- by country and by programme for convergence and competitiveness programmes (an analytical summary by country followed by a technical sheet for each programme)
- by strand and by programme for European territorial cooperation programmes (one technical sheet by programme)
- by fund.

The complete version of the reports of programmes sent by Managing Authorities will be put on the DG REGIO website:

http://ec.europa.eu/regional_policy/cooperation/baltic/index_en.htm

3.1 Contributions by country and by programme for convergence and competitiveness areas

3.1.1. Denmark (Total area: 43 098 km^2 – Population: 5 534 738 inhabitants)

Cohesion Policy 2007–13

FUNDS FOR DENMARK IN MILLION € 2007–13

Objective	Fund	EU	National Public	National Private	Total
Regional Competitiveness and Employment	ERDF	255	157	98	510
	ESF	255	170	85	510
Total Regional Competitiveness and Employment		**510**			
Total European Territorial Cooperation*	ERDF	103	-	-	103
TOTAL		**613**	**327**	**183**	**1 123**

Figures have been rounded up

* Each Territorial Cooperation programme includes a minimum of 15% co-financing from each participating Member State.

Competitiveness and employment objective

3.1.1.1. Analytical summary

Denmark is covered by the ERDF Programme "*Innovation and Knowledge*" and the ESF Programme "*More and Better Jobs*" under the *regional competitiveness and employment objective* 2007-13.

The two programmes are closely related and combine four growth drivers defined by the OECD: human resource development, innovation, entrepreneurship, and the use of new technology.

In addition, Denmark participates in six territorial cooperation programmes.

The programme "*Innovation and Knowledge*" receives €255 million from the ERDF; the programme "*More and Better Jobs*" receives €255 million from the ESF; and the territorial cooperation programmes receive €103 million from the ERDF.

Administratively, Denmark is divided into five regions[57] with regionally elected political leadership. The tasks of the regions include health care, operation of social and special education institutions as well as regional development. Furthermore, the regions are in charge of the regional growth forums, which prepare the *Regional Business Development Strategies* that are the basis for committing ERDF and ESF funds on the ground under the regional competitiveness and employment objective (within the overall framework of the respective ERDF and ESF Programmes).

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[57] Each of the five Danish regions correspond to a NUTS II region re: Commission Regulation (EC) No 105/2007 of 1 February 2007 amending the annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS), http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32007R0105:EN:NOT

The Managing Authority for both the ERDF and ESF is the *Danish Enterprise and Construction Authority* under the Ministry of Economic and Business Affairs. In the regions, the Growth Forums and the Growth Forum Secretariats are managing the calls for proposals, etc.

3.1.1.2. Description of the ERDF Programme "Innovation and Knowledge"

Programme Description

The ERDF Programme "Innovation and Knowledge", which includes a single priority plus technical assistance, is focusing on innovation, entrepreneurship, and the use of new technology.

About 75 % of the ERDF funds had been allocated by the end of 2010 to approved projects and projects undergoing approval.

Contribution to the EUSBSR

The Managing Authority established in 2010 a simplified monitoring system where the regional growth centres can register ERDF and ESF projects relevant to the implementation of the EUSBSR, including categorisation of the related expenditure. The growth centres have received relevant guidance accompanying the request to register such projects from January 2010 onwards.

During 2010, the following two projects were registered:
− In the field of *research and technological development*, the ERDF is supporting *"growth projects having research and innovation potential in the Baltic Sea Region"* with €320 126.73;
− In the *environmental* field, the ERDF is supporting the project *"making the Baltic Sea Region a sustainable area – climate change, clusters and sustainable cities"* with €581 664.00

Both projects are located in the Zealand region. The Managing Authority estimates that the two projects contribute indirectly to achieving the objectives of the EUSBSR, as they are neither initiated in view of the Baltic Sea Strategy nor specifically targeting the implementation of the Strategy.

In March 2010, the Managing Authority asked the regional Growth Forum secretariats to consider how the Baltic Sea Strategy could be incorporated into the updating of their regional business strategies. The Growth Forums were also asked to consider whether the regional selection criteria should place special emphasis on "Baltic Sea Strategy" projects.

A single Growth Forum, South Denmark, has indicated that when the business development strategy is updated, the Baltic Sea Strategy will be incorporated, including the introduction of a specific selection criterion favouring projects related to the Baltic Sea Strategy. The Growth Forum in South Denmark notes, however, that the Baltic Sea Strategy seems more relevant to its Danish-German territorial cooperation.

Three Growth Forums, Zealand, Copenhagen and Bornholm, mention the Baltic Sea Strategy in their new business development strategies. The clearest support for the Strategy is expressed by Growth Forum Zealand, which is emphasising renewable energy, environmental

technologies, sustainable construction/housing and climate-friendly innovation. The Growth Forum in Bornholm has expressed interest in the Baltic Sea Strategy.

The Growth Forums in Mid-Jutland and North-Jutland do not make specific references to the Baltic Sea Strategy, which is somewhat reasonable in view of the geographic location of these regions.

Tables and figures

Funding capacity of the Danish ERDF Programme "Innovation and Knowledge"	Total EU funding available (million €)	Decided projects (*) (million €)	Amount remaining available (million €)
Axis 1. Innovation and Knowledge	245.1	189.9	55.4
Axis 2. Technical Assistance	9.7	5.5	4.2
Total	254.8	195.4	59.6

(*) Decided projects include both projects that have been approved by the Managing Authority and projects that have been submitted to the Managing Authority for approval after selection by the regional Growth Forums. Exchange rate used: 7.45 DKK/EUR. Source: Managing Authority, 30 April 2011.

3.1.2. Estonia (Total area: 45 227 km^2 – Population: 1 340 127 inhabitants)

3.1.2.1. Analytical summary

ERDF, CF and ESF programmes in Estonia: Implementation process

Organisational measures taken in order to implement the EUSBSR

The Ministry of Foreign Affairs has set up an Inter-Ministerial working group under the coordination of the National Contact Point. Based on the discussions held in this group, screening of measures was performed. As a result, the Structural and Cohesion Fund measures, as well as measures funded from the European Agricultural Fund for Rural Development and the European Fisheries Fund, were divided into a) measures considerably contributing to the objectives of the EUSBSR Priority Areas, b) measures with indirect or less considerable contribution, and c) measures without direct relevance to the EUSBSR objectives. Concerning the measures of the first group, the results and contribution to the EUSBSR objectives were described in the 2010 implementation reports of the relevant Operational Programmes (OP) and Rural Development Plan, including financial data. Concerning the measures of the second group, their contribution was also described in the text part of the reports.

It does not appear that any particular changes, other than the reference to the Strategy, have been made to the programmes nor are there any additional structures set up to accommodate the Strategy. On a national level, it is reported that decisions on projects have already been made regarding circa 80% of the assistance foreseen for the period. From the Estonian point of view, the Strategy was completed only after the OPs were already being implemented, and the selection or evaluation criteria of projects to be co-financed were not modified as the Strategy was adopted. It was decided that the OP and Strategy are sufficiently aligned and modification of the selection or evaluation criteria is not necessary.

Examples of projects contributing to the EUSBSR

Estonian reports present a large variety of examples of implemented projects consistent with the Strategy.

Examples of indirect contribution include the clusters programme for enterprises, which supports involvement of cross-border foreign partners. In addition, there are a lot of activities

to promote internationalisation of Estonian enterprises: Export Marketing Support, Support to Joint Marketing, Support to Participation in Foreign Fairs, Programme of Introducing Estonia as a Tourism Destination, Programme of Development of Tourism Information Systems, Support to Tourism Marketing for Businesses, Support to Marketing Activities of the Public and the Third Sectors, and Support to International Events and Conferences.

Projects contributing directly to the Strategy goals include many environmental projects – water, waste water, residual pollution clean-up, closure of landfills, energy savings, etc. – and transport projects. Estonian transport programmes contribute towards the Rail Baltica and Via Baltica Flagship Projects. Estonia has completed the railroad reconstruction works, such that a 120 km/h speed is now possible on the Estonian Rail Baltica section. In the road sector, works have commenced on the Pärnu section of the Via Baltica road. Projects of the Estonian Meteorological and Hydrological Institute also contribute directly to Priority Area 13: To become a leading region in maritime safety and security.

Estonian authorities plan to host a conference on e-ID within the framework of actions directly related to the EUSBSR – The European e-Identity Management Conference 2011 (8–9 June 2011 – Tallinn, Estonia).

Main problems encountered

No problems are specifically reported, but it appears that coordinating the development and the implementation of the process between NCPs, Ministries and PACs, political involvement, the delivery mechanism and alignment of funding sources are also the main difficulties to overcome in Estonia.

On October 14-15, 2010 the Annual Forum of the Strategy for the Baltic Sea Region was held in Tallinn, where the working group of horizontal themes also revised possibilities for the use of different structural resources to achieve the objectives of the Strategy for the Baltic Sea Region.

Main lessons learned and what should be done in the future to improve links between programmes and the EUSBSR

The possibility is left open to modify the criteria in the future and to try to have more coherent integration of the strategic planning (joint proposal by Estonia and Sweden) and of the delivery system in the future.

From the Commission's point of view, the joint proposal by Estonia and Sweden and the preliminary actions taken to develop a more coherent integration of the Strategy at the national level when preparing the next programming period constitute significant attempts to improve the overall coherence of the strategic framework at EU, macro-regional and national levels, the functioning of the delivery system and the success in achieving the targeted results. During the current programming period, it would be recommended to start to make use of the possibility to carry out cooperation projects under the convergence objective programmes within the meaning of Article 37 6) b) of Regulation 1083/2006.

Estimated contribution of the EU convergence objective Operational Programmes in Estonia, to implementation of the EUSBSR objectives (more detailed information is provided in the presentation factsheet by ERDF and CF Operational Programmes in Estonia).

Estimated contribution of the EU convergence objective OPs in Estonia to implementation of the EUSBSR based on the decided projects (for more detailed information, see factsheet by OP in Estonia)

Priority Areas of the Strategy	ESF+ ERDF+CF amount (€)
R&D	0
Innovation	30 060 027
Energy	27 874 638
Transport	299 816 774
Environment	403 642 355
Other: *tourism, youth, Priority Area no 6, 8, 12*	9 390 528
Total ESF+ERDF+CF	**770 784 322**
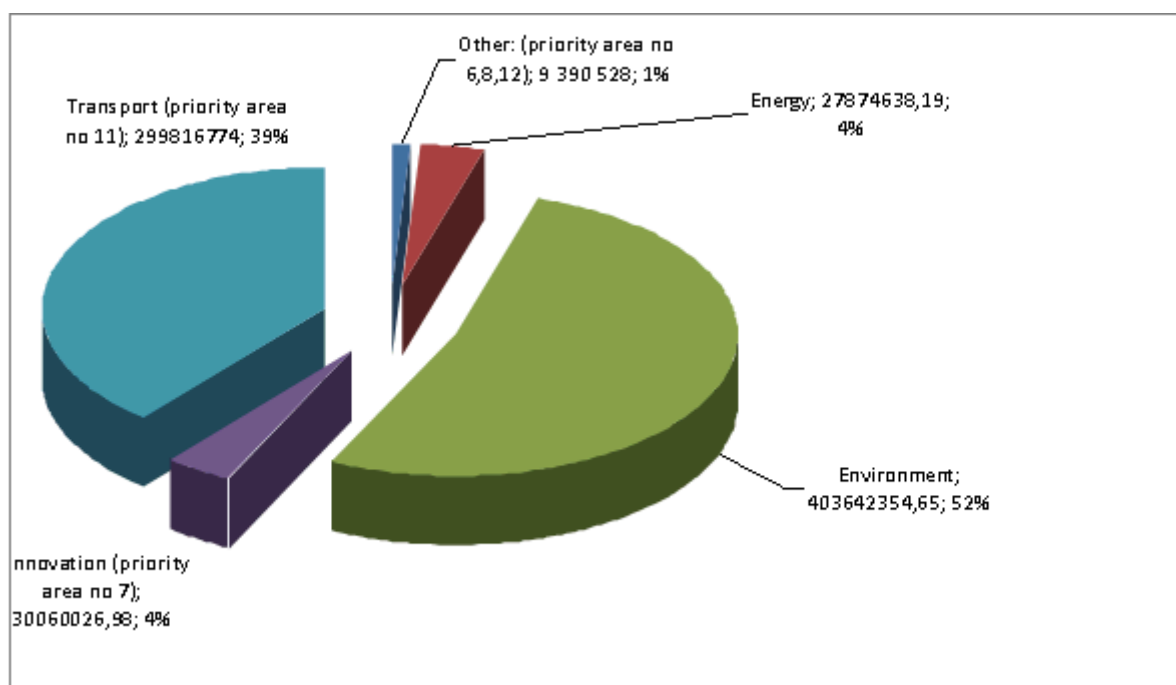
3.1.2.2. Contribution of the convergence objective Operational Programme for Development of the Economic Environment in Estonia to the EUSBSR

Programme Description
The Programme is co-funded by the European Regional Development Fund (€879 million) and the Cohesion Fund (€525 million) under the convergence objective. This forms approximately 41.3% of the total EU money invested in Estonia under cohesion policy 2007-13.

The OP for the Economic Environment aims at further improving the environment where economic competitiveness and productivity of enterprises can increase. This means that support is made available to a wide range of economic activities, from technology-intensive industries to tourism and development of creative industries (design, architecture etc.). The OP will support knowledge creation and dissemination in universities, research institutions and enterprises. In addition, investments are foreseen for transport infrastructure in the Estonian regions and for public transport networks. Trans-European Networks (TEN) connecting Estonia with neighbouring countries and the central part of Europe will be improved. In addition to physical infrastructure, the OP will support the development of Information Society services.

Contribution to the EUSBSR
The measures of this OP contribute directly and indirectly to the EUSBSR Priority Areas No 6, 7, 8, 11 and 12, because the activities designed to provide support have an impact on economic competitiveness and improve the overall quality of life and attractiveness of Estonia as one of the Baltic Sea coastal countries.

The most important measures contributing to the Strategy include:
Entrepreneurship: Support for Cluster Development, Start-up Estonia Programme, Programme of Technological Development Centres, Support to Research and Development Projects, National Business Loan Guarantees and Capital Loan Programme, Export Marketing Support, Export Development Support, Support to Joint Marketing, Support to Participation in Foreign Fairs, Supplementary Support Package to Improved Availability of Loan Capital to Businesses, National Export Credit Insurance Programme; **Tourism:** the Programme of Introducing Estonia as a Tourism Destination, the Programme of Development of Tourism Information Systems, Support to Tourism Marketing of Businesses, Support to Marketing Activities of the Public and the Third Sectors, Support to International Events and Conferences; and **Research and higher education:** Modernisation of Research Infrastructure of National Importance, Support to International Cooperation in R&D, Development of Research Centres of Excellence, Modernisation of the Learning Infrastructure of Applied Higher Education and Teacher Training, Modernisation of the Infrastructure of Learning and Work Environments of Research and Development Institutions and Institutions of Higher Education.

In **information society**, the OP supports the development of the information system required for the electronic use of IDs, improving access to fast internet connections.

In **transport,** the projects selected include reconstruction of Rail Baltica sections and the Pärnu detour road of Via Baltica.

Tables and figures

Contribution of the OP Economic Environment in Estonia

to the implementation of the EUSBSR			
Main Priority areas of the Strategy	ERDF+CF amount for projects **in line with** the Strategy **(€)**	ERDF+CF amount of financing for **Flagship Projects** identified in the action plan of the Strategy **(€)**	ERDF+CF amount for other projects **contributing to** the Strategy **(€)**
Innovation *(Priority Area no 7)*	98 357 602	0	30 060 027
Transport *(Priority Area no 11):*	199 718 228	67 395 672	232 421 102
Incl. ERDF	72 865 632	0	15 466 619
Incl. CF	126 852 596	67 395 672	216 954 483
Other: *(Priority Area no 6, 8, 12)*	268 658 696		1 453 758
Total ERDF+CF	**566 734 526**	**67 395 672**	**262 624 887**

Main Priority Areas of the Strategy	ERDF/CF contribution (€)
R&D (Priority Area no 7)	0
Innovation (Priority Area no 7)	30 060 027
Energy	0
Transport (Priority Area no 11):	299 816 774
Incl. ERDF	15 466 619
Incl. CF	284 350 155
Environment	0
Other: *(Priority Area no 6, 8, 12)*	1 453 758
Total ERDF+CF	**1 067 643 948**
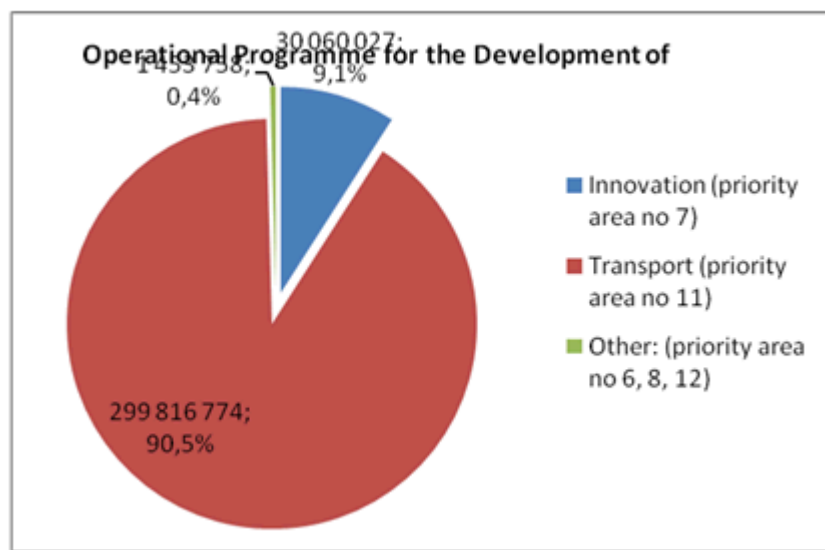
Operational Programme for the Development of

Pie chart labels:
- 30 060 027; 9,1%
- 1 459 758; 0,4%
- 299 816 774; 90,5%

Legend:
- Innovation (priority area no 7)
- Transport (priority area no 11)
- Other: (priority area no 6, 8, 12)

Funding capacity of the OP Economic Environment	Total EU funding available (€)	Decided projects (€)	Amount remaining available (€)
Axis 1 Innovation and growth capacity of enterprises	375 480 935	361 051 701	14 429 234
Axis 2 Improving the competitiveness of Estonian R&D through the research programmes and modernisation of higher education and R&D institutions	310 223 307	190 602 289	119 621 018
Axis 3 Transport investments of strategic importance	525 397 290	413 607 768	111 789 522
Axis 4 Development of regional transport infrastructure	100 936 867	107 663 982	-6 727 115
Axis 5 Development of information society	62 633 416	50 245 873	12 387 543
Total	1 374 671 815	1 123 171 613	251 500 202

3.2.2.3. Contribution of the convergence objective Operational Programme for the Development of the Living Environment in Estonia to the EUSBSR

Programme description

The Programme is co-funded by the European Regional Development Fund (€879 million) and the Cohesion Fund (€525 million) under the convergence objective. This forms approximately 41.3% of the total EU money invested in Estonia under cohesion policy 2007-13.

The programme aims at improving the quality of life in Estonia in environmental and social terms. Therefore, the OP lays the basis for long-term sustained growth of Estonia. Major investments will be directed into fulfilling EU directives on water, waste water and solid waste management. Furthermore, environmental protection will be improved by dedicating

resources to environmental education and constant monitoring. Estonia will be better equipped to fight environmental emergencies, such as forest fires and accidents at sea – particularly with oil tankers. The OP supports energy efficiency and use of renewable energy.

The OP will also improve infrastructure for services in a large number of local communities, thus resolving important social issues hindering economic development. In addition, there will be major improvements in vocational training infrastructure, boarding school infrastructure, schools for students with special educational needs, etc. Support will be given to the modernisation and optimisation of hospital networks in order to provide better and more accessible services. Better living, learning and working conditions will also be provided for children and for adults with special psychiatric needs living in welfare institutions.

Contribution to the EUSBSR
The most important measures contributing to the Strategy include:

Environment: Development of water management infrastructure, Improvement of the status of watercourses, Inventory of barrage structures on watercourses for the improvement of migration conditions of fish, Clean-up of past contamination in former military and industrial sites, Closure of inadequate non-hazardous waste landfills, Closure and remediation of landfills not meeting the requirements of the oil shale industry, Closure of waste dumps of oil shale based power industry and modernisation of ash removal system, Drafting of management plans of protected areas and action plans for species to ensure preservation of biological diversity, Development of environmental monitoring, Development of environmental education infrastructure, Improvement of preparedness for environmental emergencies; **Energy**: Broader use of renewable energy sources for energy production, Renovation loan for apartment buildings, Information on population energy conservation in dwellings, Support for energy audit and building expertise and drafting of building project; **Local development**: Strengthening of the competitiveness of regions, Development of cultural and tourism sites with national importance and Development of urban regions; **Information Society**: Improvement of the availability of internet connections through the adoption of a new generation of electronic communication networks in the regions; **Education**: Modernisation of open youth centres, information and counselling centres and hobby schools.

Tables and figures

Contribution of the OP Economic Environment in Estonia to the implementation of the EUSBSR			
Main Priority Areas of the Strategy	ERDF+CF amount for projects in line with the Strategy (€)	ERDF+CF amount of financing for Flagship Projects identified in the Action Plan of the Strategy (€)	ERDF+CF amount for other projects contributing to the Strategy (€)
Energy	0	0	27 874 638
Transport	13 049 195	0	0
Environment	98 800 369	4 986 387	283 539 066

Other: Tourism, youth	119 079 191	0	0
Total ERDF+CF	**230 928 754**	**4 986 387**	**311 413 704**

Main Priority Areas of the Strategy	ERDF/ CF amount **(€)**
R&D	0
Innovation	0
Energy	27 874 638
Transport	0
Environment	403 642 355
Other: Tourism, youth	0
Total ERDF+CF	**431 516 993**

Funding capacity of the OP Economic Environment	**Total EU funding available (€)**	**Decided projects (€)**	**Amount remaining available (€)**
Axis 1 Development of water and waste management infrastructure	626 334 156	490 108 149	136 226 007
Axis 2 Development of infrastructures and support systems for sustainable use of the environment	92 032 774	75 477 095	16 555 679
Axis 3 Development of Energy Sector	87 175 488	27 813 840	59 361 648
Axis 4 Integral and balanced development of regions	388 582 823	247 606 534	140 976 289

Axis 5 Development of education infrastructure	212 765 713	176 244 430	36 521 283
Axis 6 Development of health care and welfare infrastructure	169 110 222	165 340 031	3 770 191
Total	**1 607 314 506**	**1 197 624 374**	**409 690 132**

3.1.3. Finland (Total area: 338 424 km^2 – Population: 5 351 427 inhabitants)
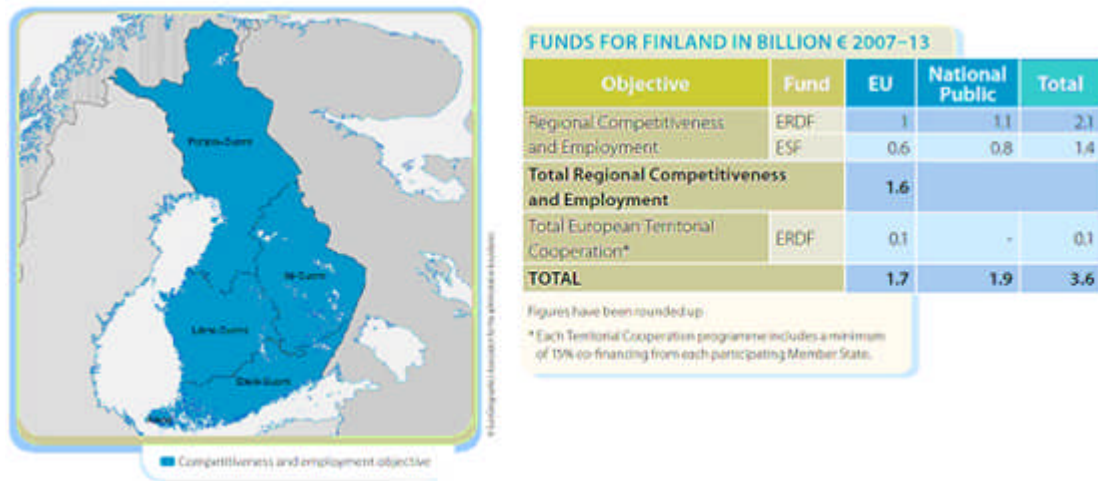
3.1.3.1. Analytical summary

European Regional Development Fund (ERDF) and European Social Fund (ESF) programmes in Finland: Implementation process

Situation on 31 December 2010:
- 318 ERDF and 93 ESF-projects identified supporting the EUSBSR (5.5% of all projects)
- Public funding committed to projects supporting the EUSBSR: ERDF Operational Programmes (OP): €144.3 million and ESF: €59.4 million = 11.0% of all commitments
- Most important Priority Areas in ERDF Operational Programmes: B7, A1 and A5, in ESF B8.

Finland has a leading role in three Priority Areas: to reduce nutrient inputs to the Sea to acceptable levels (PA 1); to reinforce sustainability of agriculture, forestry and fisheries (PA 9); and to decrease the volume of, and harm done by, cross-border crime (PA 15).

Organisational measures taken in order to implement the EUSBSR

The Finnish Ministry of Employment and the Economy has developed the monitoring system of the Structural Funds (EURA2007) to also be used in monitoring the EUSBSR implementation. Furthermore, the EUSBSR issues have been put on the agendas of all monitoring committee meetings of Finnish Operational Programmes (OPs), and relevant training, information and communication measures have taken place. The Finnish Government has also been active on Baltic Sea issues, giving a communication to the parliament on the issue (mainly on international cooperation issues) and organising the "Baltic Sea Action Summit" on 10.02.2010.

