



# One big experiment

By Przemysław Myszka

The Baltic Sea region is like the lonely horseman in Robert Frost's poem *Stopping By Woods on a Snowy Evening*. The man stands still and looks around, admiring the lovely, dark and deep woods. But the wayfarer can't dawdle too long, as he made some promises and has miles to go before he sleeps.

The EU Strategy for the Baltic Sea Region (EUSBSR) was tabled in June 2009 to do exactly the same – keep promises that underlain the very European Union, namely to jointly collaborate in order to bridge the differences of heterogeneous and socially, economically and politically fragmented region. The thing distinguishing the Strategy is that it's focused not on the level of the whole EU nor a single country, but encompasses eight EU Baltic states, both old and new members. Thus the EUSBSR is an experiment and other European regions are looking forward to seeing its final outcomes.

The impulse to create the BSR Strategy were common challenges facing the entire region. In the shipping area these are shortcomings in safety and security as well as various environmental issues, regarding the transport sector. The sea is also affected by eutrophication, dwindling fish stocks, climate change and the risk of oil spills. Economies are waddled by uneven development, some countries are lingering