In Finnish opinion, the Structural Funds (SF) OPs already support the objectives of the EUSBSR quite well, even without fundamental changes. The SF monitoring system has been

modified so that it can create information necessary for following up the implementation i.e. the Implementing Bodies (IB) can categorise the project as supporting the Strategy.

The Commission revised its initial guidance on "earmarking" or identifying the projects supporting the EUSBSR in the OPs. According to the latest guidance, under several priorities, international cooperation is expected in order to label the project as supporting the EUSBSR. In most cases the ERDF activities do not include an international aspect. Especially under priority 1 (business support) some projects cannot be labelled as supporting the Strategy because of the lack of international aspects, even though content-wise they would fit the Strategy.

Examples of projects contributing to the EUSBSR

Overall in the monitoring system (by the end of 2010), there were 411 projects supporting the Strategy. This represents 5.5% of all the projects and 11% of all the funding committed to the programmes. €204 million of public funding has been committed to the (411) projects supporting the Strategy.

The South Finland OP and its priority axis 5 (28% of the financing of the Programme) can be cited as the "best practice" among the Finnish OPs. Priority 5 (which does not exist in other OPs) includes special themes that can be implemented within the entire programme area. 80% of the financing for the priority axis will be channelled into themes supporting the development of knowledge clusters and 20% for actions that support other ongoing programmes, particularly international actions. The Baltic Sea Strategy has been adopted as one of the criterion affecting the project selection for priority axis 5. This priority would also be best suited regarding international cooperation under Art. 37.6.b.

Main problems encountered

Getting a complete picture of what is happening in the Baltic Sea Region (BSR) is difficult.

The lack of coherent funding sources is seen as (one of) the biggest hindrance to the implementation of the EUSBSR from the Finnish perspective.

As the EUSBSR was adopted in the middle of the current programming period 2007-13, its role and contribution through the OPs couldn't be foreseen.

The second big challenge regarding the alignment of funding is that the programmes weren't initially meant to be a funding source for the international cooperation activities.

It's the Finnish opinion that the cooperation programmes (e.g. Central Baltic and South Baltic programmes) are better suited to support the Strategy than the Structural Funds OPs. However, as the resources under the cooperation programmes are almost exhausted, the mainstream SF OPs can also positively contribute to the implementation of the EUSBSR.

Main lessons learned and what should be done in the future to improve links between programmes and the EUSBSR

The first year of the implementation has been characterised by creating networks and arranging kick-offs for the Flagship Projects. From the Finnish perspective, the Strategy has advanced quite well, even in this first year. It can be clearly seen that the Strategy has

succeeded best in launching activities in the sectors where there was already a strong commitment and clear/active networks and actors.

Seeing the SF as an important funding source for the Strategy is more natural in the countries where the SF have a very significant role in public financing overall. As the SF in Finland are limited, the other financing sources play a bigger role.

Estimated contribution of the EU competitiveness and employment objective OPs in Finland to the implementation of the EUSBSR based on the decided projects (for more detailed information, see fiche by OP in Finland)

	Number of projects supporting the EUSBSR	% of all the projects funded in the OP	Public funding committed (million €)	The priority most supported (%)
South Finland OP	94	10%	40.4	A5 (17%) and B7 (17%)
West Finland OP	47	4%	10	A2 (25.5%) and A5 (19.1%)
East Finland OP	105	6%	44.3	B7 (46.7%) and C12 (19%)
North Finland OP	72	4%	49.5	A1 (40.3%) and C12 (13.9%)
Åland OP	18	100%	1.0	C10 (45.3%) and B7 (37.1%)

Number of projects supporting EUSBSR priority areas
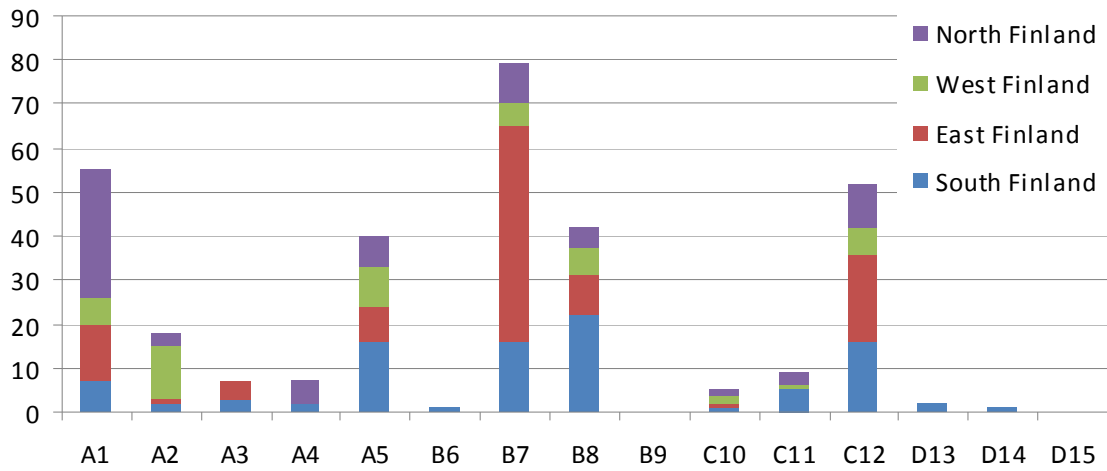
Total public funding (million €) committed on EUSBSR priority areas

A1	To reduce nutrient inputs to the sea to acceptable levels
A2	To preserve natural zones and biodiversity
A3	To reduce the use and impact of hazardous substances
A4	To become a model region for clean shipping
A5	To mitigate and adapt to climate change
B6	To remove hindrances to the internal market in the Baltic Sea Region including to improve cooperation in the customs and tax area
B7	To exploit the full potential of the region in research and innovation
B8	Implementing the Small Business Act: To promote entrepreneurship, strengthen SMEs and increase the efficient use of human resources
B9	To reinforce sustainability of agriculture, forestry and fisheries
C10	To improve access to, and the efficiency and security of the energy markets
C11	To improve internal and external transport links
C12	To maintain and reinforce attractiveness of the Baltic Sea Region in particular through education, tourism and health
D13	To become a leading region in maritime safety and security
D14	To reinforce protection from major emergencies at sea and on land
D15	To decrease volume of, and harm done by, cross border crime
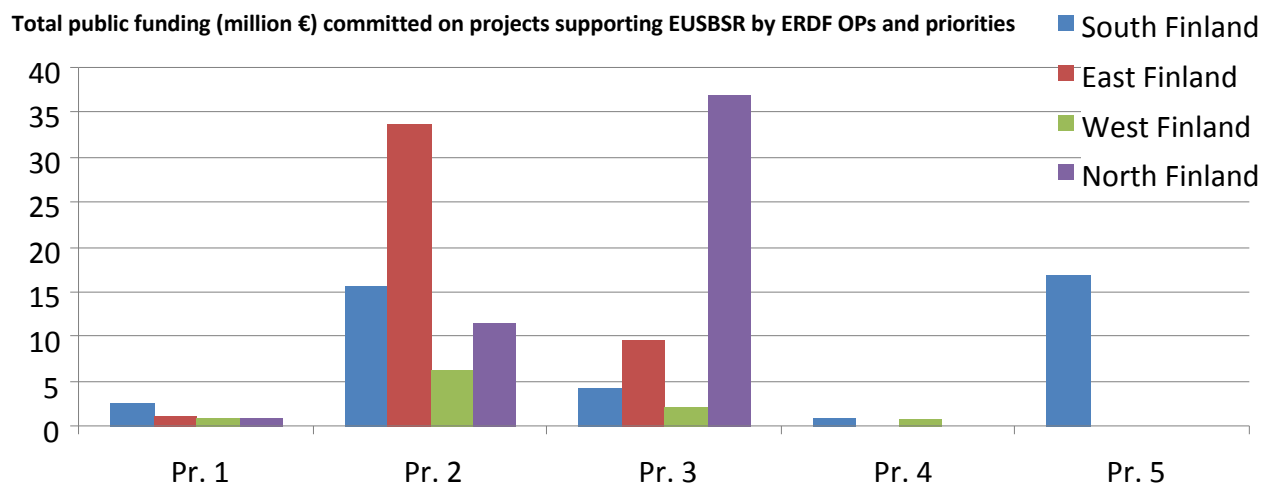
3.1.3.2. Contribution of the competitiveness and employment objective Operational Programme "Northern Finland" to the EUSBSR

Programme Description

During programming period 2007-13, the total budget of the OP is around €1.1 billion, the Community assistance through the ERDF amounting to €311.3 million, which accounts for approximately 18% of the total Structural Funds (SF) money invested in Finland.

The region of Northern Finland, due to its permanent handicap caused by a sparse population and remoteness, benefits from a special allocation for sparsely populated areas of €35 per inhabitant per year from the ERDF, totalling €173 million during the programming period. The special allocation amount is included in the total amount of ERDF investment in the Programme.

The Programme aims to create 11 000 new jobs and 1 500 new enterprises. The aim is to use 25% of the financial framework for research and development (R&D) projects creating 1 000 new R&D jobs. 76.2% of the investment available has been earmarked for Lisbon-related expenditure, which is above the Community objective of 75% for regional competitiveness and employment regions.

The programme will be implemented through three main priorities and a technical assistance priority.

Priority 1: *Promotion of business activity* aims at developing productivity, creating more jobs and safeguarding existing jobs through supporting entrepreneurship and growth of enterprises and through improving access to business services and finance.

Priority 2: *Promotion of innovation activity and networking, and reinforcing knowledge structures* aims to activate expert networks with strong links to the national and international development projects of enterprises, universities, research institutes as well as regional businesses, and to support the creation and development of centres of excellence for key sectors.

Priority 3: *Improving regional accessibility and operational environments* aims to improve the accessibility and attractiveness of the region for businesses, employees and tourists by improving logistics and transport connections, services, the environment and tourist attractions.

Priority 4: *Technical assistance* will provide support for programme management and implementation, including technical support, communications and publicity, research and evaluation actions.

Contribution to the EUSBSR

In Northern Finland, the public funding contributes to the following Priority Areas of the EUSBSR: A1 (to reduce nutrient inputs to the sea to acceptable levels), A2 (to preserve natural zones and biodiversity), A4 (to become a model region for clean shipping), A5 (to mitigate and adapt to climate change), B7 (to exploit the full potential of the Region in research and innovation), B8 (implementing the Small Business Act: to promote entrepreneurship, strengthen small and medium-sized enterprises (SMEs) and increase the efficient use of human resources), C10 (to improve access to, and the efficiency and security of the energy markets), C11 (to improve internal and external transport links), and C12 (to maintain and reinforce the attractiveness of the Baltic Sea Region in particular through education, tourism and health). The greatest amount of funding contributes to the A1, A4, C11 and A5 Priority Areas.

Examples of projects that support the EUSBSR in the Northern Finland OP:
Multiple use of Lake Kemijärvi and development of summer tourism, Reinforcing the natural salmon and sea trout populations in the River Iijoki (return of migratory fish species in the River Iijoki), Climate strategy for Lapland, Using bio-based reducing material in steel manufacturing processes, Innohaava (project on telemedicine for wounds), and WELMED (development of a research laboratory model for improvement of public health).

Tables and figures
Main Priority Area ERDF million €

Main Priority Area ERDF	(million €)	%
Innovation	0.899	3.6
Energy	0.413	1.7
Transport	4.001	16.2
Environment	17.520	70.8
Other	1.901	7.7
Total	24.733	100

Funding capacity of the OP North Finland	Total EU funding available (€)	Decided projects (€)	Amount remaining available (€)
Axis 1 *Promotion of business activity*	111 836 001	65 245 456	46 590 545
Axis 2 *Promotion of innovation activity and networking, and reinforcing knowledge structures*	116 076 211	52 667 989	63 408 222
Axis 3 *Improving regional accessibility and operational environments*	70 910 014	38 610 469	32 299 545
Axis 4 *Technical Assistance*	12 450 926	6 646 680	5 804 246
Total	311 273 152	163 170 593	298 102 559

3.1.3.3. Contribution of the competitiveness and employment objective Operational Programme "Western Finland" to the EUSBSR

Programme description

The total budget of the Programme is around €398.4 million, the Community assistance through the ERDF amounting to €159.4 million, which accounts for approximately 9% of the total amount invested in Finland during programming period 2007-13.

The programme aims to create 9 800 new jobs and 2 000 new enterprises. The aim is to use 12.5% of the financial envelope for research and development (R&D) projects creating 150 new R&D jobs. From the investment available, 80.4% has been earmarked for Lisbon-related expenditure, which is above the Community objective of 75% for regional competitiveness and employment regions.

The programme will be implemented through four main priorities plus a Technical Assistance priority.

Priority 1 *Promotion of business activity* aims at developing productivity, creating more jobs and safeguarding existing jobs through supporting entrepreneurship and growth of enterprises and through improving access to business services and finance.

Priority 2 *Promotion of innovation activity and networking, and reinforcing knowledge structures* aims to activate expert networks with strong links to the national and international development projects of enterprises, universities, research institutes as well as regional businesses, and to support the creation and development of centres of excellence for key sectors.

Priority 3 *Improving regional accessibility and operational environments* will concentrate on three central areas: a) Improvement of regional accessibility and level of well being; b) Support for tourism and related business operating environments; and c) Environmental risk management and supporting nature diversity.

Priority 4 *Development of larger urban areas* will focus on developing knowledge-intensive sectors and the service sector, nurturing creativity, promoting the community spirit and improving the competitiveness of the large urban areas of Western Finland.

Priority 5 *Technical assistance* will provide support for programme management and implementation, including technical support, communications and publicity, research and evaluation actions.

Contribution to the EUSBSR

In Western Finland, public funding contributes to the following Priority Areas of the EUSBSR: A1 (to reduce nutrient inputs to the sea to acceptable levels), A2 (to preserve natural zones and biodiversity), A5 (to mitigate and adapt to climate change), B7 (to exploit the full potential of the Region in research and innovation), B8 (implementing the Small Business Act: to promote entrepreneurship, strengthen small and medium-sized enterprises (SMEs) and increase the efficient use of human resources), C10 (to improve access to, and the efficiency and security of the energy markets), C11 (to improve internal and external transport links) and C12 (to maintain and reinforce the attractiveness of the Baltic Sea Region in particular through education, tourism and health). The greatest amount of funding contributes to the A1, A2, B5 and B7 Priority Areas.

Examples of projects that support the EUSBSR in the Western Finland OP:
Food consumption research project, Route for coastal tourism, Development of cultural
heritage related to maritime issues

Tables and figures

Main Priority Area ERDF million €

Main Priority Area ERDF	(million €)	%
Innovation	0.704	17.5
Energy	0.218	5.4
Transport	0.200	5
Environment	1.975	49.2
Other	0.919	22.9
Total	4.016	100

Funding capacity of the OP West Finland	Total EU funding available (€)	Decided projects (€)	Amount remaining available (€)
Axis 1 *Promotion of business activity*	56 531 659	32 045 491	24 486 168
Axis 2 *Promotion of innovation activity and networking, and reinforcing knowledge structures*	62 568 034	25 430 972	37 137 062
Axis 3 *Improving regional accessibility and operational environments*	27 062 555	7 723 091	19 339 464
Axis 4 *Development of larger urban areas*	6 838 568	2 156 098	4 682 470
Axis 5 *Technical Assistance*	6 375 034	3 672 903	2 702 131
Total	159 375 850	71 028 555	88 347 295

3.1.3.4. Contribution of the competitiveness and employment objective Operational Programme "Åland Islands" to the EUSBSR

Programme description

The total budget of the Programme is around €6.25 million, the Community assistance through the ERDF amounting to €3.125 million.

The programme aims to improve competitiveness in 50 existing enterprises and create 10 new enterprises. 30 new jobs will be created and 10 new products developed. 96% of the investment available has been earmarked for Lisbon-related expenditure, which is above the Community objective of 75% for regional competitiveness and employment regions.

The programme will be implemented through one main priority plus a technical assistance priority.

Priority 1 *Business and innovation* aims at developing productivity, creating more jobs and safeguarding existing jobs through supporting entrepreneurship, innovation and growth of enterprises by developing new products and ensuring that the added value among existing products is increased. Know-how and the technology level will be increased through skills transfer and investment in increasing international contacts.

Priority 2 *Technical assistance* will provide support for programme management and implementation, including technical support, communications and publicity, research and evaluation actions.

Contribution to the EUSBSR

All projects of the OP are supporting the EUSBSR. In total there are 18 projects and the ERDF amount totals €1.0 million.

Tables and figures

Examples of projects that support the EUSBSR in the Åland Finland OP:

Biogas plant

Funding capacity of the OP Åland Finland	Total EU funding available (€)	Decided projects (€)	Amount remaining available (€)
Axis 1 *Business and innovation*	3 000 530	1 000 000	2 000 530
Axis 2 *Technical Assistance*	125 022	12 000	113 022
Total	3 125 552	1 012 000	2 113 552

3.1.3.5. Contribution of the competitiveness and employment objective Operational Programme "Eastern Finland" to the EUSBSR

Programme description

The total budget of the Programme is around €1.5 billion, the Community assistance through the ERDF amounting to €365.6 million, which accounts for approximately 21% of the total amount invested in Finland during programming period 2007-13. Eastern Finland has a "phasing-in" status, which means a strongly diminishing financing profile over the years 2007-13. Due to its permanent handicap caused by a sparse population and remoteness, the region benefits from a special allocation for sparsely populated areas of €35 per inhabitant per year from the ERDF, totalling €186 million during the programming period. The special allocation amount is included in the total amount of ERDF investment for the Programme.

The programme aims to create over 13 000 new jobs and over 2 000 new enterprises. The aim is to use 35% of the financial framework for research and development (R&D) projects creating 800 new R&D jobs. 86% of the investment available has been earmarked for Lisbon-related expenditure, which is well above the Community objective of 75% for regional competitiveness and employment regions.

The programme will be implemented through three main priorities and a technical assistance priority.

Priority 1 *Promotion of business activity* aims at developing productivity, creating more jobs and safeguarding existing jobs through supporting entrepreneurship and growth of enterprises and through improving access to business services and finance.

Priority 2 *Promotion of innovation activity and networking, and reinforcing knowledge structures* aims to activate expert networks with strong links to the national and international development projects of enterprises, universities, research institutes as well as regional businesses, and to support the creation and development of centres of excellence for key sectors.

Priority 3 *Improving regional accessibility and operational environments* aims to improve the accessibility and attractiveness of the Region for businesses, employees and tourists by improving logistics and transport connections, services, the environment and tourist attractions.

Priority 4 *Technical assistance* will provide support for programme management and implementation, including technical support, communications and publicity, research and evaluation actions.

Contribution to the EUSBSR

In Eastern Finland the public funding contributes to the following Priority Areas of the EUSBSR: A1 (to reduce nutrient inputs to the sea to acceptable levels), A2 (to preserve natural zones and biodiversity), A3 (to reduce the use and impact of hazardous substances), A5 (to mitigate and adapt to climate change), B7 (to exploit the full potential of the Region in research and innovation), B8 (implementing the Small Business Act: to promote entrepreneurship, strengthen small and medium-sized enterprises (SMEs) and increase the efficient use of human resources) and C12 (to maintain and reinforce the attractiveness of the Baltic Sea Region in particular through education, tourism and health). The greatest amount of funding contributes to the B7, A1 and C12 Priority Areas.

Tables and figures

Examples of projects that support the EUSBSR in the Eastern Finland OP:

ENWIN (applied environmental technology innovation and knowledge building), best practices in the Baltic Sea Area (networking, operational models)

Main Priority Area ERDF million €

Main Priority Area ERDF	(million €)	%
Innovation	12.193	55
Energy	0.007	0
Transport	0.000	0
Environment	5.699	25.7
Other	4.270	19.3
Total	22.170	100

Funding capacity of the OP East Finland	Total EU funding available (€)	Decided projects (€)	Amount remaining available (€)
Axis 1 *Promotion of business activity*	156 257 285	75 676 377	80 580 908
Axis 2 *Promotion of innovation activity and networking, and reinforcing knowledge structures*	131 254 822	72 043 295	59 211 529
Axis 3 *Improving regional accessibility and operational environments*	63 429 630	36 555 535	26 874 095
Axis 4 *Technical Assistance*	14 622 572	7 089 840	7 532 732
Total	365 564 309	191 365 044	174 199 265

3.1.3.6. Contribution of the competitiveness and employment objective Operational Programme "Southern Finland" to the EUSBSR

Programme description

The total budget of the Programme is around €345.2 million, the Community assistance through the ERDF amounting to €138.1 million, which accounts for approximately 8% of the total Structural Fund money invested in Finland during programming period 2007-13.

The programme aims to create 4 200 new jobs and 920 new enterprises. The aim is to use 15.5% of the financial framework for research and development (R&D) projects creating 290 new R&D jobs. From the investment available, 81.6% has been earmarked for Lisbon-related expenditure, which is above the Community objective of 75% for regional competitiveness and employment regions.

The programme will be implemented through five main priorities plus a technical assistance priority.

Priority 1 *Promotion of business activity* aims at developing productivity, creating more jobs and safeguarding existing jobs through supporting entrepreneurship and growth of enterprises and through improving access to business services and finance.

Priority 2 *Promotion of innovation activity and networking, and reinforcing knowledge structures* aims to activate expert networks with strong links to the national and international development projects of enterprises, universities, research institutes as well as regional businesses, and to support the creation and development of centres of excellence for key sectors.

Priority 3 *Improving regional accessibility and operational environments* will concentrate on three central areas of emphasis concerning regional competitiveness: a) Improvement of logistics connections, including ICT connections; b) Environmental risk management and improvement of tourism operating conditions; and c) Accessibility and development of services and applications.

Priority 4 *Development of larger urban areas* will provide support to promote the attractiveness, sense of community and social cohesion of towns and create a pleasant and safe urban environment.

Priority 5 *Thematic development at regional level* aims to develop knowledge clusters in the area through broad, interregional umbrella projects. The themes are associated with the development of clusters, networks or sectors and pilot actions, for example to provide and ensure various services are in place.

Priority 6 *Technical assistance* will provide support for programme management and implementation, including technical support, communications and publicity, research and evaluation actions.

Contribution to the EUSBSR

In Southern Finland the public funding contributes to the following Priority Areas of the EUSBSR: A1 (to reduce nutrient inputs to the sea to acceptable levels), A2 (to preserve natural zones and biodiversity), A3 (to reduce the use and impact of hazardous substances), A4 (to become a model region for clean shipping), A5 (to mitigate and adapt to climate change), B6 (to remove hindrances to the internal market in the BSR, including to improve cooperation in the customs and tax area), B7 (to exploit the full potential of the Region in research and innovation), B8 (implementing the Small Business Act: to promote

entrepreneurship, strengthen small and medium-sized enterprises (SMEs) and increase the efficient use of human resources), C11 (to improve internal and external transport links), C12 (to maintain and reinforce the attractiveness of the Baltic Sea Region in particular through education, tourism and health), D13 (to become a leading region in maritime safety and security) and D14 (to reinforce protection from major emergencies at sea and on land).

The greatest amount of funding contributes to the A5, B7, C12 and B8 Priority Areas.

Tables and figures

Examples of projects that support the EUSBSR in the Southern Finland OP:

SÖKÖ II (action plan for maritime oil accidents), safety at sea projects (several), improvement of transport corridors in Southern Finland (including links to Russia)

Main Priority Area ERDF million €

Main Priority Area ERDF	(million €)	%
Innovation	4.703	29.1
Energy	0.002	0
Transport	1.884	11.7
Environment	6.117	37.9
Other	3.456	21.4
Total	16.162	100

Funding capacity of the OP South Finland	Total EU funding available (€)	Decided projects (€)	Amount remaining available (€)
Axis 1 *Promotion of business activity*	31 422 130	19 500 778	11 921 352
Axis 2 *Promotion of innovation activity and networking, and reinforcing knowledge structures*	28 778 350	13 095 741	15 682 609
Axis 3 *Improving regional accessibility and operational environments*	28 601 716	9 177 743	19 423 973
Axis 4 *Development of larger urban areas*	6 627 030	3 144 118	3 482 912
Axis 5 *Thematic development at regional level*	37 111 366	11 961 975	25 149 391
Axis 6 *Technical Assistance*	5 522 525	2 977 621	2 544 904
Total	138 063 117	59 857 976	78 205 141

3.1.4. Germany (Total area: 357 108 km^2 – Population: 81 802 257 inhabitants)

Cohesion Policy 2007–13

Convergence objective

Competitiveness and employment objective

FUNDS FOR GERMANY IN BILLION € 2007–13

Objective	Fund	EU	National Public	National Private	Total
Convergence	ERDF	11.4	3.7	0.5	15.6
	ESF	4.7	1.2	0.3	6.2
Total Convergence		16.1			
Regional Competitiveness and Employment	ERDF	4.7	3.7	2.4	10.8
	ESF	4.7	3.6	1.2	9.5
Total Regional Competitiveness and Employment		9.4			
Total European Territorial Cooperation*	ERDF	0.9	-	-	0.9
TOTAL		26.4	12.2	4.4	43

Figures have been rounded up.

* Each Territorial Cooperation programme includes a minimum of 15% co-financing from each participating Member State.

3.1.4.1. Analytical summary

General information on the contribution of the ERDF to the EUSBSR

<u>Organisational measures taken in order to implement the EUSBSR</u>

Following the federal structure of political and administrative form in Germany, the Managing Authorities in charge of the ERDF Operational Programmes (OPs) followed separated systems of "Labelling". In general, the Managing Authorities compared the contents of the EUSBSR Action Plan's priority axes with the respective OPs and found thematic overlaps. Except for pillar IV, a number of identical objectives could be identified. As a result, the Structural Fund measures were divided into a) measures directly contributing to the objectives of the EUSBSR Priority Areas, b) measures with indirect contribution and c) measures without any relevance to the EUSBSR objectives.

Particular changes in the contents of the OPs have not been undertaken nor are there any additional structures set up to adapt the Strategy. From the German point of view, the Strategy came up in the advanced stage of the OPs' implementation, long after the selection and evaluation criteria for projects had been defined and decided. It was assessed that the relevant OPs fit into the Strategy and are sufficiently aligned, so that modification of the selection or evaluation criteria is not necessary. Nevertheless, a chapter on the performance of the EUSBSR is or will be included in the Annual Implementation Reports on the ERDF OPs. Contacts and exchange of information have been tightened up or established with authorities serving the territorial cooperation programmes.

Germany hosted inter alia the International Stakeholder Conference on the EUSBSR in February 2009, (Rostock) and the BSSSC-BALTEX Conference on 'Adapting to Climate Change – Case Studies from the Baltic Sea Region' in May 2011 (Hamburg).

Examples of projects contributing to the EUSBSR

The ERDF Operational Programmes in the area of the Baltic Sea contribute by their nature and defined priorities to a number of action fields contained in the Strategy. Projects within the areas R&D, innovation, environment, transport, Small Business Act and tourism, education, culture and health contribute meaningfully to achieving the aims of the Strategy.

Examples of projects:
– Clean Overspray – Development of an innovative, environment-friendly method for ship painting
– Maritime Cluster Schleswig-Holstein
– Rail Berlin-Rostock (T-Net) and additionally part of a new highway connecting the port in Rostock with transport nodal points
– Shift Lift Facility Niederfinow (T-Net)
– Highway A14 (T-Net)

Main problems encountered

No problems are specifically reported by the German authorities, but it appears that coordinating the development and the implementation of the process between NCPs, respective ministries and PACs, particularly the delivery mechanism and alignment of funding sources, are the main difficulties to overcome in Germany. In order to improve the coordination and cooperation between ministries, relevant meetings took place.
Beside this, the Länder repeatedly indicate that the extensive reporting on the basis of special indicators increases the administrative burdens and hinders the smooth flow of administrative actions. Additionally, in the current funding period, this requirement is difficult to fully meet as the monitoring systems were set up before the Strategy was launched. They would welcome an obligatory set of core indicators which is binding on the respective OPs and is proposed far enough in advance of the new programming period starting, so that sound OP preparation and comparability of results can take place. At the same time, this indicator set should fit in with macro-regional strategies.

Main lessons learned and what should be done in the future to improve links between programmes and the EUSBSR

There is a strong commitment to the Strategy on the political level. The political level deals with the Strategy through the Ministry for Foreign Affairs at the federal level and the Chancelleries in the respective German Länder, whereas the implementation of the ERDF OPs and the Baltic Sea Strategy on the operative level stays with the Managing Authorities (MAs) under the responsibility of the respective Ministries for Economics. The relationship between them is constructive, but there are some different priorities to be followed. Therefore a more coherent approach to the Strategy when preparing the next programming period OPs constitutes a significant attempt to improve the overall coherence of the strategic framework, the functioning of the delivery system and the performance in achieving the targeted results. For the upcoming programming period, it would be recommended that clear rules be set out for the use of Article 37 6) b) of Regulation 1083/2006.
MAs should reflect the increasing attention paid to the EUSBSR by giving the potential project applicants/beneficiaries concise information on how they can practically profit within the Strategy framework.

Description of the ERDF Operational Programmes

In the following, only OPs closely aligned with the EUSBSR are mentioned.

3.1.4.2. Description of the Operational Programme Transport

Programme Description
The ERDF contribution towards realising the priority axes selected for the joint action by the Community and the Member State, amounts to circa €1.5 billion for the programming period 2007-13.

Contents of the Operational Programme
The Operational Programme priority axes refer to the federal railroads, federal motorways and roads and federal waterways.

eigene Darstellung
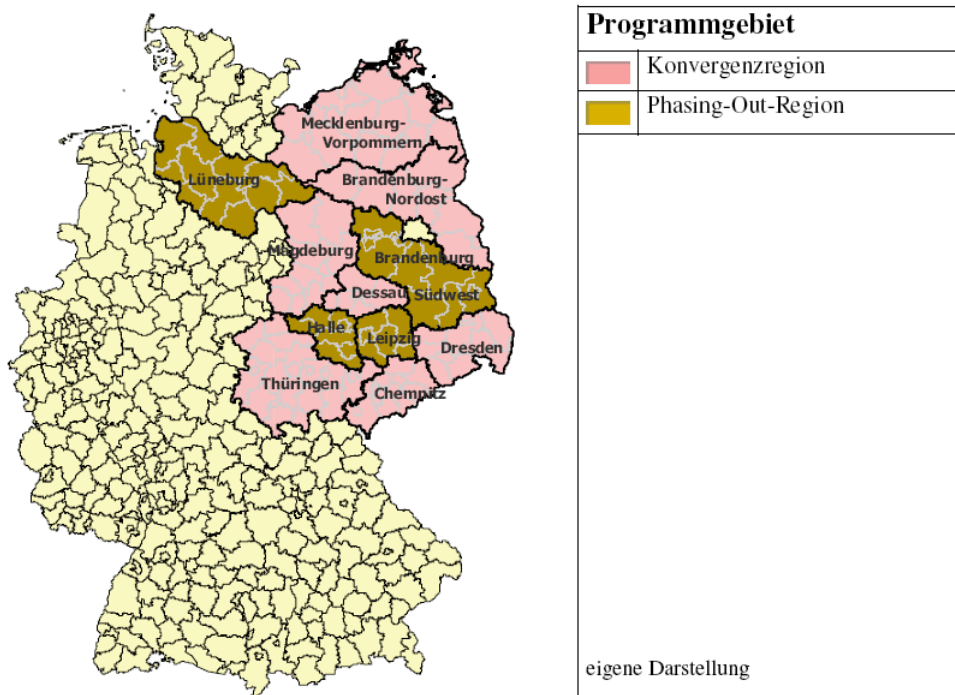
Contribution to the EUSBSR
Projects co-financed by the OP Transport support the Strategy as they are embedded into its objectives, in particular in improving the accessibility of the Region and the impact on the environment. Every axis of the OP contributes to achieving the objectives of the Strategy.

Flagship Projects
Highway A 14:
The first module approved: ca. €60 million
Further modules: major project applications in preparation
Railway Berlin-Rostock:
Programming period 2000-06: ca. €90 million ERDF
2007-13: the first module: €21 million approved
Further modules: major project applications in preparation

Other projects
Shift Lift Facility Niederfinow: €48.5 million approved

North Peene River: €15.4 million approved

By the end of 2010, the approved ERDF means from the OP Transport allocated to EUSBSR-relevant projects amounted to €121.6 million. For Flagship Projects: ca. €58 million.

Tables and figures

Funding capacity of the OP Transport for Mecklenburg-Vorpommern	Total EU funding available (€)	Decided projects (€)	Amount remaining available (€)
Axis 1 Federal Railroads	714 550 200	310 100 000	404 450 200
Axis 2 Federal Highways	699 347 350	231 400 000	467 947 350
Axis 3 Federal Waterways	91 219 050	91 219 050	0
Total	1 505 116 600	632 719 050	872 397 550

3.1.4.3. Description of Operational Programme Schleswig-Holstein

Programme Description

The Land Schleswig-Holstein is located in the north-western part of the Federal Republic of Germany. Its ERDF programme includes Community support in the framework of the employment and competitiveness objective. The total budget for the Programme amounts to €1 091 083 094 with the Community contribution from the ERDF accounting for €373 888 769 (or approximately 1.41% of overall EU funding disbursed in Germany under the 2007–13 cohesion policy).

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Raising regional competitiveness and employment levels is the overriding objective and central pillar of all ERDF measures in Schleswig-Holstein. This objective is pursued through six strategic objectives which take account of the horizontal objectives of environment and equal opportunities.

The strategic objectives are: improving the acquisition of knowledge and knowledge transfer; making Schleswig-Holstein's economy more dynamic; consolidation of existing and developing structure clusters and networks; upgrading of facilities at regional locations; enhancing the role of the municipalities in support of social and economic change; developing the potential for boosting tourism and cultural activities.

Contribution to the EUSBSR

The objectives of the EUSBSR and the ERDF OP of S-H show numerous parallels. Except for pillar IV, Schleswig-Holstein links in with the Strategy. Projects within the areas of R&D, innovation, environment, transport, Small Business Act and tourism, education, culture and health contribute meaningfully to achieving the aims of the Strategy.

The allocation of the ERDF resources has an impact on the 15 priorities of the Action Plan. For the "Labelling", it was differentiated between projects contributing "by trend" and projects with a "concrete" contribution to the Strategy. The concrete contribution was determined on the basis of the descriptions of the respective projects. Those which best complied with the objectives of the Strategy (e.g. projects with more cooperation partners) have been defined as contributing directly and concretely (ERDF volume €44.6 million, total amount €95.2 million; ca. 25% of all supported projects in Schleswig-Holstein are concretely linked to the Strategy).

Tables and figures

Funding capacity of the OP Schleswig-Holstein	Total EU funding available (€)	Decided projects (€)	Amount remaining available (€)
Axis 1 Enhancing knowledge and innovation	142 200 000	82 447 781.85	59 752 218.15
Axis 2 Improving competitiveness of enterprises	117 200 000	74 996 162.74	42 203 837.26
Axis 3 Improving the economic infrastructure and sustainable development	39 000 000	25 532 522.88	13 467 477.12
Axis 4 Development of specific regional potentials	63 600 000	22 326 616.14	41 273 383.86
Total	362 000 000	205 303 083.61	156 696 916.39

3.1.4.4. Description of Operational Programme Mecklenburg-Vorpommern

Programme Description

The Land Mecklenburg-Vorpommern is located in the north-eastern part of the Federal Republic of Germany. Its programme covers Community investment under the convergence objective. The overall budget of the Programme is some €1 670 million, including EU investment from the ERDF amounting to approximately €1 252 million (roughly 4.76% of all EU funding invested in Germany under cohesion policy over the period 2007-13).

Schwerin

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The primary objective of the Programme is a sustainable increase in economic growth in Mecklenburg-Vorpommern, by improving companies' innovativeness, entrepreneurial competitiveness and the attractiveness of the region as a place to conduct business.

Safeguarding and enhancing the competitiveness of the economy in Mecklenburg-Vorpommern is an important part of ERDF support. The investments focus more heavily on innovation (EUSBSR Action Plan, pillar II). Mecklenburg-Vorpommern's development strategy for using ERDF funding reflects the objectives set out in Lisbon and Gothenburg (pillar I, II). The ERDF programme is also designed to stimulate equality of opportunity, to ensure non-discrimination and to boost sustainable urban development. Furthermore, development measures also take into account the challenges posed by demographic change. The aims of the Operational Programme are to strengthen and support innovation in business and society, make the regional economy more competitive and flexible, create a dynamic environment for investment and employment and make the Mecklenburg-Vorpommern region more attractive as a location for business and tourism activities (pillar III).

Contribution to the EUSBSR
The objectives of the EUSBSR and the ERDF OP of M-P show numerous parallels. Except for pillar IV, Mecklenburg-Vorpommern links in with the Strategy. Projects within the areas of R&D, innovation, environment, transport, Small Business Act and tourism contribute meaningfully to achieving the aims of the Strategy.
To find the best ways to comply with the EUSBSR priorities, regular consultation between the Managing Authority and the EU Commission as well as with the German ministries at the federal level takes place. Beside this, information events, communication and publicity actions, and the internet, are used to present the Strategy. Specific questions are being addressed in the Monitoring Committee for the ERDF OP.

Mecklenburg-Vorpommern coordinates the area "tourism" within PA 12 of the EUSBSR Action Plan (http://www.baltic-sea-strategy-tourism.eu)

Tables and figures

ERDF investments contributing to the EUSBSR

Anteil von Maßnahmebereichen an den gesamten EFRE-Maßnahmen mit Bezug zur Ostseestrategie

- FuE und Innovation
- Umwelt
- Verkehr
- Sonstiges ("Small Business Act", Tourismus)

18%
6%
7%
69%
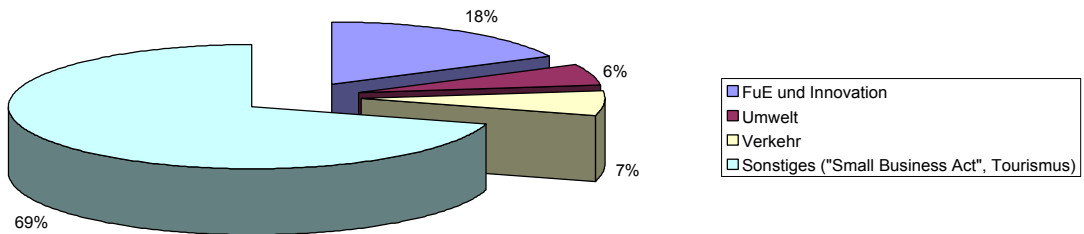
**Anteile von Maßnahmebereichen mit und ohne Bezug
zur Ostseestrategie an den EFRE-Mitteln insgesamt**

- FuE und Innovation
- Umwelt
- Verkehr
- Sonstiges ("Small Business Act", Tourismus)
- EFRE ohne Bezug zur Ostseestrategie

9%
3%
4%
46%
38%
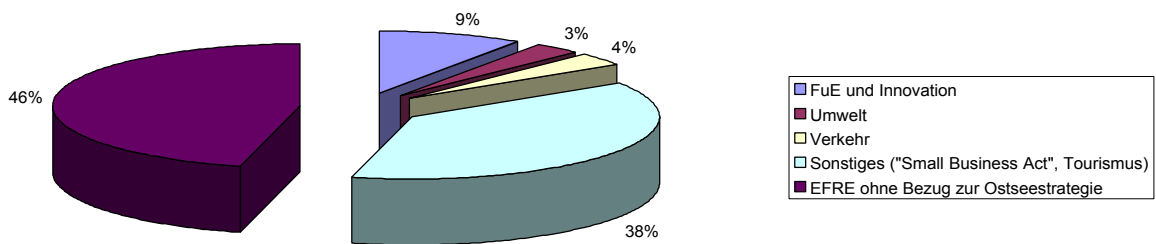
Funding capacity of the OP Mecklenburg-Vorpommern	Total EU funding available (€)	Decided projects (€)	Amount remaining available (€)

Axis 1 Innovation, R&D, education	276 049 000	138 665 303.27	137 383 696.73
Axis 2 Improving competitiveness and adapting to the new conditions, in particular for SMEs	343 171 390	171 222 534.82	171 948 855.18
Axis 3 Improving investment possibilities, in particular for SMEs	167 900 000	112 626 760.64	55 273 239.36
Axis 4 Development of structures for sustainable growth	440 300 000	274 201 033.53	166 098 966.47
Total	1 227 420 390	696 715 632.26	530 704 757.74

3.1.4.5. Description of Operational Programme Hamburg

Programme Description
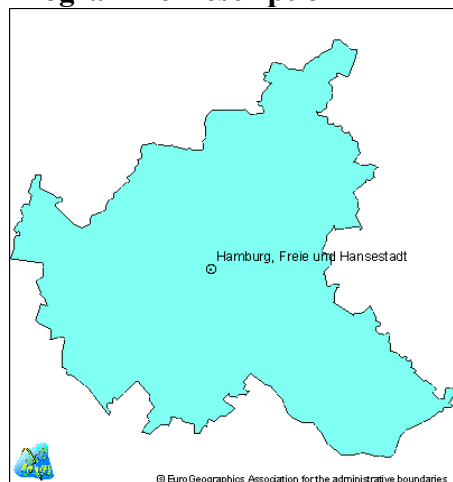
The Free and Hanseatic City of Hamburg is located on the banks of the estuary of the River Elbe which flows to the North Sea. Its programme involves Community support under the regional competitiveness and employment objective. The programme's total budget is around €74.05 million, the Community assistance through the ERDF amounting to around €35.269 million (approximately 0.13% of the total EU Structural Funds available for Germany in 2007-13).

Hamburg has identified four strategic objectives for the Operational Programme: 'Reinforcing Hamburg as a location for application-oriented research and development', 'Increasing the competitiveness of the Hamburg economy', 'Consolidating existing and developing cluster structures and networks' and 'Integrated development of individual city areas'. The overall objective of the ERDF programme is to 'consolidate the position of Hamburg as an innovation-oriented city and enhance its international attractiveness for investors and workers' in conjunction with the image of Hamburg as a 'growing and green city'. In this respect, projects chosen for financing contribute significantly to the EUSBSR.

Hamburg is one of the more prosperous regions of the European Union. It is, however, conscious of the challenges set by demographic change, structural change and globalisation. Targeted investment support for business start-ups and SMEs in technological and scientific

areas, promotion of investment in protection of the environment and in higher energy productivity, strengthening of existing and planned clusters, taking particular account of the industrial application of advanced and high technology, and also support for local economies in developing the potential of SMEs are the objectives of the OP. Through these objectives, Hamburg will make a noticeable contribution to the achievement of the Lisbon strategy objectives and the Gothenburg objectives of sustainability as well as to the EUSBSR.

Contribution to the EUSBSR

The OP amount for Hamburg is strongly limited. Nevertheless, Hamburg actively contributes to achieving the goals of the Strategy by supporting projects which are at the same time in line with its ERDF OP. The networking between research, the economy and enterprises shall be enhanced and the technology transfer improved. Projects directly contributing to the Strategy have also been identified within the environmental pillar.

The Managing Authority of the Hamburg OP cooperates actively with Hamburg's Senate Chancellery which is responsible for the Strategy within the Land of Hamburg. Beside this, a partnership with an INTERREG programme has been established in order to develop sustainable projects and create synergies.

Hamburg coordinates the area "education" within PA 12 of the EUSBSR Action Plan.

Tables and figures

Funding capacity of the OP Hamburg	Total EU funding available (€)	Decided projects (€)	Amount remaining available (€)
Axis 1 Innovation and knowledge-based economy	25 600 000	8 766 210.21	16 833 789.79
Axis 2 Integrated and sustainable urban development	8 400 000	0	8 400 000
Total	34 000 000	8 766 210.21	25 233 789.79

3.1.5. Latvia (Total area: 64 559 km^2 – Population: 2 248 374 inhabitants)
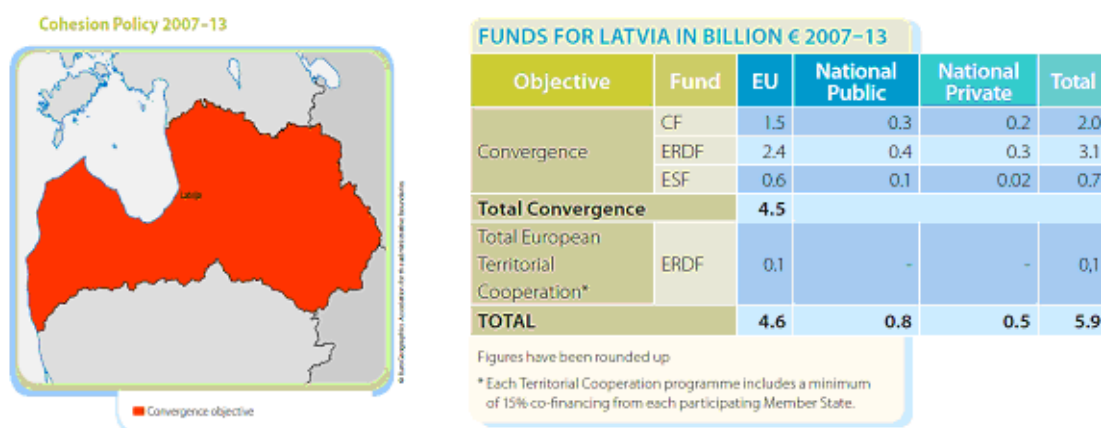
3.1.5.1. Analytical summary

The ERDF, CF and ESF budget for 2007-13 in Latvia is **€4.53 billion**.

In total, 2 232 out of 2 606 (or 85.64%) projects with valid contracts and ongoing activities in 2010 were identified within the three OPs – "Human Resources and Employment", "Entrepreneurship and Innovations", and "Infrastructure and Services", covering the country at national level – which contributed to the EUSBSR in 2010 in Latvia. The division by co-funding source is as follows: 1 880 ERDF projects, 205 ESF projects, and 147 Cohesion Fund projects. The total ERDF investments in the respective projects in 2010 was €282 933 693.29; ESF – €46 456 734.31; Cohesion Fund – €218 913 119. 68.

Organisational measures taken in order to implement the EUSBSR

In 2009, all three Operational Programmes (OPs) were reviewed with the aim being to identify priorities and activities that could be labelled as contributing to the implementation of the EUSBSR Action Plan priorities. The Managing Authority has designed a "labelling" system, which follows some basic rules – if the objective of the activity contributes to the EUSBSR Action Plan priorities, each particular project of this activity also contributes to the EUSBSR. Therefore, no special criteria are needed to evaluate project contributions to the EUSBSR, because each project in the EUSBSR-earmarked activities would get an equal maximum number of points.

The Ministry of Foreign Affairs of the Republic of Latvia coordinates Latvia's involvement in implementing the Strategy at national level. A working group for the Strategy implementation was established by the Government in October 2009. The main task of the working group has been to ensure internal exchange of information, facilitate national Priority Area contact points' cooperation with PACs, coordinate actions to identify and promote projects for inclusion in the Strategy's Action Plan and better link Strategy-related initiatives with national strategic planning documents.

In order to promote the visibility of the Strategy, several communication and publicity actions have been carried out in Latvia. For example, on 9 June 2010 the Ministry of Foreign Affairs

and the Turku INTERACT contact point jointly organised a seminar on the implementation of the EUSBSR. In September 2010, the 11th Baltic Economic Forum "The European Union Baltic Sea Strategy for the competitiveness of the Region" was organised in Riga. In September 2010, a study/book on the EU Strategy for the Baltic Sea Region was presented by the Latvian Association of Political Scientists. The study was carried out with the support of the Ministry of Foreign Affairs, European Commission Representation in Latvia and the Nordic Council of Ministers.

In 2010, technical assistance was used for participation in significant events in line with the implementation of the EUSBSR and its Action Plan.

The necessary steps have been taken to inform Latvian society about the EUSBSR. Information regarding the EU funds' contribution to the EUSBSR implementation is included within annual reports on implementation of the OPs. Information is available on the EU funds' homepage: http://www.esfondi.lv and on the homepage of the Ministry of Foreign Affairs: http://www.mfa.gov.lv/lv/eu/sadarbiba-baltijas-juras-regiona/bjs/.

Main problems encountered

No problems are specifically reported, but it appears that coordination of the implementation of the Strategy must be improved.

A platform for discussion among the Strategy's stakeholders has existed since the beginning of 2008 and has observed constantly growing awareness among the stakeholders regarding the Strategy. An initially cautious attitude and general interest in direct/immediate funding have been replaced by a deeper understanding of the Strategy's regional role and tasks.

Main lessons learned and what should be done in the future to improve links between programmes and the EUSBSR

Real international cooperation within the EUSBSR has still not been achieved. The main lessons learned so far are: project ideas must be substantial, with a macro-regional scope; and project partners have to have adequate managerial experience and skills in regional networking, and an ability to attract and use different financial resources. For some line-ministries, the recent shortage of both human and financial resources has been an obstacle to enough active involvement to promote the projects eligible for the Action Plan. In this regard, there is still a clear need for further political support within the national, regional and EU framework to maintain the current momentum and the stakeholders' interest.

Tables and figures

Estimated contribution of the EU convergence objective OPs in Latvia to implementation of the EUSBSR based on the decided projects (for more detailed information, see factsheet by OP in Latvia)

Total Investments contributing to the EUSBSR by the funding source
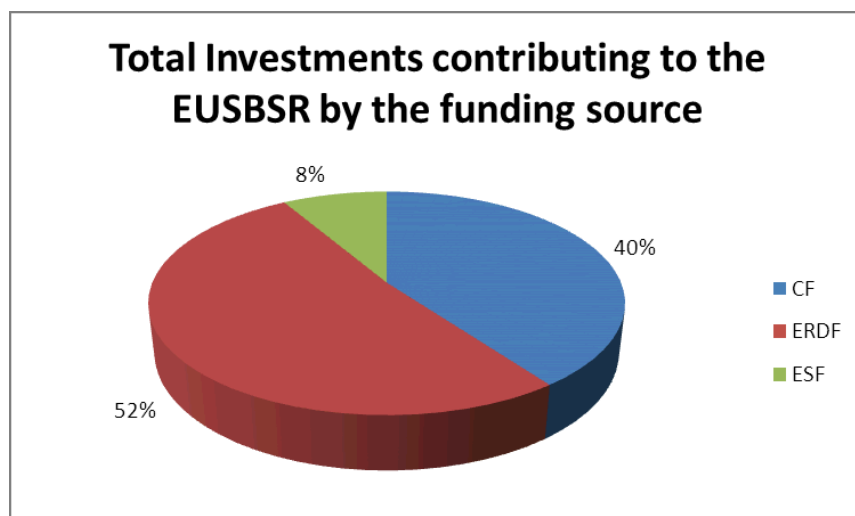
Share of ESF investments contributing to Priority Areas of the Strategy *(sum of projects contributing to the Strategy)*

Main Priority Areas	ESF amount, €
R&D	12 474 989.32
Education	25 056 162.25
Human resources	8 925 582.74
Total	**46 456 734.31**

ESF investments in 2010 by the Main Areas of the Strategy
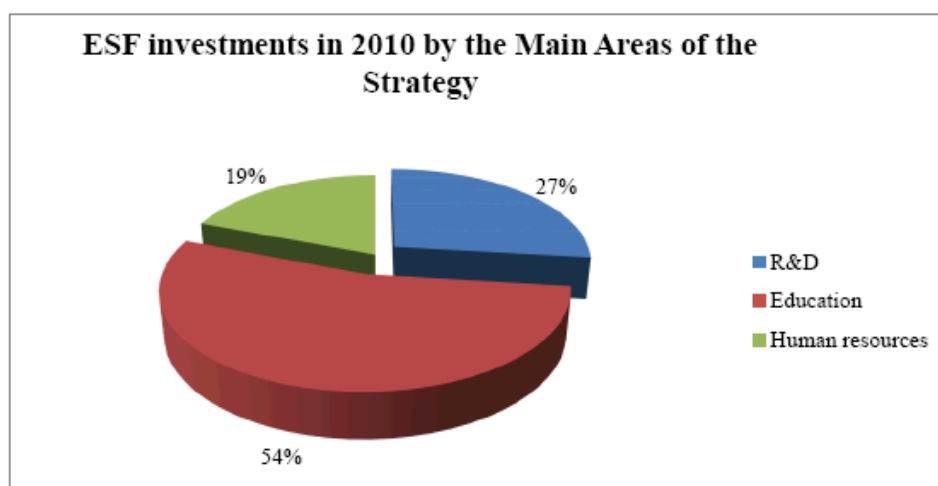
Projects supporting the implementation of the EUSBSR in Latvia by Fund

ERDF

Main Priority Areas	ERDF amount, €	Number of projects
R&D	10 813 344.00	135
Innovation	34 459 569.38	196
Entrepreneurship	7 048 972.99	500

Education	51514 201.50	276
Health	28 302 478.61	66
Transport	99 996 325.90	175
ICT	22 390 527.44	155
Environment	26 127 707.84	176
Tourism	1 151 419.66	30
Energy	1 129 145.96	171
Total	**282 933 693.29**	**1 880**

Cohesion Fund

Main Priority Areas	CF amount, €	Number of projects
Transport	102 457 782.96	7
Energy	6 275 334.09	119
Environment	110 180 002.64	21
Total	**218 913 119.68**	**147**

CF investments in 2010 by the Main Areas of the Strategy

■Transport ■Environment ■Energy

47%

50%

3%
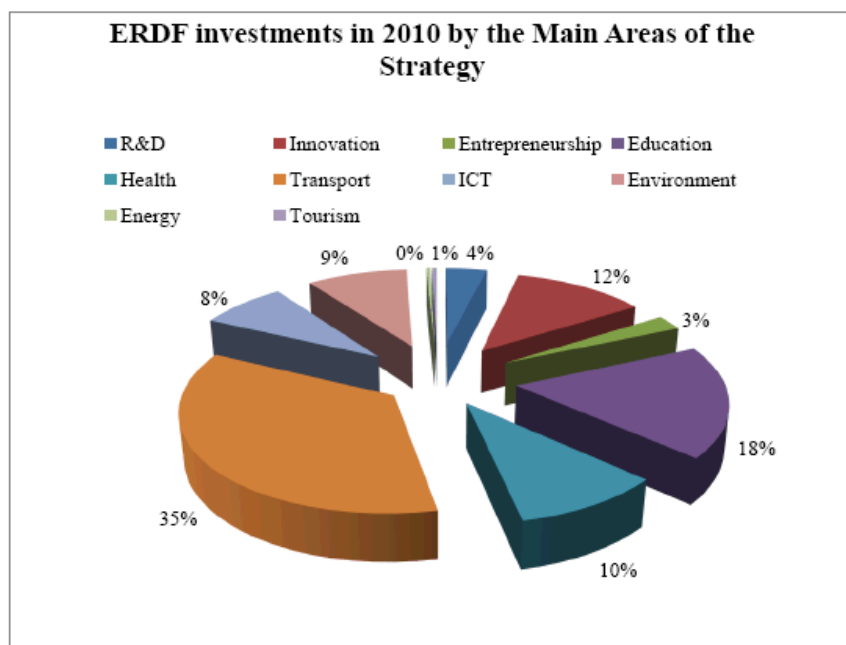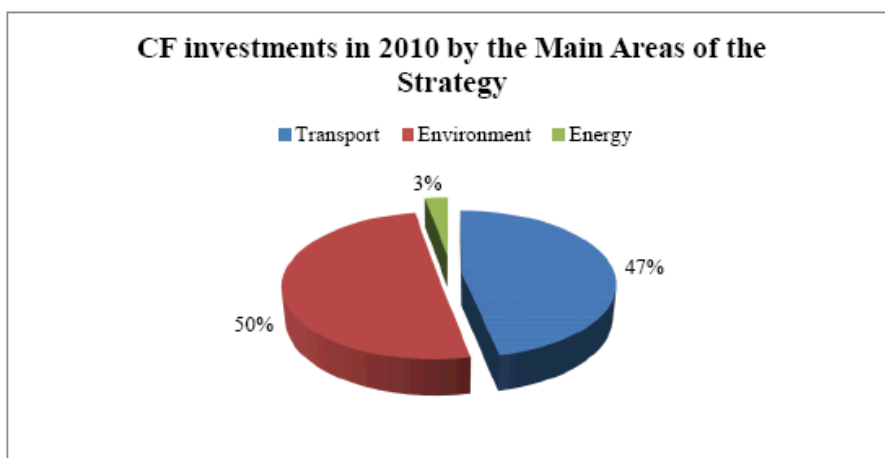
3.1.5.2. Description of Operational Programme "Entrepreneurship and Innovations" – Convergence Objective – Whole National Territory

Programme Description

The total budget of the Programme is around €1.08 billion, the Community assistance through the **ERDF amounting to €736.7 million** (approximately 16% of the total EU money invested in Latvia under cohesion policy 2007-13).

The OP aims to make considerable progress in science, innovation and entrepreneurship. It contributes to the use of knowledge and innovation, high value-added production, and enhanced export capacity for existing enterprises, as well as encouraging the formation of new knowledge-based and technology-intensive enterprises.

Contribution to the EUSBSR

Three priorities of the OP are linked in with the Baltic Sea Strategy: Priority 1: Science and Innovation (60% of the OP resources), Priority 2: Access to Finance (23% of OP resources), and Priority 3: Promotion of Entrepreneurship (14% of the OP resources).

Tables and figures

	Total Contribution to the OP (€)[1]	Allocated amount (€)[1]	EU Contribution to the OP			
			Committed amount by March 2011 (€)[58]	Committed amount by March 2011 (%)[2]	Remaining amount by March 2011 (€)	Contribution to EUSBSR by March 2011 (€)[2]
OP "Entrepreneurship and Innovations"	1 084 088 177	736 730 950	426 781 737	64.5	261 384 077	412 298 945 (96.6%)
Priority 1: Science and Innovation	708 999 804	466 042 000	185 850 536	41.1	280 191 464	185 850 536
Priority 2: Access to Finance	216 595 882	168 170 000	168 170 000	100.0	0	168 170 000
Priority 3: Promotion of	128 446 667	76 980 000	58 278 409	75.7	18 701 591	58 278 409

Entrepreneurship						
Priority 4: Technical assistance	30 045 824	25 538 950	14 482 792	63.0	11 056 158	0

To contribute to the objectives of the EUSBSR Priority 7 "To exploit the full potential of the Region in research and innovation" – the OP plans to promote entrepreneurship with higher value added by providing aid in developing and producing new products and technologies, and ensuring highly-qualified human resources in enterprises, and cooperation of the research and business sectors.

For instance, within the activity of the OP "Competence Centres", five projects have been approved. Implementation of the activity will start in the first quarter of 2011. It is important to point out that competence centre activity is very significant as it is the first attempt by a project of such a large scale to bring together different industry partners and scientific partners. Among the approved competence centres, there are companies from sectors like chemistry, wood processing, metal processing, electrical engineering and space technologies. Approved competence centres within the Programme will conduct industrial research and experimental development in areas currently important for the whole industry in Latvia and worldwide. It is expected that this collaboration will result in new high added value products and technologies.

Concerning the activity "Development of new products and technologies", one of the successes within this activity is the pharmaceutical company JSC "Grindeks" which is conducting industrial research. Using the knowledge base gained, it will conduct experimental development to create new medicines. To carry out research, high level specialists are involved.

In order to contribute to objectives of the EUSBSR Priority 8 "Implementing the Small Business Act; to promote entrepreneurship, strengthen SMEs and increase the efficient use of human resources", the OP plans to promote economic activity and enhance competitiveness by setting up new enterprises and strengthening existing enterprises. There are further plans to facilitate access to financial resources to enhance business development, at the same time reducing the negative effects of direct state aid on market competition and achieving a more efficient use of state aid assets by exploiting them repeatedly for business development or applying a multiplier. Under the activity "Business incubators", the creative incubator in Riga can be considered particularly successful. The support from EU funds is provided to micro and small enterprises established in Latvia. Nevertheless, these small enterprises are usually involved in international networks. There are around 40 small enterprises in the incubator at the moment.

3.1.5.3. Description of Operational Programme "Infrastructure and Services" – Convergence Objective – Whole National Territory

Programme Description
The total budget of the Programme is around €4 billion and includes Community funding through the **ERDF and CF amounting to €3.2 billion** (approximately 70% of the total EU money invested in Latvia under cohesion policy 2007-13).
The OP aims to promote the accessibility and attractiveness of the country for both entrepreneurs and citizens in Latvia, and ensure sustainable development and progress towards a knowledge-based economy. Efforts will also focus on providing quality education

as well as a quality working and living environment. In terms of economic development, the OP aims to ensure sufficient infrastructure and public services combined with a competitive business environment.

Contribution to the EUSBSR
Six priorities of the OP are in line with the EUSBSR: Priority 1: Infrastructure for Strengthening Human Capital (15.0% of the OP resources); Priority 2: Promotion of Territorial Accessibility (14.9% of the OP resources); Priority 3: Development of a Transport Network of European Significance and Promotion of Sustainable Transport (25.0% of the OP resources); Priority 4: Quality Living and Business Environment (11.3% of the OP resources); Priority 5: Promotion of Environmental Infrastructure and Environmentally-Friendly Energy (24.0% of the OP resources); Priority 6: Polycentric Development (7.7% of the OP resources).
Priorities of the OP that give the largest financial contribution to the EUSBSR are transport and environment, with €202 454 107 and 110 180 002 respectively.

The transport priority makes a substantial contribution to the EUSBSR Priority Area 11 "To improve internal and external transport links", while the environment priority is linked with the EUSBSR Priority Areas 1 "To reduce nutrient inputs to the sea to acceptable levels", 2 "To preserve natural zones and biodiversity, including fisheries", and 3 "To reduce the use and impact of hazardous substances".

The OP "Infrastructure and Services" aims at improving the **transport sector** by fostering the development of high-quality, safe transport infrastructure integrated in the common transport system of Eurasia that would facilitate national economic growth, accessibility of the country as a whole and also its separate areas, as well as development of environmentally sustainable transport systems.

For the preservation of the quality of the **environment**, the OP proposes to use natural resources rationally and reduce environmental pollution respecting the "polluter pays" principle, in order to protect the health of society and ensure sustainable development. Meeting the requirements and objectives of the EU legislation pertaining to environment protection, rehabilitation of contaminated sites and prevention of environmental risk, will not only make individual parts of the country's territories more attractive to investors and visitors but also guarantee residents the required quality of life.

It is planned also to improve the quality of the **health** care service in order to enhance efficient medical treatment processes, optimise the number and location of health care providers, and perform medical treatment of higher quality, thus ensuring a faster return of the workforce to the labour market.

The OP "Infrastructure and Services" also adds to the **education** priority, fostering the efficient use of human capital as the most substantial resource in the Latvian economy, increasing competitiveness and employment indicators by improving infrastructure and equipment in education systems and by providing higher quality services to society.

To improve the **energy** sector and to contribute to the objectives of the EUSBSR Priority Areas 5 "To mitigate and adapt to climate change" and 10 "To improve the access to, and the efficiency and security of the energy markets", the OP plans to promote efficient heating systems by renovating district heating or combined heat and power facilities, promote

energy-efficient housing in the residential sector and public buildings, and increase the usage of renewable energies.

It is planned to promote the development of an information society and knowledge-based economy, including improving the efficiency of the Public Administration, to facilitate the development of e-services, information systems and integration, to promote accessibility of information and services by facilitation of accessibility to Internet and broadband network infrastructure, thus increasing the general population's opportunity to participate in different social processes, so as to improve the **ICT sector** and to contribute to the objectives of the EUSBSR Priority Area 11 "To improve internal and external transport links" within the OP "Infrastructure and Services".

The OP contributes to the objectives of the EUSBSR Priority Area 12 "To maintain and reinforce the attractiveness of the Baltic Sea Region in particular through education and youth, tourism, culture and health" and to the improvement of the **tourism** sector, fostering competitiveness and creating favourable conditions for complex development of tourism products and services.

Tables and figures

	Total Contribution to the OP (in €)[3]	Allocated amount (in €)[3]	EU Contribution to the OP			
			Committed amount by March 2011 (in €)[59]	Committed amount by March 2011 (%)[4]	Remaining amount by March 2011 (in €)	Contribution to the EUSBSR by March 2011 (in €)[4]
OP "Infrastructure and Services"	3 888 137 104	3 210 612 967	2 451 842 585	76.4	758 770 382	2 366 938 948
Priority 1: Human Capital	589 847 095	504 623 236	416 131 944	82.5	88 491 292	368 845 881
Priority 2: Territorial Accessibility	572 060 939	511 190 662	379 997 460	74.3	131 193 202	379 997 460
Priority 3: Sustainable Transport	1 008 195 825	856 966 451	824 562 379	96.2	32 404 072	824 562 379
Priority 4: Env for Life and Eco Activity	424 353 751	322 906 364	143 489 449	44.4	179 416 915	143 489 449
Priority 5: Env Infrastructure Friendly Energy	900 921 086	670 610 102	450 345 379	67.2	220 264 723	450 345 379
Priority 6: Polycentric Devt	322 948 363	274 506 107	199 698 400	72.7	74 807 707	199 698 400
Priority 7: TA ERDF	57 610 045	57 610 045	33 002 933	57.3	24 607 112	0
Priority 8: TA of CF	12 200 000	12 200 000	4 614 641	0	7 585 359	0

3.1.6. Lithuania (Total area: 65 300 km^2 - Population: 3 329 039 inhabitants)

3.1.6.1. Analytical summary

Objective	Fund	EU	National Public	National Private	Total
Cohesion Policy 2007-13 — FUNDS FOR LITHUANIA IN BILLION € 2007-13					
Convergence	CF	2.3	0.4	0.1	2.8
	ERDF	3.4	0.5	0.4	4.3
	ESF	1.0	0.1	0.1	1.2
Total Convergence		6.7			
Total European Territorial Cooperation*	ERDF	0.1	–	–	0.1
TOTAL		6.8	1	0.6	8.4

Figures have been rounded up

* Each Territorial Cooperation programme includes a minimum of 15% co-financing from each participating Member State.

ERDF, CF and ESF programmes in Lithuania: Implementation process

<u>Organisational measures taken in order to implement the EUSBSR</u>

In order to ensure an efficient and successful implementation of the EUSBSR in Lithuania, a National Commission for the Supervision of the Implementation of the European Union Strategy for the Baltic Sea Region was established by Decision No 133 of 10 February 2010 of the Lithuanian Government "On the Implementation and Coordination of the European Union Strategy for the Baltic Sea Region in Lithuania".

The National Commission is made up of responsible public authorities and bodies including those involved in the administration of EU structural assistance as well as representatives of the social and economic partners. Functioning as a platform, the National Commission allows representatives of different sectors and institutions to share their experience in implementing the EUSBSR and together seek solutions for overcoming emerging obstacles and difficulties. In 2010, the National Commission held three meetings where a number of issues such as the progress and difficulties in the implementation of the EUSBSR, the contribution of different financial instruments and programmes to the implementation of the EUSBSR and ways of enhancing the visibility of the Strategy were discussed.

It does not appear that any particular changes, other than the reference to the Strategy, have been made to the programmes. The Ministry of Finance has commissioned an evaluation of the implementation of the EU Strategy for the Baltic Sea Region by mobilising the EU Structural Funds for the period 2007–13.

Following this evaluation, it is generally considered that the programmes and the Strategy are sufficiently aligned. One of the recommendations was to introduce a new specific selection criterion for projects falling under measures considered as making a direct contribution to the EUSBSR. However, to date this recommendation has not been taken up.

Examples of projects contributing to the EUSBSR

Several of the projects highlighted by the Lithuanian authorities fall within the environment sector and include cases such as the establishment of a centre for hydrogen energy technologies, the construction of a combined heat and power plant using renewable energy sources and the renovation and development of the infrastructure for water supply and waste water management.

Moreover, projects in the field of technological innovation (creation of a prototype for a 9 GHz bandwidth optical sampling oscilloscope (OS9G)) and in transport (expansion of the Kaunas Airport passenger terminal bringing it in line with Schengen requirements) are mentioned as contributing to the EUSBSR.

Main problems encountered

No problems are specifically reported. However, coordinating the development and the implementation of the process between NCPs, Ministries and PACs, political involvement, the delivery mechanism and alignment of funding sources are most likely the main difficulties to be overcome.

On 31 May 2010 in Vilnius, the Ministry of Finance together with the Swedish Agency for Economic and Regional Growth (Tillväxtverket) and the Swedish International Development Cooperation Agency (SIDA) organised a meeting "Implementation of the EU Strategy for the Baltic Sea Region". Representatives from Lithuania, Latvia, Sweden, Finland and Germany directly involved in EU structural assistance and the implementation of the EUSBSR took part and various aspects of the EUSBSR funding were discussed. During this meeting, an informal Network for the Funding of the Strategy for the Baltic Sea Region was established.

Main lessons learned and what should be done in the future to improve links between programmes and the EUSBSR

In July 2010, the Lithuanian Government adopted a decision on the compatibility of EU financial measures and programmes with the objectives and priorities of the EUSBSR in relation to the next programming period.

In this context, a protocol decision was adopted by which authorities responsible for the administration of relevant EU financial measures are charged, when preparing the programming documents for the new period (2014–20), with ensuring a close alignment with the EUSBSR objectives and Priority Areas set out in its Action Plan. This should be done through the establishment of project selection criteria in relation to the EUSBSR at the level of all programmes which will grant priority to projects contributing to the implementation of the EUSBSR (given the project complies with other relevant project requirements).

Additionally, these provisions will apply not only to mainstream programmes but also to other EU financial measures and programmes such as the European territorial cooperation objective, Lithuanian rural development and fisheries programmes, as well as the Trans-European Energy Network (TEN-E) and the Trans-European Transport Network programmes, etc., that can make a significant contribution to the implementation of the Strategy.

Estimated contribution of the EU convergence objective OPs in Lithuania to the implementation of the EUSBSR based on the decided projects (for more detailed information, see 3.2.2.2-3.2.2.3 which includes information at programme level)

Priority Areas of the Strategy	ESF+ERDF+CF amount (€ million)
Research and technological development (RTD)	247.67
Innovation	63.49
Energy	31.56
Transport	843.54
Environment	1 219.65
Business	61.52
Tourism	2.36
Education, learning	38.61
Internal market	1.01
Total:	**2 509.41**

3.1.6.2. Contribution of the convergence objective Promotion of Cohesion Operational Programme (2007LT161PO001) to the EUSBSR

Programme Description

The Promotion of Cohesion Operational Programme is co-funded by the European Regional Development Fund (€1 475 million) and the Cohesion Fund (€1 172 million) under the convergence objective.

The OP aims at improving standards of living throughout the country from an economic and social point of view. This should provide a basis for stable sustainable economic development in the long term. Key objectives are: to create preconditions for strengthening and unfolding the potential of local development; to ensure accessible, high-quality public services provided by health care, education and state employment promotion policy institutions, non-institutional social services and services to the disabled; and to improve the environment, with a focus on improving energy efficiency.

Contribution to the EUSBSR

Looking at the OP in the light of the EUSBSR, the absolute majority of projects contribute to the implementation of Priority Area 5 of the Action Plan (to mitigate and adapt to climate change). To a certain extent, a contribution is also made to Priority Area 12 (to maintain and reinforce the attractiveness of the Baltic Sea Region in particular through education, youth, tourism, culture and health).

By 31 December 2010, a total of 747 projects directly contributed to the implementation of the EUSBSR to which more than €1 189 million had been allocated. The vast majority of projects (740) are being implemented in the field of environmental protection. Implementation of various projects related to the improvement of energy efficiency through renovation and modernisation of multi-dwelling buildings, preservation of biodiversity, remediation of water bodies and sites contaminated with hazardous substances, water supply and waste water management, waste management, and usage of renewable energy sources, etc. contributes to the improvement of environmental quality, mitigation of climate change and promotion of sustainable development. Furthermore, several projects related to the

improvement of the image of Lithuania's tourism in foreign markets and the introduction of tourism opportunities in Lithuania at international tourism events with the aim of attracting tourists to the region, etc. are also being implemented.

Consequently, the biggest contributions to the implementation of the EUSBSR are made within Priority Axis 4 (Environment and sustainable development), followed by Priority Axis 1 (Local and urban development, preservation of cultural heritage and protection of nature and its adaptation to the development of tourism).

Tables and figures

Main Priority Areas of the Strategy	Number of projects contributing to the implementation of the Flagship initiatives referred to in the EUSBSR Action Plan	Number of projects directly contributing to the implementation of the EUSBSR	ERDF + CF amount allocated in accordance with signed contracts (€ million)
Environment	−	740	1 186.91
Tourism	−	7	2.36
Total by areas:	**−**	**747**	**1 189.27**
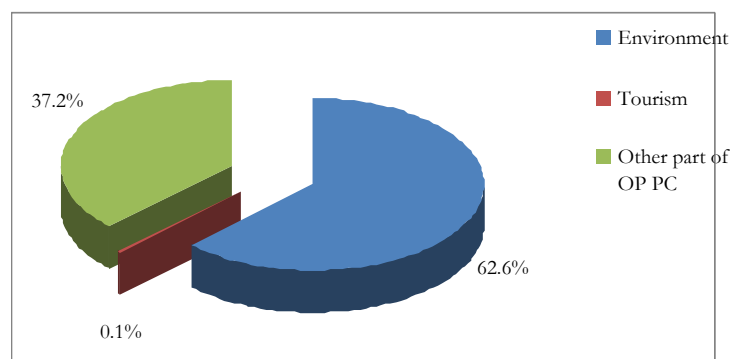
Funding capacity of the OP Promotion of Cohesion	Total EU funding available (€)	Decided projects (€)	Amount remaining available (€)
Priority Axis 1: Local and urban development, protection of cultural heritage and nature and its adaptation to development of tourism	845 778 316	600 196 258	245 582 058
Priority Axis 2: Quality and availability of public services: health care, education and social infrastructure	629 609 905	456 140 401	173 469 504
Priority Axis 3: Environment and sustainable development	1 128 119 555	966 912 142	161 207 413
Priority Axis 4: Technical assistance	44 824 795	16 597 745	28 227 050

	2 648 332 571	2 039 846 546	608 486 025
Total			

3.1.6.3. Contribution of the convergence objective Economic Growth Operational Programme (2007LT161PO002) to the EUSBSR

Programme Description

The Economic Growth Operational Programme is co-funded by the European Regional Development Fund (€1 966 million) and the Cohesion Fund (€1 132 million) under the convergence objective.

The OP aims at speeding up economic growth in the long term so as to close the development gap between Lithuania and the EU average. The main objectives are to increase the share of high value added businesses, boost productivity, particularly by creating favourable conditions for innovation and small and medium-sized enterprises (SMEs), and improve the efficiency of the economic infrastructure.

Contribution to the EUSBSR

Looking at the OP in the light of the EUSBSR, the biggest contribution is made to the following Priority Areas of the EUSBSR Action Plan: to exploit the full potential of the Region in research and innovation (Priority Area 7), implementing the Small Business Act: to promote entrepreneurship, strengthen SMEs and increase the efficient use of human resources (Priority Area 8), and to improve internal and external transport links (Priority Area 11).

By 31 December 2010, a total number of 823 projects directly contributing to the implementation of the EUSBSR and to which €1 263.42 million were allocated have been implemented. The majority of projects (375) are being implemented in the business sector and are aimed at: finding foreign partners and expanding businesses into foreign markets (such as the countries belonging to the Commonwealth of Independent States); trade promotion; attraction of foreign direct investment and capital; and enhancement and improvement of the economic image of Lithuania in foreign markets with the aim of attracting more investment into the region, etc.

Although a large share of projects is implemented in the business sector, the largest projects are nevertheless implemented in the fields of transport, research and technological development (RTD) and innovation. Implementation of transport-related projects includes improvement, modernisation and development of road, rail, sea and international airport infrastructure, development of transport links with other EU Member States, and enhancing the safety of traffic users, etc. By the end of 2010, funding was given to one project which is part of the "Via Baltica" priority project provided for in the EUSBSR Action Plan under the Flagship initiative "Accomplish the development of the agreed priority transport infrastructures".

In the field of RTD and innovation, the implementation of projects is related to improvement of the international competitiveness of the country's industry, development of the infrastructure for carrying out world-class scientific and applied research of international importance, setting up of EU and world-class laboratories, manufacture of new innovative products, creation of clusters, development in the region, etc. Funding is also allocated to energy projects that are implemented with the aim of modernising power transmission systems and transformer stations and constructing new power lines, thus enabling successful implementation of power links with other countries (for example, Sweden), and to

environmental projects aimed at the modernisation of heating systems and increased reliability and efficiency of heating supply.

The biggest contribution to the implementation of the EUSBSR is made within Priority Axis 5 (Development of the Trans-European Transport Networks), followed by Priority Axis 4 (Basic economic infrastructure) and Priority Axis 1 (Scientific research and technological development for the competitiveness and growth of the economy).

Tables and figures

Main Priority Areas of the Strategy	Number of projects contributing to the implementation of the Flagship initiatives referred to in the EUSBSR Action Plan	Number of projects directly contributing to the implementation of the EUSBSR	ERDF+CF amount allocated in accordance with signed contracts (€ million)
Research and technological development (RTD)	–	29	230.57
Innovation	–	190	63.49
Energy	–	8	31.56
Transport	1	170	843.54
Environment	–	50	32.74
Business	–	375	61.52
Total by areas:	**1**	**822**	**1 263.42**
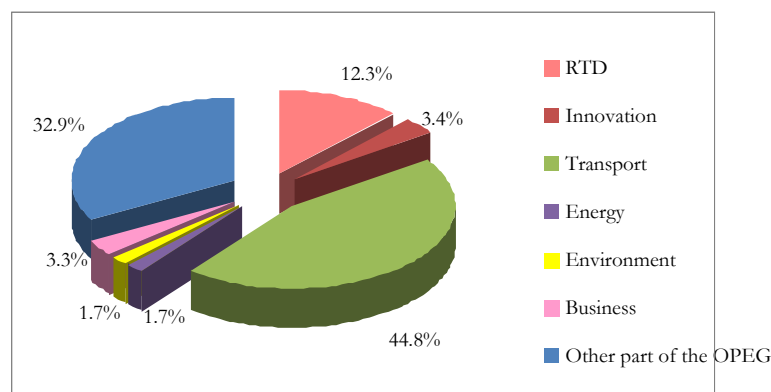
Funding capacity OP Economic Growth	Total EU funding available (€)	Decided projects (€)	Amount remaining available (€)
Priority Axis 1: R&D for competitiveness and growth of business	534 187 373	337 730 558	196 456 815
Priority Axis 2: Increasing business productivity and improving environment for business	605 529 144	515 301 523	90 227 621

Priority Axis 3: Information Society for all	240 086 875	134 334 397	105 752 478
Priority Axis 4: Basic economic infrastructure	586 758 740	444 164 334	142 594 406
Priority Axis 5: Development of Trans-European Transport Networks	1 087 466 598	503 312 692	584 153 906
Priority Axis 6: Technical assistance	44 824 795	17 022 368	27 802 427
Total	3 098 853 525	1 951 865 872	1 146 987 653

3.1.7. Poland (Total area: 312 685 km^2 - Population: 38 167 329 inhabitants)

Polityka spójności 2007–13

Convergence objective

FUNDS FOR POLAND IN BILLION € 2007–13

Objective	Fund	EU	National Public	National Private	Total
Convergence	CF	22	6	1.5	29.5
	ERDF	33	6	1.5	40.5
	ESF	10	2		12
Total Convergence		65			
Total European Territorial Cooperation*	ERDF	0.7	-	-	0.7
TOTAL		66**	14	3	83

Figures have been rounded up

* Each Territorial Cooperation programme includes a minimum of 15% co-financing from each participating Member State.

** In addition, 3% i.e. €1.3 billion is kept as a performance reserve to be allocated to the most successful programmes before 2011.

Implementation process in Poland

The implementation process of the EUSBSR in Poland is well under way. Although the feeling of ownership varies among the stakeholders, the EUSBSR is generally perceived as a necessary and important instrument that has the potential to help the Region prosper and address its needs through growing macro-regional cooperation. Despite the unquestionable vitality of the Region manifesting itself in a number of regional initiatives, only the EUSBSR covers such a wide range of crucial issues while using the possibilities created by the EU. A variety of different actors including governments, inter-governmental organisations, regional and local authorities as well as private organisations makes the EUSBSR even more valuable and tailored to the needs we are to respond to. A number of important events referring to the Strategy took place in Poland, among them the VASAB Annual Conference "Integrated Approach to Spatial Development of Europe – Meaning of Territorial Cohesion" and the Second Working Meeting on the Implementation of the EUSBSR (February 2011). The most important upcoming events in 2011 will be the Second Annual Forum of the EUSBSR together with the Baltic Development Forum Summit.

Although there are no major obstacles in the implementation process experienced by Polish Priority Area Coordinators and Flagship Project Leaders, overall progress varies depending on the specific Priority Area or Flagship Project. Some projects are already progressing very well (e.g. "A network of centres of excellence for maritime training" – 13.5), others due to the recent changes in the leadership are in a start-up phase (e.g. "Deeper cooperation on environmental technology to create new business opportunities" – 8.2). On the other hand, the project 8.6 "Make the Baltic Sea a leader in design" has not been initiated yet due to financial problems.

The EUSBSR has triggered regular meetings between the Ministry of Foreign Affairs and Polish stakeholders and allowed for a current exchange of information in working contacts. The meetings resulted in better awareness of the National Contact Point   about   the initiatives taken on the ground. Participation in international meetings on the EUSBSR helps to have a better understanding of numerous initiatives taking place in the Baltic Sea Region. The cooperation with the Ministry of Regional Development, responsible for coordination of cohesion policy implementation, has been intensified.

Despite the generally positive impression that the EUSBSR is already giving, there are lessons that can be drawn. There is the feeling we need to ensure sustained high-level political pressure on the EUSBSR and stronger ownership on all levels, including National Contact Points. What is needed is stronger clarification of the responsibilities on all levels. Financing of the projects also needs further attention.

Apart from the meetings with all Polish stakeholders, separate meetings with each of the stakeholders, with the MRD's participation, are necessary for focusing on specific problems. The MFA has started the procedure of setting up an inter-ministerial commission on the EUSBSR.

The review process of the EUSBSR should tackle the following:

- improvement of the management process;

- further defining the roles of the stakeholders on all levels;

- clear monitoring system and targets;

- strengthening the coordination between policies on national and EU level influencing the macro-region.

Quantitative analysis

Within all Operational Programmes (OP) within the National Strategic Reference Framework in the areas related to the Baltic Sea Strategy, there were 28 559 financing agreements signed for €31 billion worth of EU co-financing, which means that about 80% of the total value of agreements signed contributing to the realisation of the Strategy.

Strategy-related projects financed by the ERDF and Cohesion Fund concerned: transport infrastructure – €12.8 billion (42%), R&D and innovation – €5.1 billion (16%), environment – €4.3 billion (14%), education, tourism and health – €4 billion (13%), entrepreneurship, SMEs and human capital – €3.7 billion (12%) and energy – €0.8 billion (3%).

Investment co-financed by the ERDF and Cohesion Fund for the EUSBSR
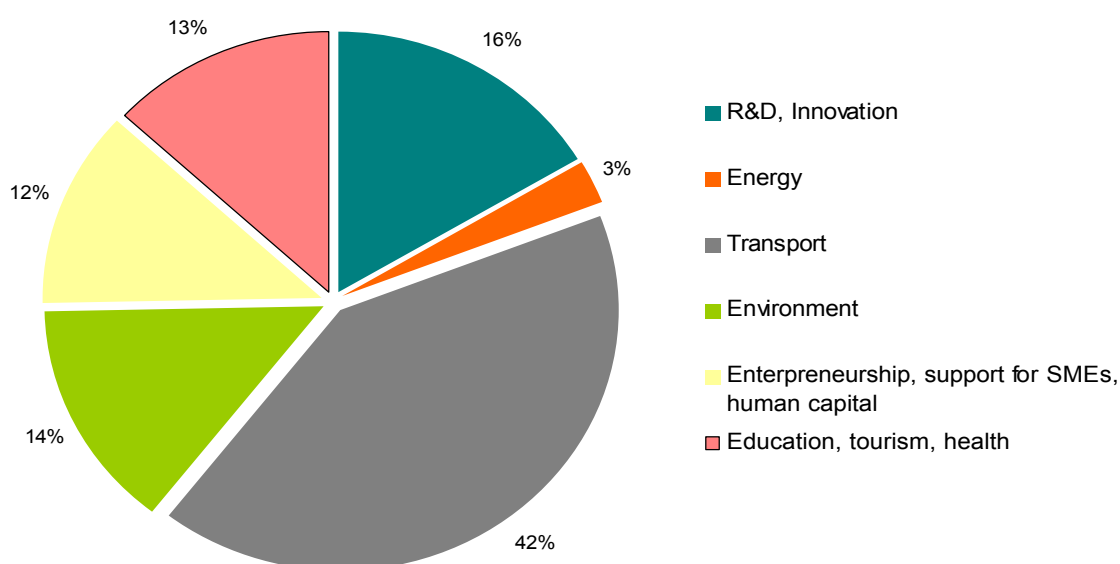
The rate of contribution differs among programmes: from 35% within OP Human Capital (co-financed by the ESF) to nearly 100% in the case of the South Baltic programme (ETC).
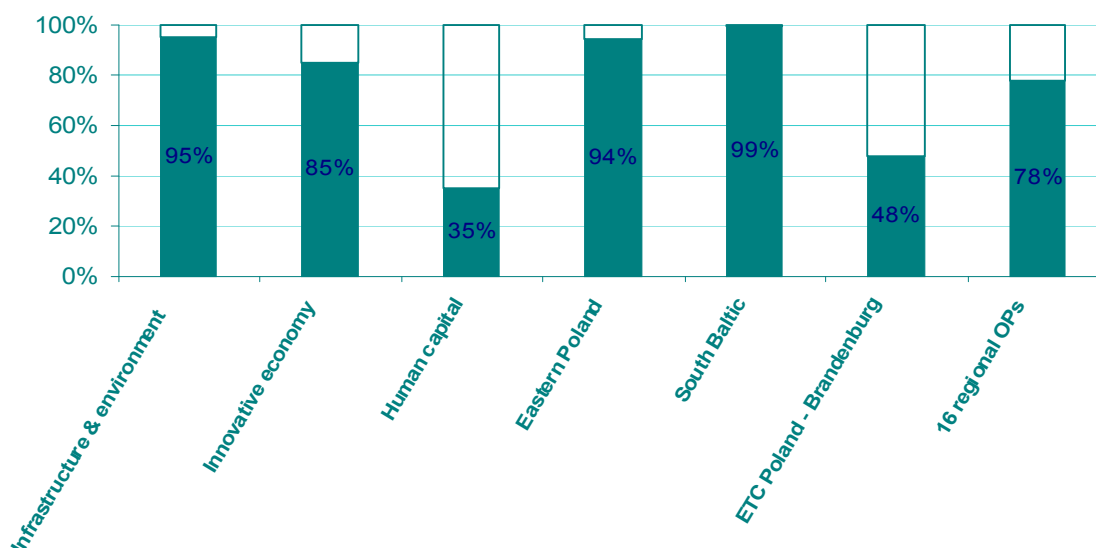
Cohesion policy in Poland

General information

The whole area of Poland belongs to the convergence objective of the EU cohesion policy. During the 2007–13 period, Poland is implementing 20 Operational Programmes (OP) financed by the ERDF and Cohesion Fund: four national programmes (managed by central administration) and 16 regional programmes (managed by regional administration). National programmes finance major investment aimed at development of infrastructure in the areas of transport, energy and environment, culture and health (OP Infrastructure and Environment) or research and development and innovation (OP Innovative Economy). While OP Innovative Economy and OP Infrastructure and Environment cover the whole country, OP Development of Eastern Poland is focused on five regions in Poland with the lowest GDP per capita (Warnińsko-Mazurskie, Podlaskie, Lubelskie, Świętokrzyskie, Podkarpackie). OP Technical assistance (not described in this report) is aimed at building administrative capacity. 16 regional programmes – one programme per region – support complementary investments, both infrastructural and aimed at the knowledge-based economy (business environment; direct support for SMEs; loan and guarantee funds). Territorial cooperation programmes facilitate international cooperation. In the context of the EUSBSR, the OP South Baltic plays a special role. Apart from the ERDF and Cohesion Fund programmes, there is also the ESF-financed OP Human Capital.

Allocation

Over the period 2007–13, Poland will receive €67.3 billion or 19.4% of the total €347.4 billion allocation for regional policy. Out of this, €22 billion goes to the Cohesion Fund, €9.7 billion to the ESF, €34 billion to the ERDF and €1.3 billion to the performance reserve. Poland will receive another €13.2 billion under rural development policy (EAFRD) and €734 million under the European Fisheries Fund (EFF). At the end of 2011, an allocation of

additional resources (€1 billion for the performance reserve and €0.6 billion for technical adjustment) will be available for Polish programmes.

Polska
Convergence and Competitiveness Objectives 2007-2013
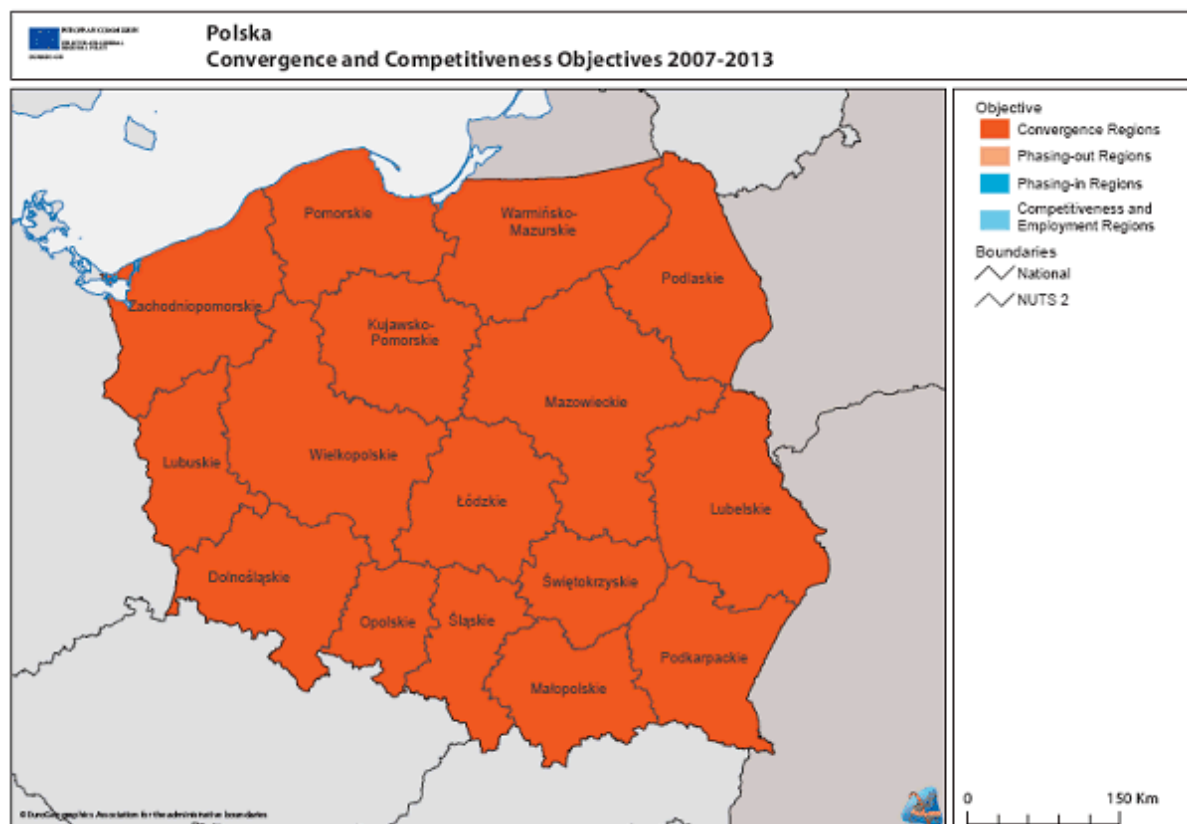
Availability of funds

By March 2011, the value of contracts signed amounted to nearly €34.8 billion (EU co-financing) or 62.3% of CF and ERDF allocations (€55.5 billion). In terms of contracts signed, regional programmes with 74% of allocations were more advanced than national OPs (58% contracted). However, taking into account applications approved for financing, the estimated use of allocation reaches 77%. In fact – taking additionally into account applications submitted in ongoing calls for proposals and key projects approved – the resources available would be much lower. The allocation of the performance reserve will add additional funding.

Estimated availability of funding

Operational Programme	Allocation 2007-13 (€)	Applications approved for financing		Grant agreements		
		Estimated EU contribution (€)	Use of allocation	EU contribution (€)	Use of allocation	Amount remaining*
	1	2	3	4	5	6=1-4
Innovative Economy	8 254 885 280	7 141 884 304	86.52%	5 720 021 364	68.87%	2 534 863 916
Infrastructure and Environment	27 913 683 774	19 198 578 457	68.78%	15 497 677 860	55.31%	12 416 005 914
Human Capital	9 707 176 000	8 342 268 964	85.94%	5 793 540 372	59.06%	3 913 635 628
Technical Assistance	516 700 000	263 586 823	51.01%	294 009 613	56.23%	222 690 387
Development of Eastern Poland	2 273 793 750	1 527 945 040	67.20%	1 339 165 016	58.49%	934 628 734

Territorial Cooperation	406 998 795	239 435 196	58.83%	145 382 624	42.43%	261 616 171
Total: national programmes	**49 073 237 599**	**36 582 024 519**	**74.55%**	**28 789 796 849**	**58.41%**	**20 283 440 750**
Regional OP for Dolnośląskie	1 213 144 879	1 031 947 371	85.06%	821 811 618	67.22%	391 333 261
Regional OP for Kujawsko-Pomorskie	951 003 820	790 483 017	83.12%	716 411 454	74.74%	234 592 366
Regional OP for Lubelskie	1 155 854 549	846 320 066	73.22%	730 187 871	62.84%	425 666 678
Regional OP for Lubuskie	439 173 096	449 748 865	102.41%	375 837 982	84.35%	63 335 114
Regional OP for Łódzkie	1 006 380 910	857 068 849	85.16%	776 011 623	76.44%	230 369 287
Regional OP for Małopolskie	1 290 274 402	1 151 005 347	89.21%	1 036 082 858	79.64%	254 191 544
Regional OP for Mazowieckie	1 831 496 698	1 272 985 791	69.51%	1 077 217 227	58.44%	754 279 471
Regional OP for Opolskie	427 144 813	476 746 449	111.61%	412 003 832	94.68%	15 140 981
Regional OP for Podkarpackie	1 136 307 823	1 004 961 485	88.44%	853 652 983	74.59%	282 654 840
Regional OP for Podlaskie	636 207 883	582 386 698	91.54%	501 440 883	78.08%	134 767 000
Regional OP for Pomorskie	885 065 763	999 393 564	112.92%	843 606 775	94.42%	41 458 988
Regional OP for Śląskie	1 712 980 303	1 386 843 726	80.96%	1 112 022 933	64.54%	600 957 370
Regional OP for Świętokrzyskie	725 807 266	541 146 015	74.56%	472 353 383	64.50%	253 453 883
Regional OP for Warmińsko-Mazurskie	1 036 542 041	854 641 458	82.45%	760 725 731	72.89%	275 816 310
Regional OP for Wielkopolskie	1 272 792 644	1 297 606 758	101.95%	1 258 367 632	97.78%	14 425 012
Regional OP for Zachodniopomorskie	835 437 299	640 428 235	76.66%	588 907 394	69.89%	246 529 905
Total for Regional OPs	**16 555 614 189**	**14 172 386 804**	**85.60%**	**12 336 642 179**	**73.91%**	**4 218 972 010**
TOTAL NSRF	**65 628 851 788**	**50 624 738 424**	**77.14%**	**41 126 439 027**	**62.33%**	**24 502 412 761**

*The amount takes into account only grant agreements signed (and not applications approved for realisation or projects under appraisal).

Actions to improve implementation of the EUSBSR undertaken by Polish OPs

Managing Authorities for Polish national and regional programmes undertook several actions aimed at improving the realisation of the Strategy.

National programmes reported:

- participation in meetings devoted to monitoring the EUSBSR realisation by Operational Programmes and setting up the monitoring system;

- representatives of OP Human Capital participating in the Baltic States Cooperation network devoted to international cooperation projects in the Baltic Sea Region;

- discussions during monitoring committees and information and promotion actions aimed at raising awareness of beneficiaries of OP South Baltic;

- implementation system;

- modification of selection criteria promoting international cooperation in the Baltic Sea Region within OP Human Capital;

- OP South Baltic introduced several actions including consultations for beneficiaries provided by employees of information points on   a project's impact on the Strategy, amendments to the Programme's manual and application form, introduction of the strategic criterion on compliance with the Strategy and a possibility of imposing conditionality (related to the Strategy) on beneficiaries by a steering committee.

Regional programmes declared:

- participation in meetings devoted to the Strategy (regions: Pomorskie, Łódzkie, Mazowieckie, Zachodniopomorskie);

- active participation in conferences dedicated to the Strategy in Riga and Tallinn (regions: Pomorskie, Zachodiopomorskie);

- presentation of the Strategy at the Monitoring Committee meeting of the OP (regions: Lubelskie, Podlaskie, Zachodniopomorskie, Warmińsko-Mazurskie, Pomorskie); in Pomorskie the Strategy was presented by counterparts from other countries;

- preparation of recommendations for Operational Programmes ('Guidance note – EU Strategy for the Baltic Sea Region. Practical suggestions for the Operational Programmes');

- modification of the Operational Programmes by adding reference to the EUSBSR within the midterm review in 2011 (regions: Małopolskie, Zachodiopomorskie, Pomorskie, Podlaskie);

- modification of the application form (region: Podlaskie);

- strategic assessment of the compliance of projects with the EUSBSR (region: Warmińsko-Mazurskie);

- involvement in the international initiatives in the region (region: Zachodniopomorskie in BSSSC) or networks aimed at improved realisation of the EUSBSR (region: Mazowieckie in the network dedicated to financial issues).

Conclusions, recommendations, next steps:

National programmes:

- prepare evaluations dedicated to realisation of the Strategy by OP Innovative Economy and OP Infrastructure and Environment;

- information campaign for beneficiaries of OP Innovative Economy.

Regional programmes:

- information and promotion campaigns;

- allocation of additional funds from the National Performance Reserve and Technical adjustment for measures/priorities meeting the objectives of the EUSBSR and organisation of calls for proposals in these areas;

- enforcing cooperation with Priority Area Coordinators;

- participation in meetings, conferences and networks related to realisation of the Strategy;

- identification of projects/initiatives in the area of the EUSBSR (a/a innovation, energy, transport);

- adding reference to the Strategy within the midterm review.

Examples of projects realising the EUSBSR supported by cohesion policy

Cohesion policy has actively supported implementation of the Baltic Sea Strategy. Behind the numbers, one can observe numerous projects pursuing the objectives of smart, sustainable and inclusive growth, which were financed by the European Regional Development Fund, Cohesion Fund and European Social Fund, at national and regional level, by mainstream and territorial cooperation programmes.

Smart growth means creative use of resources for the sake of the innovative economy. The projects strived to develop modern sectors like nanotechnologies (a research centre of the Technical University of Gdańsk, OP Infrastructure and Environment), pharmaceuticals (implementation of research in chemistry, OP Innovative Economy) or biotechnologies (South Baltic programme) as well as revive the potential of traditional sectors like the woodworking and paper industry by patents (regional programme in Lubelskie) or cooperative networks (South Baltic programme). Several projects were aimed at improving the business environment infrastructure, like a technological park in Szczecin and Elbląg, developing an aviation cluster in Rzeszów, and an incubator of entrepreneurship in Białystok. Some developed cooperation between R&D centres and SMEs in the field of industrial design (Innovative Economy or regional programme of Ślaskie). A number of projects improved the touristic and cultural attractiveness of regions by creating integrated sailing infrastructure in the regions of Pomorskie, Zachodniopomorskie and Podlaskie and common tourist route signs within the Poland – Brandenburg programme.

Investment in the environmental sector meant promotion of green and sustainable growth. Numerous water and sewerage infrastructure projects in both small towns (Mońki) and big agglomerations (Trójmiasto-Sopot) improved the quality of water protection in the basins of the Wisła and Odra Rivers within the Baltic Sea catchment area. Initiatives aimed at biodiversity and environmental protection (information system for monitoring the Baltic Sea, Innovative Economy; promotion of Natura 2000 in the Wielkopolskie region; a project of the WWF concerning Baltic mammal migration) were realised. Several projects concerned renewable energies: a biogas heat and power plant in Zachodniopomorskie and the Baltic eco-energy cluster in Pomorskie.

Investment in transport infrastructure included development of TEN-T road and railway connections (sections of motorways A1 or railway E65), development of port infrastructure (Gdynia or Stępnica) and regional and urban transport systems (Hel-Trójmiasto, Kielce).

The OP Human Capital enhanced inclusive growth by realisation of projects supporting apprenticeships and exchanges of employees between R&D centres and companies, creation of cooperation networks, development of Innovation Strategies and reorientation of employees of declining industries (examples from Zachodniopomorskie).

Programme: Innovative Economy

Priorities of the programme and allocated funding

Priority	Community contribution (€)	National contribution (€)	Total (€)
Research and development of new technologies	1 117 130 000	197 140 588	1 314 270 588
R&D infrastructure	1 117 130 000	197 140 588	1 314 270 588
Capital for innovation	289 000 000	51 000 000	340 000 000
Investments in innovative undertakings	2 813 254 000	496 456 588	3 309 710 588
Diffusion of innovation	339 148 000	59 849 647	398 997 647
Polish economy on the international market	349 038 080	61 594 955	410 633 035
Information society establishment and development	1 949 985 200	344 115 035	2 294 100 235
Technical assistance	280 200 000	49 447 059	329 647 059
Total	**8 254 885 280**	**1 456 744 460**	**9 711 629**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

- R&D, Innovation
- Energy
- Transport
- Environment
- Enterpreneurship, support for SMEs, human capital
- Education, tourism, health

83%
11%
6%
0%
0%
0%

Programme contribution to EUSBSR

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the *Action Plan of the Strategy* (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	3 834 799 952	0	3 834 799 952
Energy	0	0	0
Transport	0	0	0
Environment	0	0	0
Entrepreneurship, support for SMEs, human capital	276 648 654	0	276 648 654
Education, tourism, health	499 951 458	0	499 951 458
Total	4 611 400 064	0	4 611 400 064

Programme: Infrastructure & environment (ERDF contribution: €5 737 330 000)

Priorities of the programme and allocated funding

Priority	Community funding (€)	National counterpart (€)	Total (€)
Water & sewage management (Cohesion Fund)	2 783 942 550	491 283 979	3 275 226 529
Waste management & protection of earth (Cohesion Fund)	1 215 740 049	214 542 362	1 430 282 411
Resource management & environmental risks (Cohesion Fund)	556 788 510	98 256 796	655 045 306
Adjusting firms to requirements of environmental protection (ERDF)	200 000 000	467 000 000	667 000 000
Environment protection & promotion of ecological habits (ERDF)	89 800 000	15 847 059	105 647 059
TEN-T road and air transport network (Cohesion Fund)	8 802 366 611	1 745 929 233	10 548 295 844
Environmentally-friendly transport (Cohesion Fund)	7 676 019 211	4 385 979 953	12 061 999 164
Transport safety and national transport networks (ERDF)	2 945 490 000	519 792 353	3 465 282 353
Energy infrastructure and energy efficiency (Cohesion Fund)	748 037 701	655 009 248	1 403 046 949
Energy security (ERDF)	974 280 000	718 931 765	1 693 211 765
Culture and cultural heritage (ERDF)	489 970 000	86 465 294	576 435 294
Health safety and health protection system (ERDF)	349 990 000	61 762 941	411 752 941

Higher education infrastructure (ERDF)	500 000 000	88 235 294	588 235 294
Technical assistance (ERDF)	187 800 000	33 141 176	220 941 176
Technical assistance (Cohesion Fund)	393 459 142	69 433 966	462 893 108
Total	**27 913 683 774**	**9 651 611 419**	**37 565 295 193**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

- R&D, Innovation
- Energy
- Transport
- Environment
- Enterpreneurship, support for SMEs, human capital
- Education, tourism, health

3%, 0%, 22%, 13%, 4%, 58%

Programme contribution to EUSBSR

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the *Action Plan of the Strategy* (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	1 949 228 001	1 949 228 001	0
Energy	572 992 783	572 992 783	0
Transport	8 905 613 667	8 905 613 667	0
Environment	3 303 721 628	3 303 721 628	0
Entrepreneurship, support for SMEs, human capital	0	0	0
Education, tourism, health	412 626 793	412 626 793	0
Total	**15 144 182 872**	**15 144 182 872**	**0**

Programme: Operational Programme Development of Eastern Poland

Priorities of the programme and allocated funding

Priority	Community funding (€)	National funding (€)	Total (€)
Modern economy	789 957 284	139 404 227	929 361 511
Information society infrastructure	255 119 659	45 021 117	300 140 776
Regional growth centres	452 621 636	79 874 407	532 496 043
Transport infrastructure	660 381 359	116 537 887	776 919 246
Sustainable tourism based on natural assets	47 500 000	8 382 353	55 882 353
Technical assistance	68 213 812	12 037 732	80 251 544
Total	**2 273 793 750**	**401 257 723**	**2 675 051 473**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

- R&D, innovation
- Energy
- Transport
- Environment
- Entrepreneurship, support for SMEs, human capital
- Education, tourism, health

21%   0%   37%   0%   10%   32%

Programme contribution to EUSBSR

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	244 697 892	0	244 697 892
Energy	0	0	0
Transport	422 564 569	0	422 564 569
Environment	0	0	0
Entrepreneurship, support for SMEs, human capital	114 453 622	0	114 453 622
Education, tourism, health	363 534 682	0	363 534 682
Total	**667 262 461**	**0**	**667 262 461**

Programme: Regional Operational Programme for Dolnośląskie

Priorities of the programme and allocated funding

Priority	Community funding (€)	National counterpart (€)	Total (€)
Enterprises and innovation	309 842 736	151 249 296	461 092 032
Information society	97 051 591	22 835 668	119 887 259
Transport	227 950 624	45 512 610	273 463 234
Environment and ecological safety	128 759 928	23 311 076	152 071 004
Energy	36 394 347	11 649 756	48 044 103
Tourism and culture	108 479 487	26 540 377	135 019 864
Education	99 050 316	21 047 342	120 097 658
Health	52 722 970	11 888 513	64 611 483
Towns	106 867 090	25 800 021	132 667 111
Technical assistance	46 025 790	8 122 199	54 147 989
Total	**1 213 144 879**	**347 956 858**	**1 561 101 737**

Programme contribution to EUSBSR by area of support

Programme contribution to EUSBSR

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	2 517 272	0	2 517 272
Energy	2 203 413	0	2 203 413
Transport	104 033 480	0	104 033 480
Environment	73 130 134	0	73 130 134
Entrepreneurship, support for SMEs, human capital	203 808 737	0	203 808 737
Education, tourism, health	227 671 849	0	227 671 849
Total	**181 884 298**	**0**	**181 884 298**

Programme: Regional Operational Programme for Kujawsko-Pomorskie

Priorities of the programme and allocated funding

Priority	Community contribution (€)	National funding (€)	Total (€)
Development of technical infrastructure	238 701 959	42 123 875	280 825 834
Maintenance and rational utilisation of environment	117 924 474	20 810 202	138 734 676
Development of social infrastructure	123 630 496	21 817 147	145 447 643
Development of the infrastructure of information society	57 060 229	10 069 452	67 129 681
Increase the competitiveness of companies	252 016 012	44 473 414	296 489 426
Support for the development of tourism	47 550 191	8 391 210	55 941 401
Support for changes in the cities and areas requiring renovation	85 590 344	15 104 178	100 694 522
Technical assistance	28 530 115	5 034 726	33 564 841
Total	**951 003 820**	**167 824 204**	**1 118 828 024**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

- R&D, Innovation — 5%
- Energy — 3%
- Transport — 40%
- Environment — 8%
- Enterpreneurship, support for SMEs, human capital — 22%
- Education, tourism, health — 22%
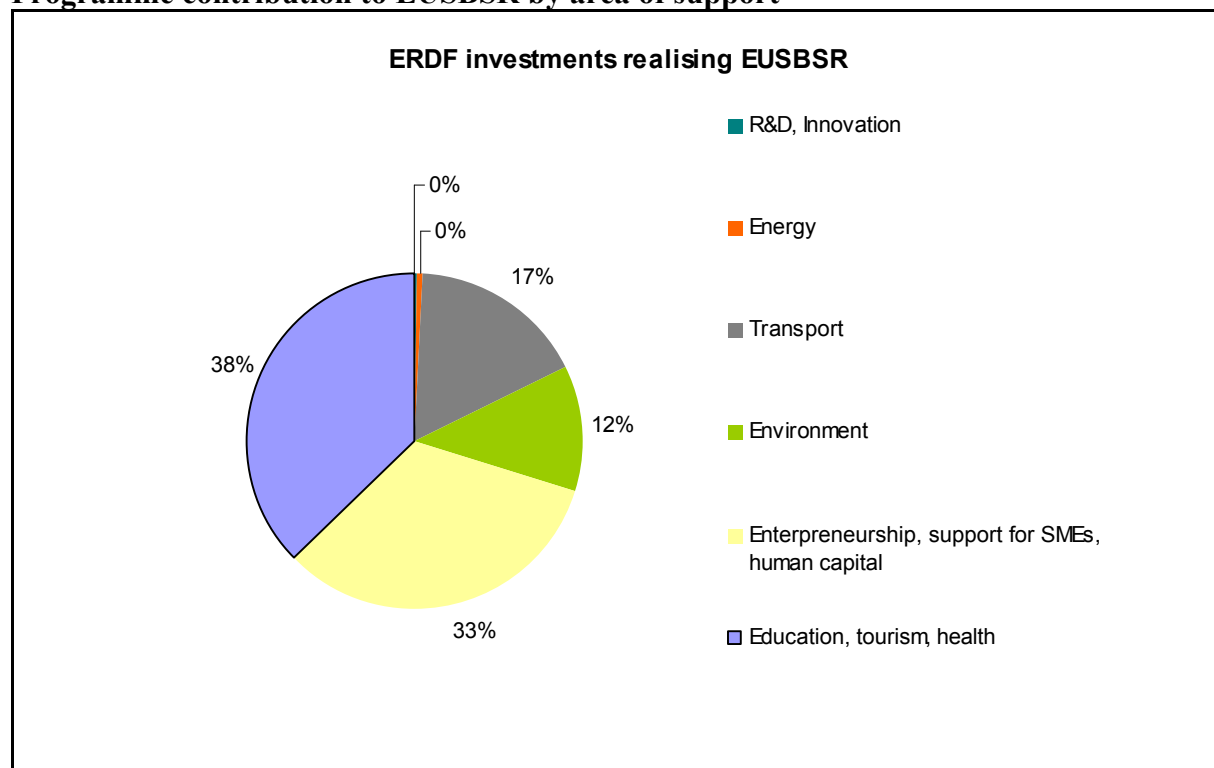
Programme contribution to EUSBSR

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	27 631 715	0	27 631 715
Energy	16 806 097	0	16 806 097
Transport	232 482 019	0	232 482 019
Environment	48 484 934	0	48 484 934
Entrepreneurship, support for SMEs, human capital	129 476 650	0	129 476 650
Education, tourism, health	130 038 337	0	130 038 337
Total	**584 919 753**	**0**	**584 919 753**

Programme: Regional Operational Programme for Lubelskie

Priorities of the programme and allocated funding

Priority	Community funding (€)	National funding (€)	Total (€)
Entrepreneurship and innovation	242 729 455	42 834 610	285 564 065
Economic infrastructure	75 130 546	13 258 331	88 388 877
Attractiveness of urban areas and investment areas	69 351 273	12 238 460	81 589 733
Information society	57 792 728	10 198 717	67 991 445
Transport infrastructure	260 067 274	45 894 225	305 961 499
Environment and clean energy	156 040 364	27 536 535	183 576 899
Culture, tourism and inter-regional cooperation	109 806 182	19 377 561	129 183 743
Social infrastructure	152 572 800	26 924 612	179 497 412
Technical assistance	32 363 927	5 711 281	38 075 208
Total	**1 155 854 549**	**203 974 332**	**1 359 828 881**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

- R&D, innovation — 11%
- Energy — 3%
- Transport — 31%
- Environment — 12%
- Entrepreneurship, support for SMEs, human capital — 19%
- Education, tourism, health — 24%
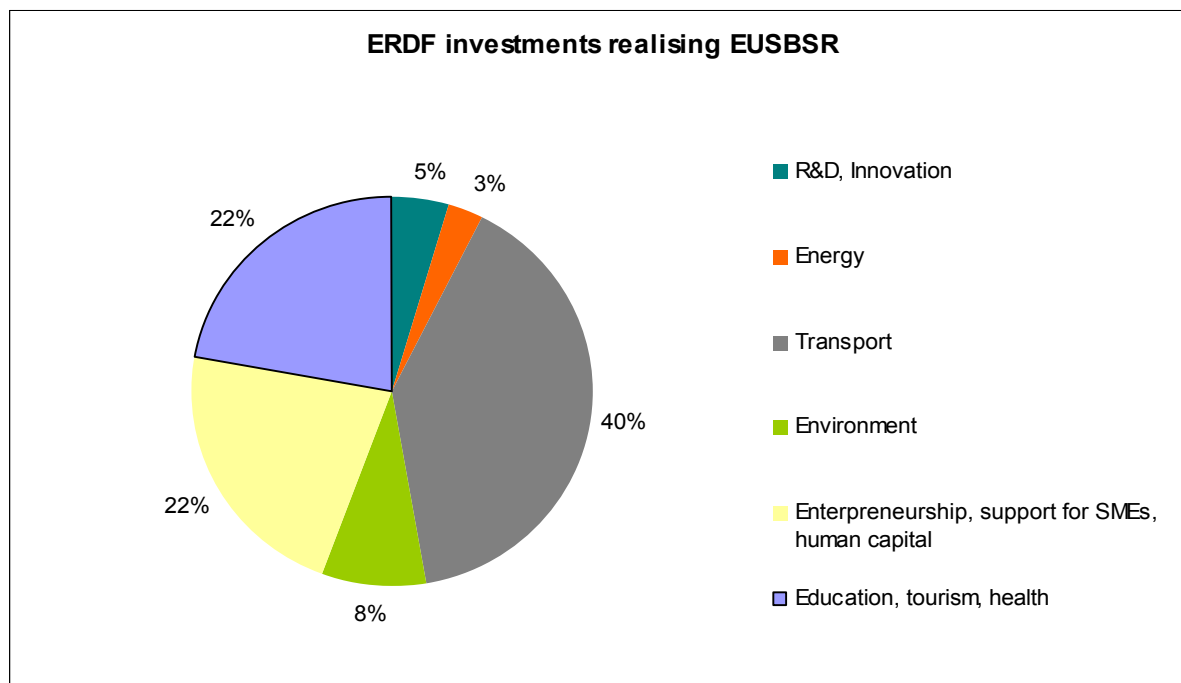
Programme contribution to EUSBSR

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	60 724 748	0	60 724 748
Energy	14 488 883	0	14 488 883
Transport	164 853 110	0	164 853 110
Environment	62 154 602	0	62 154 602
Entrepreneurship, support for SMEs, human capital	104 073 515	0	104 073 515
Education, tourism, health	129 873 800	0	129 873 800
Total	**536 168 658**	**0**	**536 168 658**

Programme: Regional Operational Programme for Lubuskie

Priorities of the programme and allocated funding

Priority	EU contribution (€)	National funding (€)	Total (€)
Development of infrastructure to enhance the competitiveness of the region	146 863 974	25 917 172	172 781 146
Stimulating investment growth in enterprises and strengthening the innovation potential	99 907 448	17 630 727	117 538 175
Protection and management of the resources of the natural environment	69 937 342	12 341 884	82 279 226
Development and modernisation of social infrastructure	73 543 153	12 978 204	86 521 357
Development and modernisation of tourism and culture infrastructure	35 745 986	6 308 116	42 052 102
Technical assistance	13 175 193	2 325 035	15 500 228
Total	**439 173 096**	**77 501 138**	**516 674 234**

Programme contribution to EUSBSR by area of support
No data provided by the region

Programme contribution to EUSBSR
No data provided by the region

Programme: Regional Operational Programme for Łódzkie

Priorities of the programme and allocated funding

Priority	Community funding (€)	National funding (€)	Total (€)
Transport infrastructure	241 531 418	42 623 191	284 154 609
Environmental protection, prevention of threats, energy	171 084 755	30 191 427	201 276 182
Economy, innovativeness, entrepreneurship	271 722 846	146 312 302	418 035 148
Information society	70 446 664	12 431 764	82 878 428
Social infrastructure	120 765 709	21 311 596	142 077 305
Revitalisation of urban areas	100 638 091	17 759 663	118 397 754
Technical assistance	30 191 427	5 327 899	35 519 326
Total	**1 006 380 910**	**275 957 842**	**1 282 338 752**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

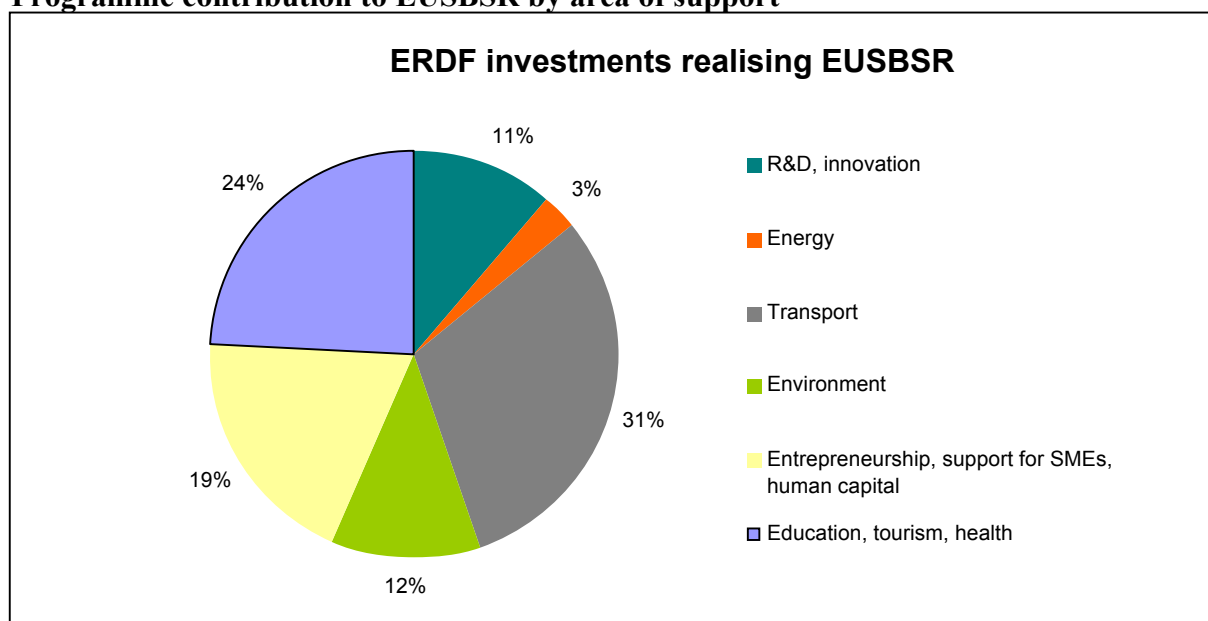**Programme contribution to EUSBSR**

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	2 196 291	0	2 196 291
Energy	25 210 203	0	25 210 203
Transport	216 245 385	0	216 245 385
Environment	97 254 564	0	97 254 564
Entrepreneurship, support for SMEs, human capital	106 975 768	0	106 975 768
Education, tourism, health	131 746 313	0	131 746 313
Total	**579 628 525**	**0**	**579 628 525**

Programme: Regional Operational Programme for Małopolskie

Priorities of the programme and allocated funding

Priority	EU contribution (€)	National funding (€)	Total (€)
Conditions for the development of the knowledge society	162 841 230	28 736 688	191 577 918
Increasing regional economic opportunities	160 708 698	28 360 358	189 069 056
Tourism and cultural industry	101 004 036	17 824 242	118 828 278
Infrastructure for economic development	390 836 457	68 971 140	459 807 597
Kraków Metropolitan Area	171 897 053	30 334 774	202 231 827
Intra-regional cohesion	155 981 854	27 526 210	183 508 064
Infrastructure for environmental protection	93 003 516	16 412 385	109 415 901
Trans-regional cooperation	10 000 399	1 764 776	11 765 175
Technical assistance	44 001 159	7 764 910	51 766 069
Total	**1 290 274 402**	**227 695 483**	**1 517 969 885**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

- R&D, Innovation
- Energy
- Transport
- Environment
- Enterpreneurship, support for SMEs, human capital
- Education, tourism, health

26% / 4% / 3% / 42% / 6% / 19%

Programme contribution to EUSBSR

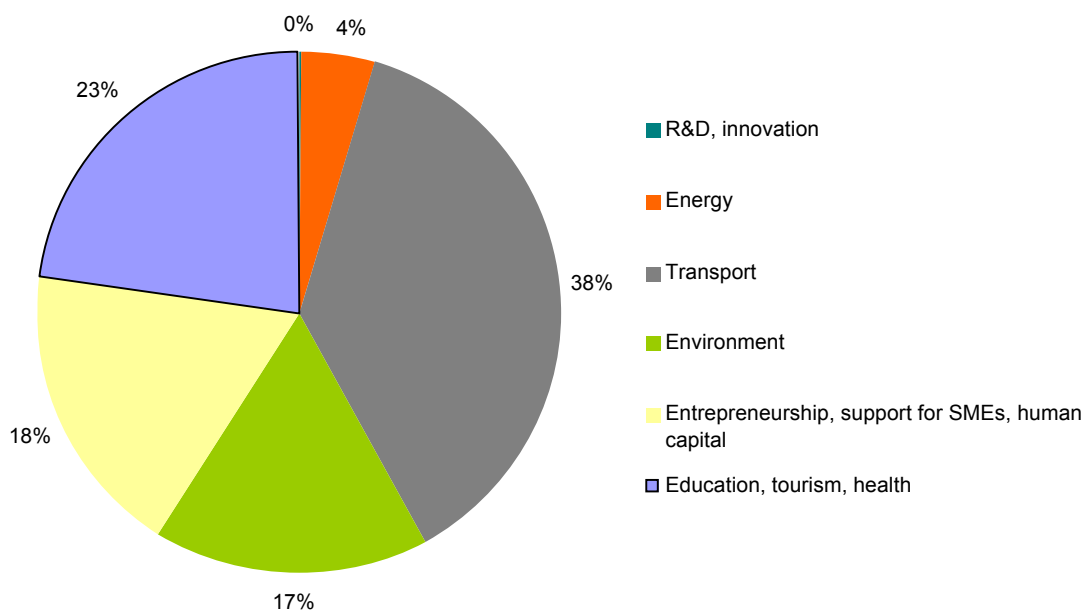| Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	34 440 160	0	34 440 160
Energy	25 521 813	0	25 521 813
Transport	314 999 128	0	314 999 128
Environment	42 412 758	0	42 412 758
Entrepreneurship, support for SMEs, human capital	147 417 968	0	147 417 968
Education, tourism, health	203 233 591	0	203 233 591
Total	**768 025 418**	**0**	**768 025 418**

Programme: Regional Operational Programme for Mazowieckie

Priorities of the programme and allocated funding

Priority	Community funding (€)	National funding (€)	Total (€)
Creating conditions for the development of innovation potential and entrepreneurship in Mazovia	430 401 731	75 953 247	506 354 978
Accelerating the e-development of Mazovia	205 127 627	36 198 993	241 326 620
Regional transport system	538 460 023	95 022 357	633 482 380
Environment, prevention of threats, energy	197 801 647	34 906 173	232 707 820
Strengthening the role of cities in the development of the region	89 743 340	15 837 060	105 580 400
Making use of nature and culture areas for development of tourism and recreation	150 182 726	26 502 834	176 685 560
Creating and improving conditions for human capital development	164 834 703	29 088 477	193 923 180
Technical assistance	54 944 901	9 696 159	64 641 060
Total	**1 831 496 698**	**323 205 300**	**2 154 701 998**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

- R&D, innovation
- Energy
- Transport
- Environment
- Entrepreneurship, support for SMEs, human capital
- Education, tourism, health
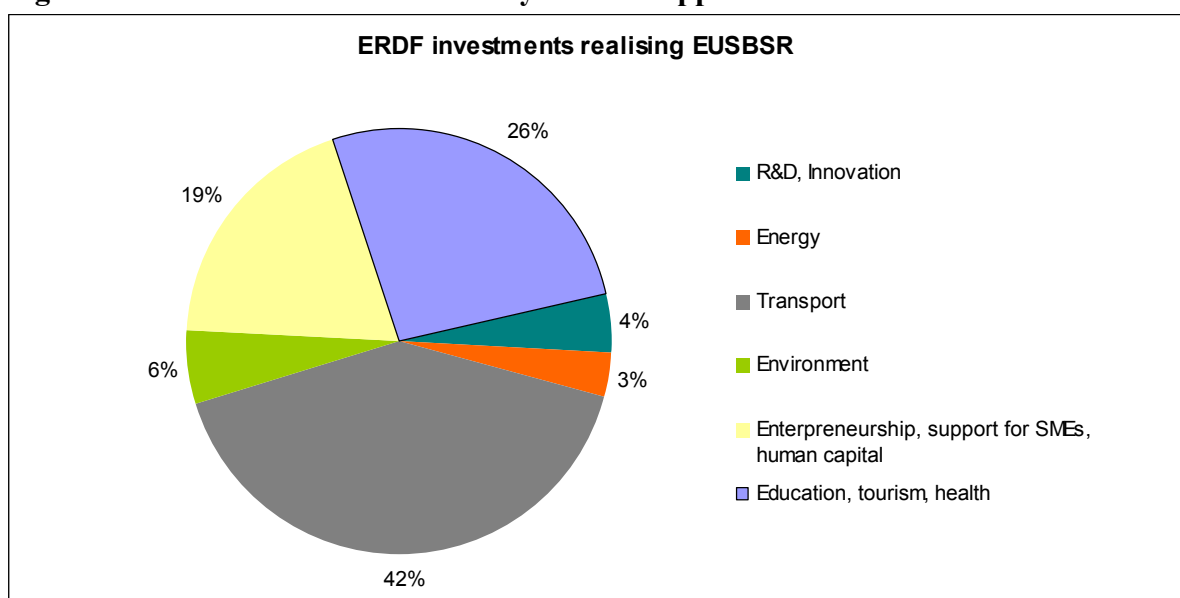
Programme contribution to EUSBSR

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	28 215 060	0	28 215 060
Energy	0	0	0
Transport	398 020 013	0	398 020 013
Environment	75 009 055	0	75 009 055
Entrepreneurship, support for SMEs, human capital	198 266 489	0	198 266 489
Education, tourism, health	191 702 136	0	191 702 136
Total	**891 212 753**	**0**	**891 212 753**

Programme: Regional Operational Programme for Opolskie

Priorities of the programme and allocated funding

Priority	Community funding (ERDF) (€)	National funding (€)	Total (€)
Strengthening the economic attractiveness of the region	158 043 581	27 890 044	185 933 625
Information society	25 628 689	4 522 710	30 151 399
Transport	111 057 652	19 598 410	130 656 062
Environmental protection	42 714 481	7 537 849	50 252 330
Social infrastructure and higher education	42 714 481	7 537 849	50 252 330
Mobilisation of municipal and degraded areas	34 171 585	6 030 280	40 201 865
Technical assistance	12 814 344	2 261 355	15 075 699
Total	**427 144 813**	**75 378 497**	**502 523 310**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

- R&D, Innovation
- Energy
- Transport
- Environment
- Enterpreneurship, support for SMEs, human capital
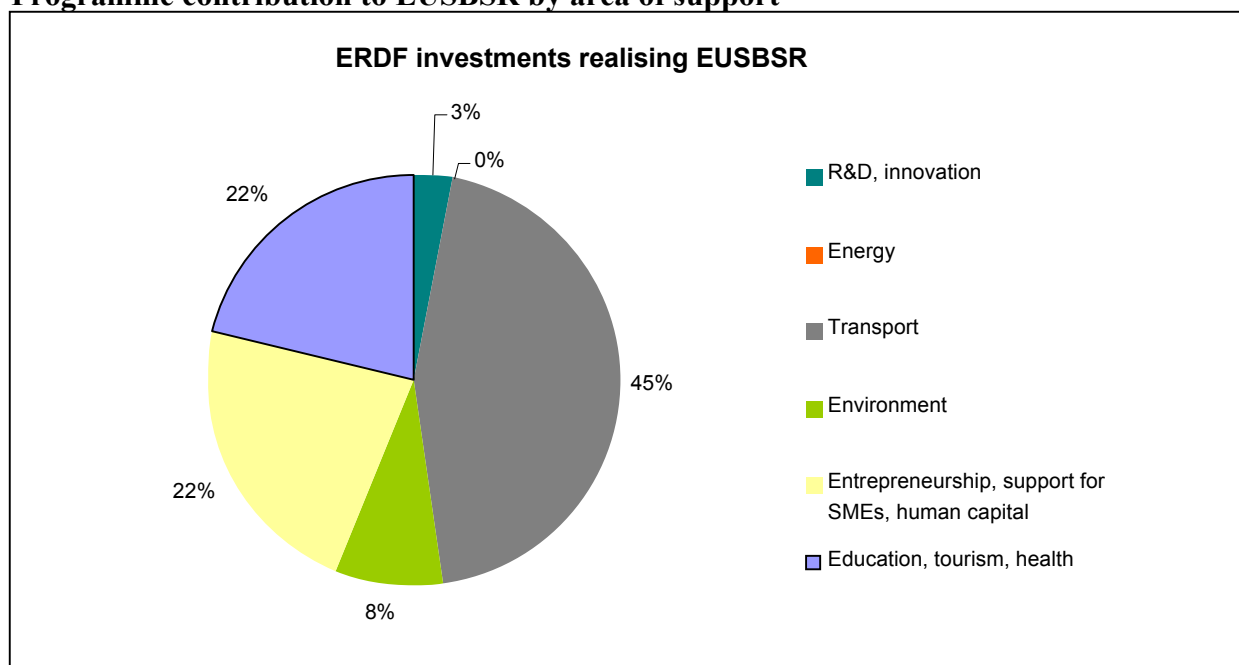- Education, tourism, health

Programme contribution to EUSBSR

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	37 849 471	0	37 849 471
Energy	10 623 923	0	10 623 923
Transport	110 798 161	0	110 798 161
Environment	32 403 525	0	32 403 525
Entrepreneurship, support for SMEs, human capital	84 557 974	0	84 557 974
Education, tourism, health	59 065 073	0	59 065 073
Total	**335 298 128**	**0**	**335 298 128**

Programme: Regional Operational Programme for Podkarpackie

Priorities of the programme and allocated funding

Priority	Community funding (€)	National funding (€)	Total (€)
Competitive and innovative economy	288 640 033	64 170 596	352 810 629
Technical infrastructure	341 083 247	60 191 162	401 274 409
Information society	67 987 570	11 997 806	79 985 376
Environment protection and risk prevention	170 446 174	30 078 736	200 524 910
Public infrastructure	120 448 629	21 255 640	141 704 269
Tourism and culture	37 071 388	6 542 010	43 613 398
Intra-regional cohesion	79 541 547	14 036 744	93 578 291
Technical assistance	31 089 235	0	31 089 235
Total	**1 136 307 823**	**208 272 694**	**1 344 580 517**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

10%
5%
17%
14%
17%
37%

- R&D, Innovation
- Energy
- Transport
- Environment
- Enterpreneurship, support for SMEs, human capital
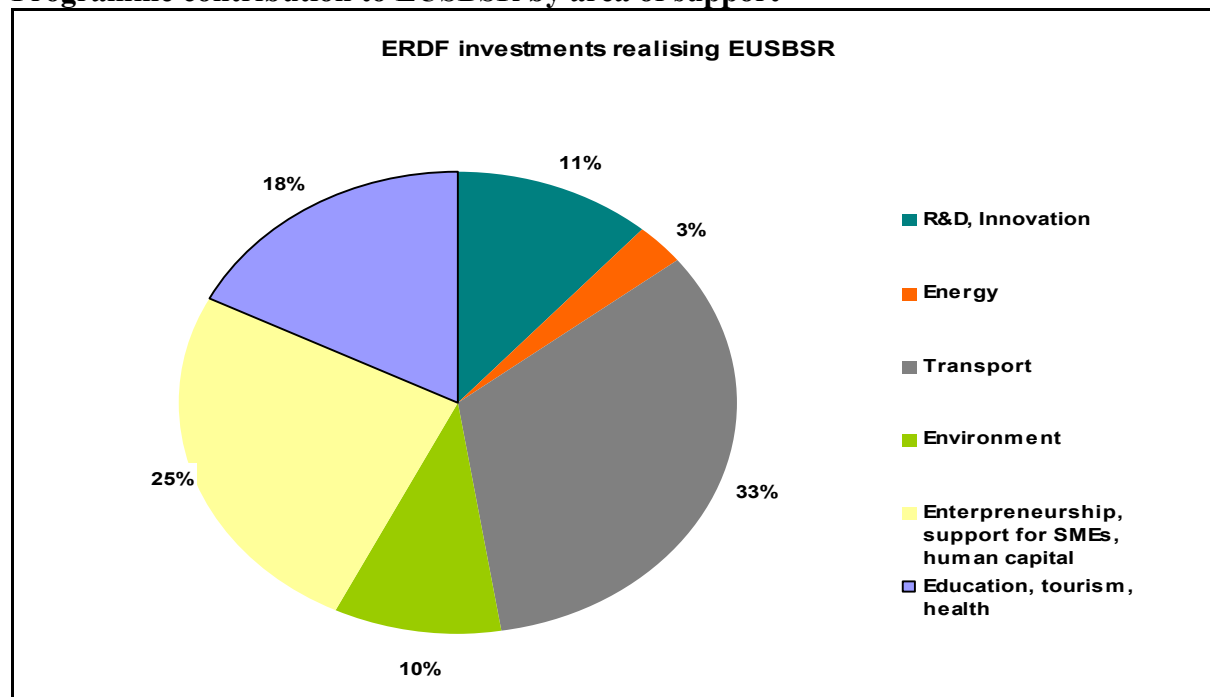- Education, tourism, health

Programme contribution to EUSBSR

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	73 855 158	0	73 855 158
Energy	38 196 261	0	38 196 261
Transport	279 001 284	0	279 001 284
Environment	122 830 343	0	122 830 343
Entrepreneurship, support for SMEs, human capital	101 843 971	0	101 843 971
Education, tourism, health	123 026 740	0	123 026 740
Total	**738 753 757**	**0**	**738 753 757**

Programme: Regional Operational Programme for Podlaskie

Priorities of the programme and allocated funding

Priority	Community funding (€)	National funding (€)	Total (€)
Increase innovation and support for entrepreneurship in the region	139 965 734	11 114 926	151 080 660
Development of transport infrastructure	203 586 523	53 287 126	256 873 649
Development of tourism and culture	101 793 261	18 861 692	120 654 953
Information society	50 896 631	8 981 758	59 878 389
Development of infrastructure for environmental protection	63 620 788	11 227 198	74 847 986
Social infrastructure development	50 896 631	7 739 928	58 636 559
Technical assistance	25 448 315	2 827 591	28 275 906
Total	**636 207 883**	**114 040 219**	**750 248 102**

Programme contribution to EUSBSR by area of support

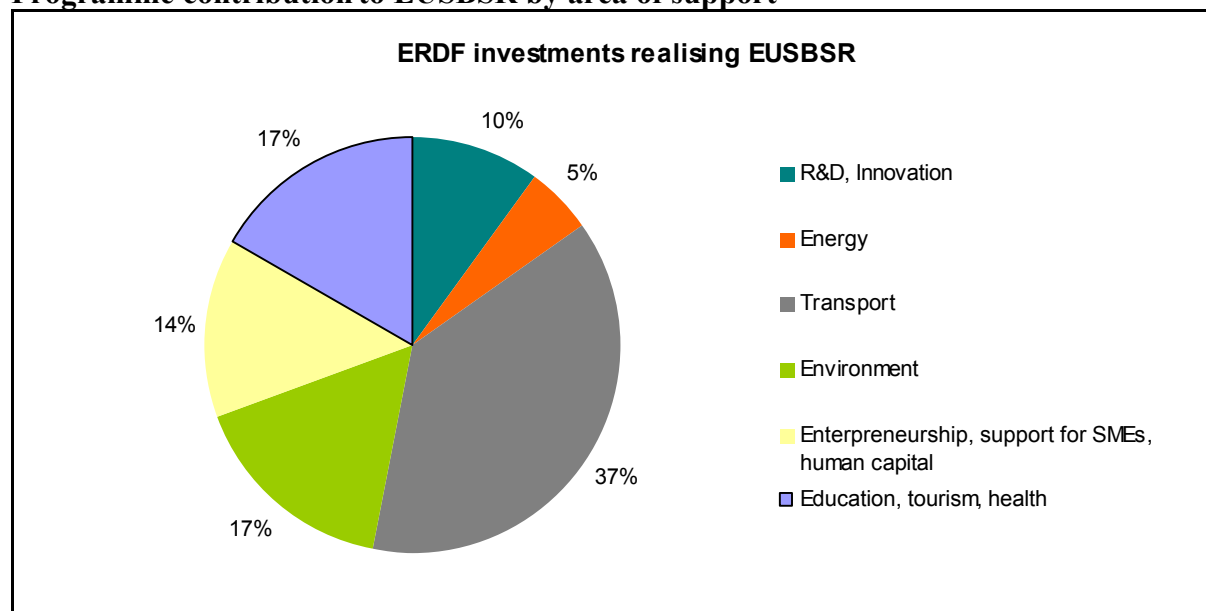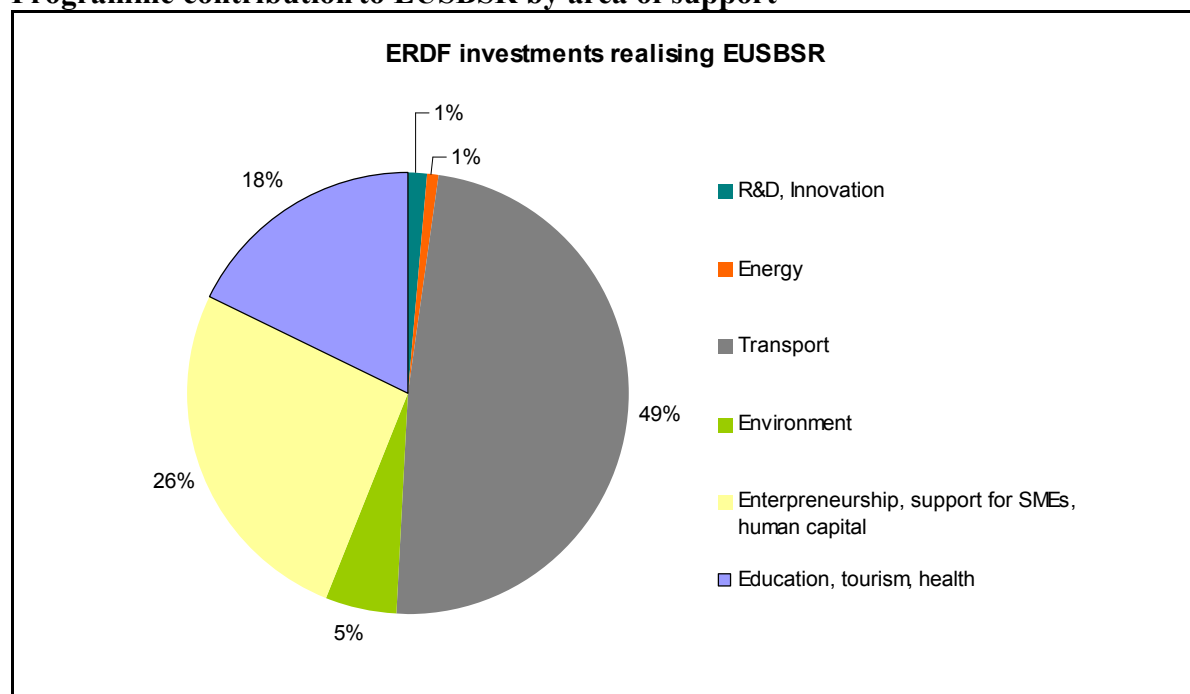**Programme contribution to EUSBSR**

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	6 248 614	0	6 248 614
Energy	3 329 834	0	3 329 834
Transport	204 880 729	0	204 880 729
Environment	23 061 073	0	23 061 073
Entrepreneurship, support for SMEs, human capital	110 067 378	0	110 067 378
Education, tourism, health	75 002 851	0	75 002 851
Total	**422 590 480**	**0**	**422 590 480**

Programme: Regional Operational Programme for Pomorskie

Priorities of the programme and allocated funding

Priority	Community funding (€)	National funding (€)	Total (€)
SME development and innovation	185 863 810	123 909 206	309 773 016
Knowledge society	61 954 603	20 651 534	82 606 137
Urban and metropolitan functions	106 207 892	45 517 668	151 725 560
Regional transport system	203 565 125	67 855 042	271 420 167
Environment and environmentally friendly energy	61 954 604	20 651 535	82 606 139
Tourism and cultural heritage	44 253 288	14 751 096	59 004 384
Health protection and emergency systems	35 402 630	11 800 877	47 203 507
Local basic infrastructure	123 909 207	21 866 331	145 775 538
Local social infrastructure and civil initiatives	35 402 630	6 247 523	41 650 153
Technical assistance	26 551 973	8 850 658	35 402 631
Total	**885 065 762**	**342 101 470**	**1 227 167 232**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

- R&D, Innovation — 15%
- Energy — 4%
- Transport — 38%
- Environment — 12%
- Enterpreneurship, support for SMEs, human capital — 15%
- Education, tourism, health — 16%
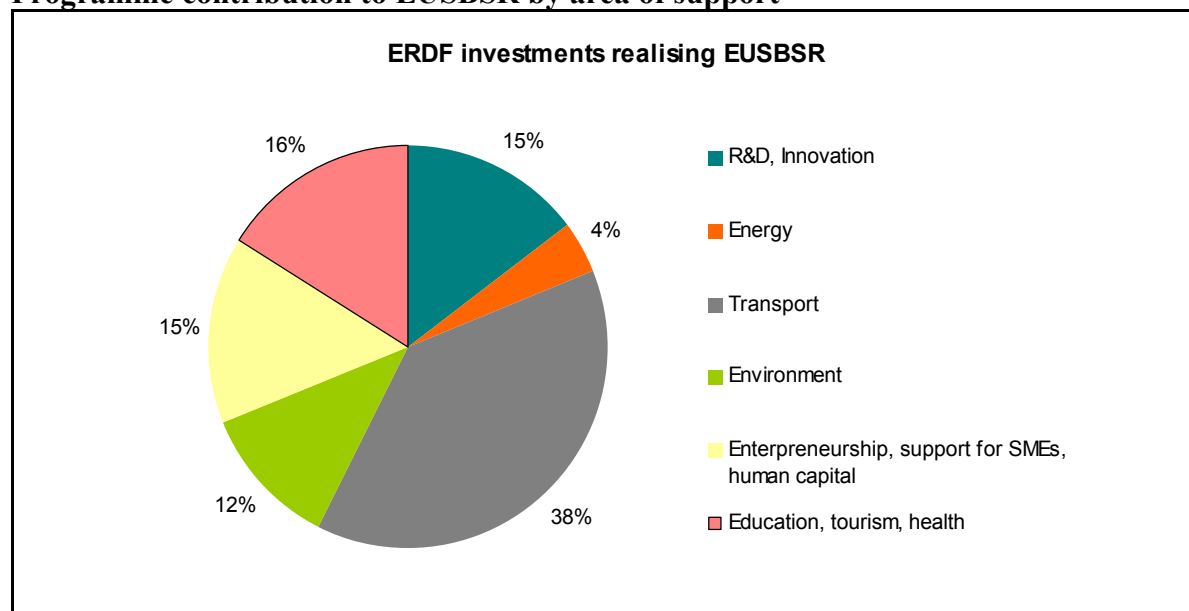
Programme contribution to EUSBSR

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	103 812 816	0	103 812 816
Energy	29 696 017	0	29 696 017
Transport	273 359 869	0	273 359 869
Environment	81 425 824	0	81 425 824
Entrepreneurship, support for SMEs, human capital	105 516 646	0	105 516 646
Education, tourism, health	113 956 169	0	113 956 169
Total	**707 767 341**	**0**	**707 767 341**

Programme: Regional Operational Programme for Śląskie

Priorities of the programme and allocated funding

Priority	Community funding (€)	National funding (€)	Total (€)
Research and development, innovation, entrepreneurship	296 238 553	52 277 392	348 515 945
Information society	150 000 000	26 470 588	176 470 588
Tourism	110 420 000	19 485 882	129 905 882
Culture	53 274 150	9 401 321	62 675 471
Environment	180 678 600	31 884 459	212 563 059
Sustainable urban development	312 802 445	55 200 431	368 002 876
Transport	426 327 555	84 244 367	510 571 922
Education infrastructure	82 480 000	14 555 294	97 035 294
Health and recreation	57 759 000	10 192 765	67 951 765
Technical assistance	43 000 000	0	43 000 000
Total	**1 712 980 303**	**303 712 499**	**2 016 692 802**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

- R&D, Innovation
- Energy
- Transport
- Environment
- Enterpreneurship, support for SMEs, human capital
- Education, tourism, health
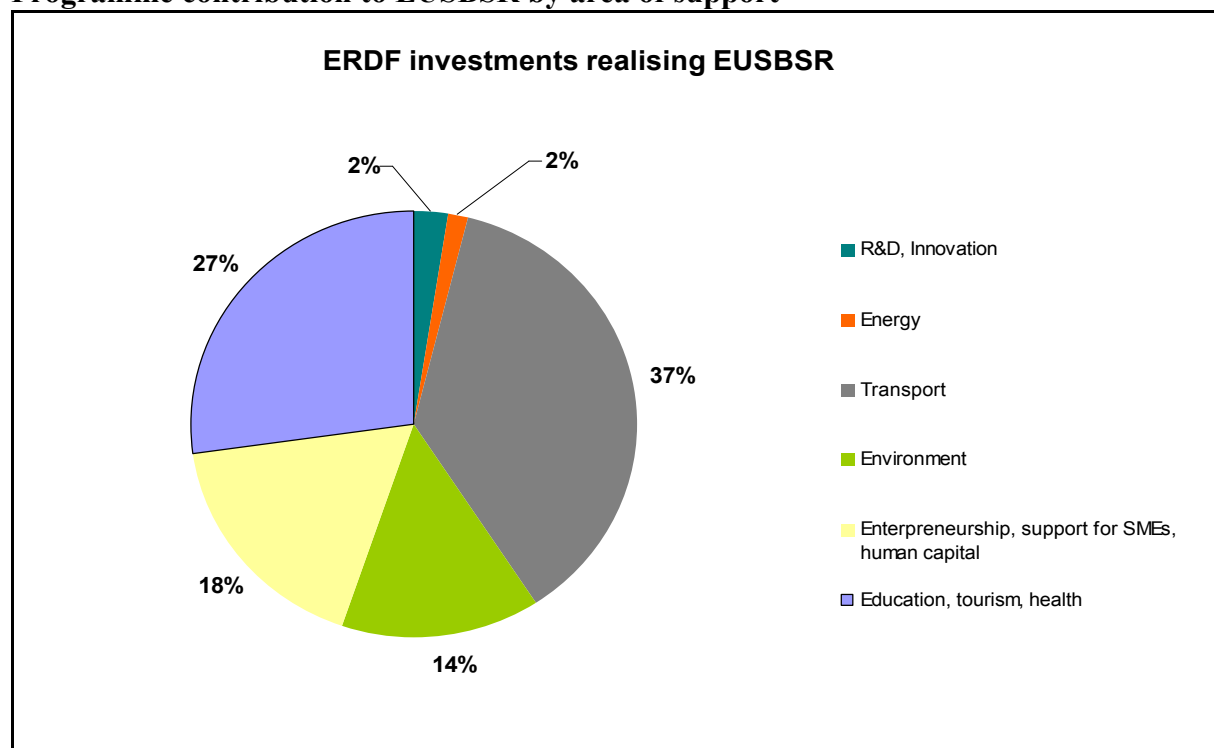
Programme contribution to EUSBSR

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	15 809 092	0	15 809 092
Energy	10 536 384	0	10 536 384
Transport	244 370 087	0	244 370 087
Environment	95 406 855	0	95 406 855
Entrepreneurship, support for SMEs, human capital	117 141 495	0	117 141 495
Education, tourism, health	180 532 392	0	180 532 392
Total	**663 796 306**	**0**	**663 796 306**

Programme: Regional Operational Programme for Świętokrzyskie

Priorities of the programme and allocated funding

Priority	Community funding (€)	National funding (€)	Total (€)
Business development	130 645 308	23 055 056	153 700 364
Support for innovation, fostering of the information society and increase of the investment potential of the region	108 871 090	19 212 545	128 083 635
Increasing the quality of communication systems in the region	180 026 034	31 769 300	211 795 334
Development of infrastructure for environment protection and energy	101 096 872	17 840 624	118 937 496
Increasing the quality of public infrastructure and investment in cultural heritage, tourism and sports	108 871 090	19 212 545	128 083 635
Reinforcement of cities and revitalisation of small towns	74 522 654	13 151 057	87 673 711
Technical assistance	21 774 218	3 842 509	25 616 727
Total	**725 807 266**	**128 083 636**	**853 890 902**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

1%
0%
27%
29%
30%
13%

- R&D, innovation
- Energy
- Transport
- Environment
- Entrepreneurship, support for SMEs, human capital
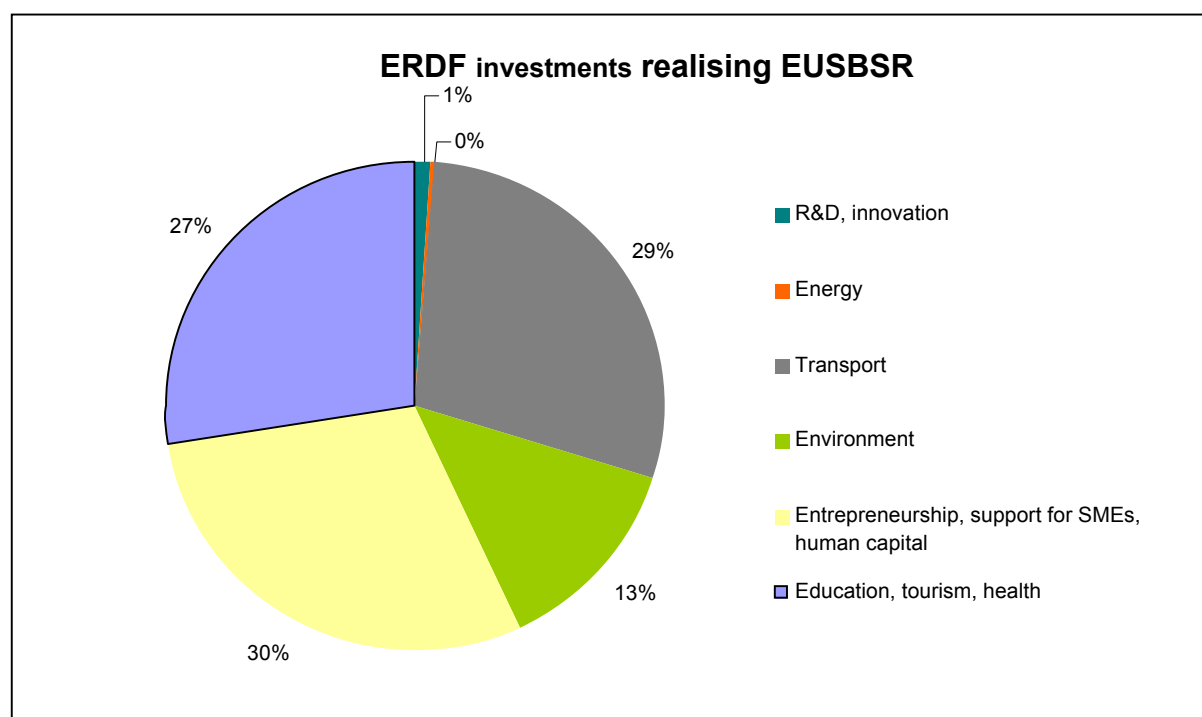- Education, tourism, health

Programme contribution to EUSBSR

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	4 336 942	0	4 336 942
Energy	835 957	0	835 957
Transport	97 799 710	0	97 799 710
Environment	46 851 750	0	46 851 750
Entrepreneurship, support for SMEs, human capital	102 290 260	0	102 290 260
Education, tourism, health	95 545 201	0	95 545 201
Total	**347 659 820**	**0**	**347 659 820**

Programme: Regional Operational Programme for Warmińsko-Mazurskie

Priorities of the programme and allocated funding

Priority	Community funding (ERDF) (€)	National funding (€)	Total (€)
Entrepreneurship	207 308 408	31 289 721	238 598 129
Tourism	134 750 465	23 779 510	158 529 975
Social infrastructure	62 192 522	10 975 151	73 167 673
Development, restructuring and revitalization of towns	82 923 363	14 633 535	97 556 898
Regional and local transport infrastructure	352 424 294	78 099 272	430 523 566
Nature and environment	93 288 784	22 165 660	115 454 444
Information society infrastructure	62 192 522	10 975 151	73 167 673
Technical assistance	41 461 683	0	41 461 683
Total	**1 036 542 041**	**191 918 000**	**1 228 460 041**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

- R&D, Innovation — 8%
- Energy — 2%
- Transport — 33%
- Environment — 9%
- Enterpreneurship, support for SMEs, human capital — 27%
- Education, tourism, health — 21%

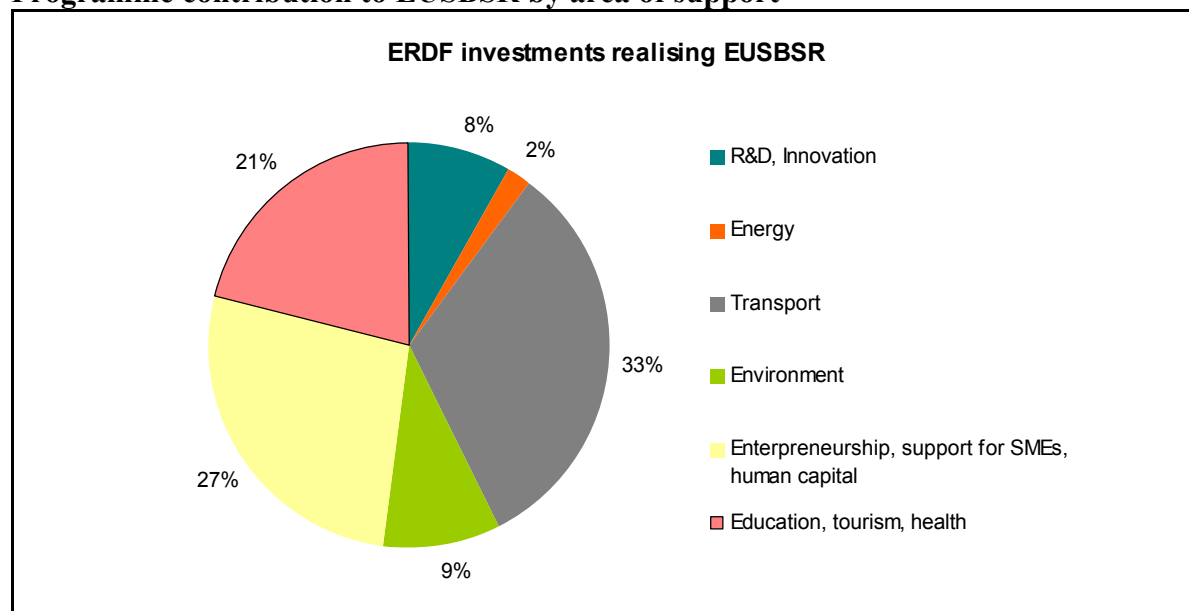**Programme contribution to EUSBSR**

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	46 942 409	0	46 942 409
Energy	11 814 879	0	11 814 879
Transport	183 674 495	0	183 674 495
Environment	53 245 565	0	53 245 565
Entrepreneurship, support for SMEs, human capital	153 368 085	0	153 368 085
Education, tourism, health	120 104 310	0	120 104 310
Total	**569 149 743**	**0**	**569 149 743**

Programme: Regional Operational Programme for Wielkopolskie

Priorities of the programme and allocated funding

Priority	Community funding (€)	National funding (€)	Total (€)
Competitiveness of enterprises	328 887 000	170 089 225	498 976 225
Communication infrastructure	493 361 547	120 265 920	613 627 467
Environment	173 821 000	43 024 098	216 845 098
Revitalization of problem areas	54 060 000	18 020 000	72 080 000
Infrastructure for human capital	121 284 097	38 174 052	159 458 149
Tourism and cultural environment	61 470 000	25 648 922	87 118 922
Technical assistance	39 909 000	0	39 909 000
Total	**1 272 792 644**	**415 222 217**	**1 688 014 861**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

- R&D, Innovation — 1%
- Energy — 5%
- Transport — 40%
- Environment — 13%
- Enterpreneurship, support for SMEs, human capital — 27%
- Education, tourism, health — 14%

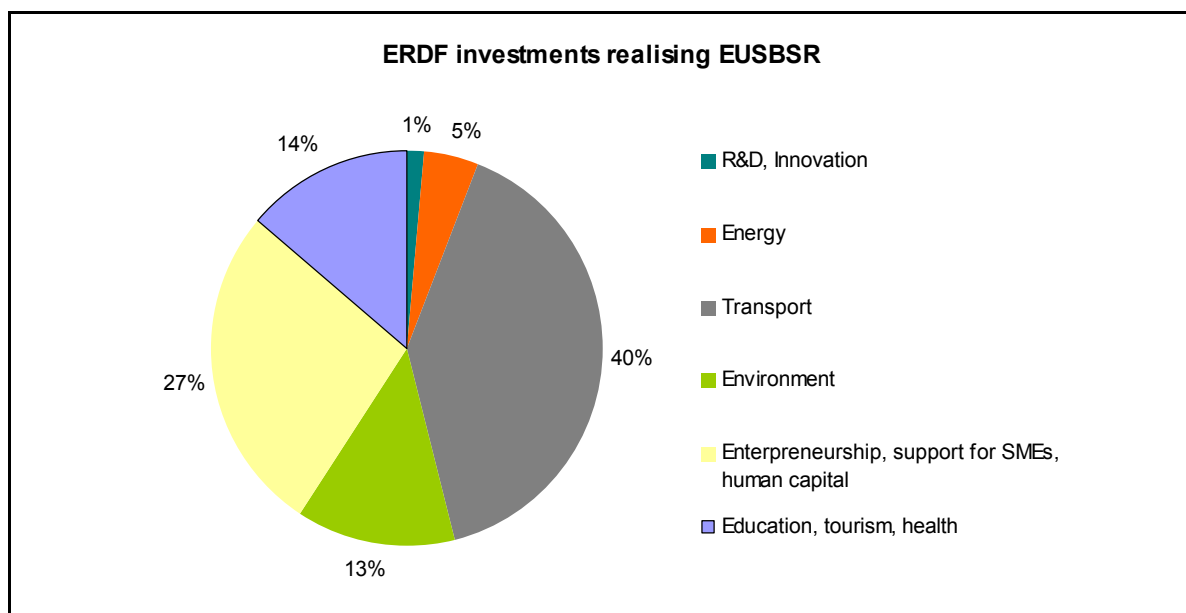**Programme contribution to EUSBSR**

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	13 455 340	0	13 455 340
Energy	46 326 827	0	46 326 827
Transport	410 404 993	0	410 404 993
Environment	133 782 337	0	133 782 337
Entrepreneurship, support for SMEs, human capital	276 308 688	0	276 308 688
Education, tourism, health	141 373 206	0	141 373 206
Total	**1 021 651 391**	**0**	**1 021 651 391**

Programme: Regional Operational Programme for Zachodniopomorskie

Priorities of the programme and allocated funding

Priority	Community funding (€)	National funding (€)	Total (€)
Economy, innovation, technology	232 753 899	41 074 217	273 828 116
Development of transport and energy infrastructure	215 789 475	43 977 715	259 767 190
Development of the information society	42 000 000	7 411 764	49 411 764
Infrastructure for environmental protection	61 280 000	10 814 117	72 094 117
Tourism, culture and revitalisation	74 935 655	13 223 939	88 159 594
Development of metropolitan functions	116 780 745	20 608 366	137 389 111
Development of social infrastructure and health care	58 480 000	10 320 000	68 800 000
Technical assistance	33 417 525	0	33 417 525
Total	**835 437 299**	**147 430 118**	**982 867 417**

Programme contribution to EUSBSR by area of support

ERDF investments realising EUSBSR

- R&D, innovation
- Energy
- Transport
- Environment
- Entrepreneurship, support for SMEs, human capital
- Education, tourism, health

12%
0%
36%
4%
29%
19%

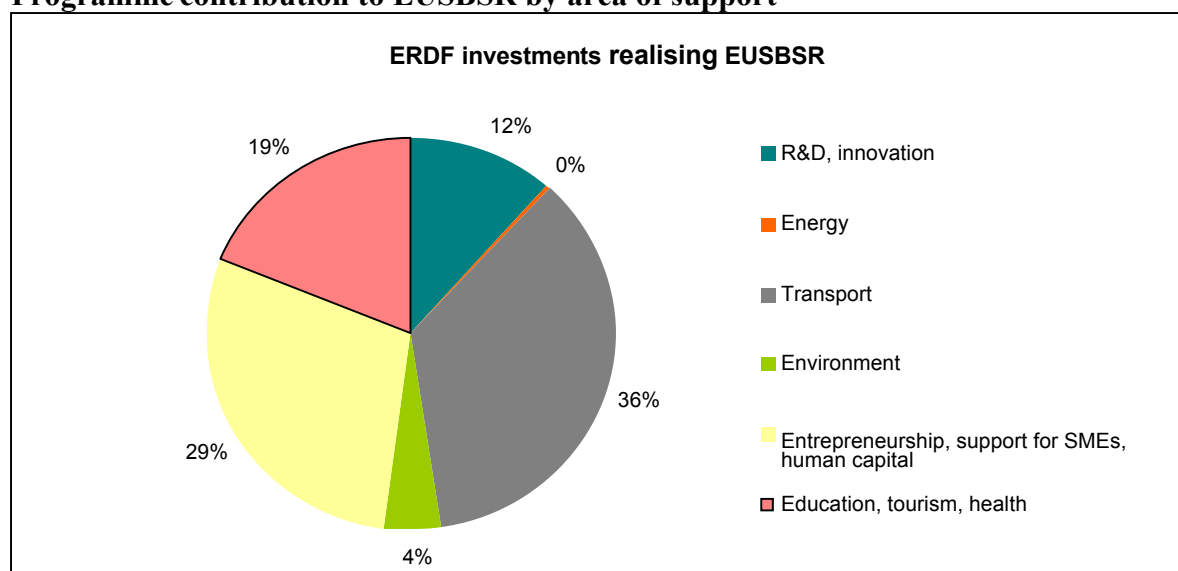**Programme contribution to EUSBSR**

Main EUSBSR support areas	ERDF contribution to projects realising EUSBSR (€)	ERDF contribution to Flagship Projects from the Action Plan of the Strategy (€)	ERDF contribution to other projects realising EUSBSR (€)
1	2=3+4	3	4
R&D, innovation	55 984 158	0	55 984 158
Energy	2 266 129	0	2 266 129
Transport	172 095 680	0	172 095 680
Environment	21 787 418	0	21 787 418
Entrepreneurship, support for SMEs, human capital	140 714 037	0	140 714 037
Education, tourism, health	92 032 112	0	92 032 112
Total	**252 133 385**	**0**	**252 133 385**

3.1.8. Sweden (Total area: 441 370 km^2 - Population: 9 340 682 inhabitants)

Cohesion Policy 2007–13

FUNDS FOR SWEDEN IN BILLION € 2007–13				
Objective	Fund	EU	National Public	Total
Regional Competitiveness and Employment	ERDF	0.9	1.1	2
	ESF	0.7	0.7	1.4
Total Regional Competitiveness and Employment		**1.6**		
Total European Territorial Cooperation*	ERDF	0.3	-	0.3
TOTAL		**1.9**	**1.8**	**3.7**

Figures have been rounded up

* Each Territorial Cooperation programme includes a minimum of 15% co-financing from each participating Member State.

Competitiveness and employment objective

3.1.8.1. Analytical summary

In Sweden there are eight regional ERDF competitiveness and employment programmes and one national ESF programme. Sweden participates in 13 European territorial cooperation programmes. In March 2011 about €180 million or 20% of the ERDF Regional competitiveness and employment budget was still available for new projects.

An additional selection criterion linked to the Baltic Sea Strategy was introduced in the autumn of 2009 for all eight ERDF Regional Operational Programmes in Sweden and as from 2010, classification of all new projects has been carried out. So far, most projects have been classified as 'in line with the Baltic Sea Strategy' (126 out of 250 projects approved in 2010, equalling €90 million out of €180 million) with the bulk (91 out of 126 projects) in the second pillar, while there has been no funding decided from the programmes directly for Flagship Projects.

The Managing Authority has organised internal and external information actions to promote the Strategy and increase the knowledge of the funding opportunities offered by the ERDF Regional Operational Programmes. The activities to implement the Strategy on the ground are still in their early stages, but stakeholders and actors at both national and regional levels are becoming more positive and consider the Strategy as a good basis for increased international cooperation and creating networks between actors at different levels within and between the Member States.

No specific problems have been mentioned in the report but it takes time to find partners and set up projects, and it will take time for the cooperation to mature and reach its full potential.

With regard to the next programme period, it is the view of the Swedish Government that, "Where they exist, macro-regional strategies should be taken into account in all cohesion policy programmes." This should contribute to a more effective and focused use of the Community funding.

3.1.8.2. Description of the eight ERDF competitiveness and employment programmes contribution to the Strategy

All statistics in this chapter refer to projects approved in 2010 (but not all approved projects were registered in regard to the Baltic Sea Strategy in time to be included in the report from the Managing Authority). In order to make feedback and follow-up on the regional implementation of the Baltic Sea Strategy possible, all projects are registered at the Managing Authority according to the following classification:

1. Flagship

2. Cooperation with Flagship

3. Cooperation partner in another country in the Baltic Sea Region

4. In line with the Baltic Sea Region Strategy

5. Not contributing to the Strategy

3.1.8.2.1. Upper North Sweden

Total budget: €242 million
Geographical coverage: Counties of Norrbotten and Västerbotten
Priority areas: Innovation and Renewal, Accessibility
Commitment rate in March 2011: 98%
Main contributions to the following priority areas of the Strategy: Transport, Innovation, R&D

- Selection criteria included in the autumn of 2009.
- In 2010, 69% of the committed funding was in line with or contributing to the Strategy.
- The Managing Authority has organised internal and external information actions to promote the Strategy and increase knowledge of the funding opportunities offered by the ERDF Regional Operational Programmes.
- The Managing Authority has also arranged two information meetings together with Interreg IVA North. This was done to encourage projects with links to the Baltic Sea Region Strategy in the action areas of innovation and infrastructure. In the first application round in 2011, projects linked to the Baltic Sea Region Strategy are prioritised.

Upper North Sweden, ERDF budget in €, TA not included

Priority area	Budget	Allocated to projects	Remaining
Innovation and renewal	177 125 070	180 667 571	-3 542 501
Accessibility	55 806 529	49 109 746	6 696 783
Total	232 931 599	229 777 317	3 154 282

Country	Sweden		
Objective	Regional competitiveness and employment		
Programme	**Upper North Sweden**		
Total ERDF amount for the programme in €, including TA	242 637 082		
Main priority areas of the Strategy	ERDF amount for projects **in line with** the Strategy	EDRF amount financing **Flagship Projects** identified in the Strategy's Action Plan	ERDF amount for other projects **contributing to** the Strategy
R&D (priority area 7)	11 262 636		
Innovation (priority area 8)	16 146 356		
Energy (priority area 10)			
Transport (priority area 11)	16 087 604		
Environment (priority areas 1, 2, 3, 4, 5 & 13)	3 938 622		
An accessible and attractive region (priority area 12)	5 867 180		
A safe and secure region (priority area 14)	834 667		
Total ERDF	**54 137 065**		
No registration*	13 362 536		
Total ERDF	**68 334 267**	**0**	**0**

* Projects not yet registered under Baltic Sea Region Strategy

Upper North Sweden
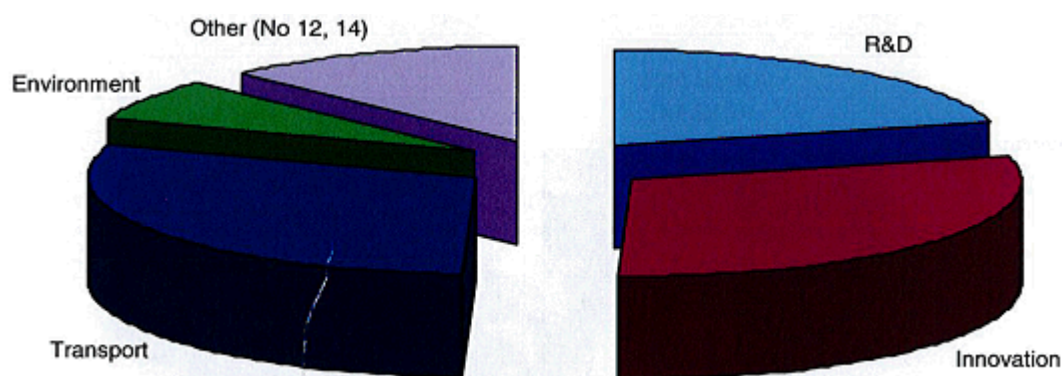
3.1.8.2.2. Mid North Sweden

Total budget: €177 million
Geographical coverage: Counties of Jämtland and Västernorrland
Priority areas: Renewal of industry, energy and environment-driven development, Accessibility and attractiveness
Commitment rate in March 2011: 88%
Main contributions to the following priority areas of the Strategy: An accessible and attractive place, Innovation, Environment

- Selection criteria included in the autumn of 2009.
- In 2010 47% of the committed funding was in line with or contributing to the Strategy.
- The Managing Authority has organised internal and external information actions to promote the Strategy and increase knowledge of the funding opportunities offered by the ERDF Regional Operational Programmes.
- The Managing Authority has established contact with a project partner in Estonia, and the possibility of cooperation under Article 37(6)(b) (1083/2006) is now being discussed.

Mid North Sweden, ERDF budget in €, TA not included

Priority area	Budget	Allocated to projects	Remaining
Renewal of industry, energy and environment-driven development	130 520 537	114 858 073	15 662 464
Accessibility and attractiveness	39 032 585	35 519 652	3 512 933
Total	169 553 122	150 377 725	19 175 397

Country	Sweden
Objective	Regional competitiveness and employment
Programme	**Mid North Sweden**
Total ERDF amount for the programme in €, including TA	176 617 833

Main priority areas of the Strategy	ERDF amount for projects **in line with** the Strategy	EDRF amount financing **Flagship Projects** identified in the Strategy's Action Plan	ERDF amount for other projects **contributing to** the Strategy
R&D (priority area 7)			
Innovation (priority area 8)	3 338 821		
Energy (priority area 10)			
Transport (priority area 11)	764 414		
Environment (priority areas 1, 2, 3, 4, 5 & 13)	1 211 111		

A prosperous place (priority area 6)			
An accessible and attractive place (priority area 12)	4 671 539		
Total ERDF	**9 985 885**		
No registration*	8 445 897		
Total ERDF	**23 103 321**	**0**	**0**

* Projects not yet registered under Baltic Sea Region Strategy

Mid North Sweden
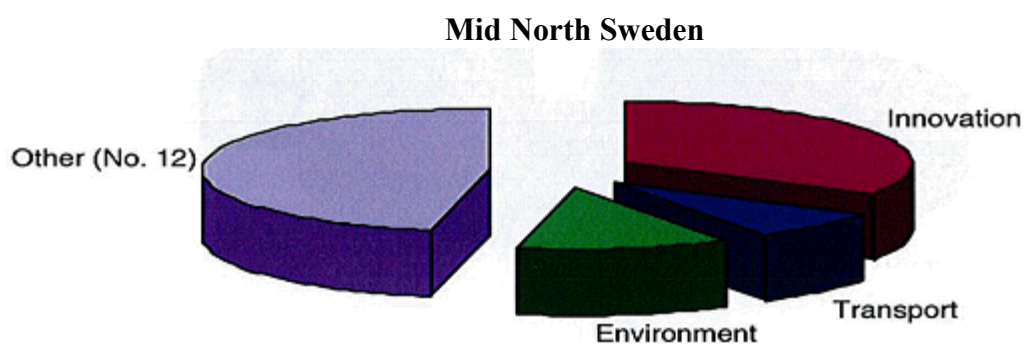
3.1.8.2.3. North Mid Sweden

> Total budget: €195 million
> Geographical coverage: Counties of Gävleborg, Dalarna and Värmland
> Priority areas: Business development, Accessibility
> Commitment rate in March 2011: 98%
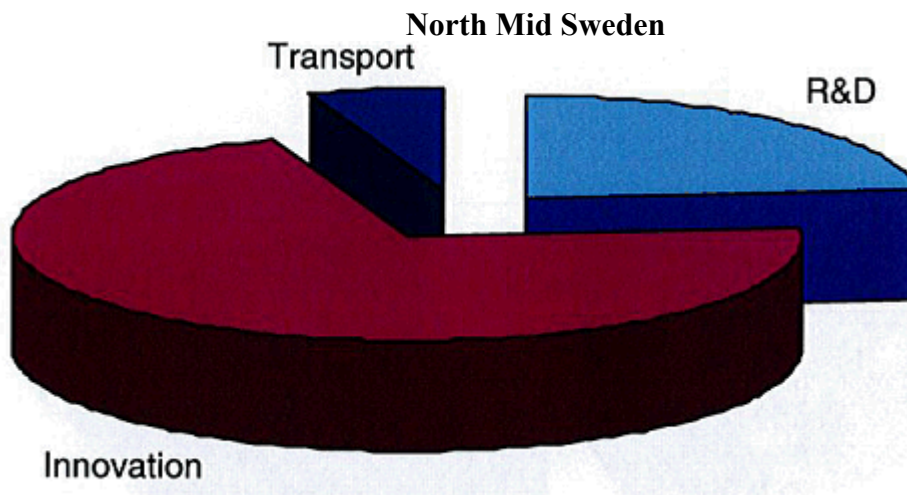> Main contributions to the following priority areas of the Strategy: Innovation, R&D, Transport

- Selection criteria included in the autumn of 2009.
- In 2010 17% of the committed funding was in line with or contributing to the Strategy.
- The Managing Authority has organised internal and external information actions to promote the Strategy and increase knowledge of the funding opportunities offered by the ERDF Regional Operational Programmes.
- A project has been financed to develop an exhibition on the Baltic Sea Region Strategy.

North Mid Sweden, ERDF budget in €, TA not included

Priority area	Budget	Allocated to projects	Remaining
Business development	132 188 324	128 222 674	3 965 650
Accessibility	55 000 000	55 550 000	-550 000
Total	187 188 324	183 772 674	3 415 650

Country	Sweden
Objective	Regional competitiveness and employment
Programme	**North Mid Sweden**
Total ERDF amount for the programme in €, including TA	194 987 837

Main priority areas of the Strategy	ERDF amount for projects **in line with** the Strategy	EDRF amount financing **Flagship Projects** identified in the Strategy's Action Plan	ERDF amount for other projects **contributing to** the Strategy
R&D (priority area 7)	888 889		
Innovation (priority area 8)	2 715 111		2 333 333
Energy (priority area 10)			
Transport (priority area 11)	206 721		
Environment (priority areas 1, 2, 3, 4, 5 & 13)			
Total ERDF	**3 810 721**	**0**	**2 333 333**
No registration*	6 479 642		
Total ERDF	**10 497 085**	**0**	**2 333 333**

* Projects not yet registered under Baltic Sea Region Strategy

North Mid Sweden

3.1.8.2.4. East Mid Sweden

Total budget: €81 million
Geographical coverage: Counties of Uppsala, Södermanland, Östergötland, Örebro and Västmanland
Priority areas: Innovative environments, Business development, Accessibility
Commitment rate in March 2011: 80%
Main contributions to the following priority areas of the Strategy: R&D, Innovation, Transport

- Selection criteria included in the autumn of 2009.
- In 2010 76% of the committed funding was in line with or contributing to the Strategy.
- The Managing Authority has organised internal and external information actions to promote the Strategy and increase knowledge of the funding opportunities offered by the ERDF Regional Operational Programmes.
- During the application period from August to September, projects which are in line with the Baltic Sea Region Strategy are prioritised for the programme in East Mid Sweden.

East Mid Sweden, ERDF budget in €, TA not included

Priority area	Budget	Allocated to projects	Remaining
Innovative environments	23 336 267	20 302 552	3 033 715
Business development	38 893 779	29 948 210	8 945 569
Accessibility	15 557 512	11 979 284	3 578 228
Total	77 787 558	62 230 046	15 557 512

Country	Sweden
Objective	Regional competitiveness and employment
Programme	**Eastern Mid Sweden**
Total ERDF amount for the programme in €, including TA	81 028 706

Main priority areas of the Strategy	ERDF amount for projects **in line with** the Strategy	EDRF amount financing **Flagship Projects** identified in the Strategy's Action Plan	ERDF amount for other projects **contributing to** the Strategy
R&D (priority area 7)	5 364 358		
Innovation (priority area 8)	3 920 831		
Energy (priority area 10)			
Transport (priority area 11)	3 399 207		
Environment (priority areas 1, 2, 3, 4, 5 & 13)			
Total ERDF	**12 684 396**		
No registration*	0		
Total ERDF	**12 684 396**	**0**	**0**

* Projects not yet registered under Baltic Sea Region Strategy

East Mid Sweden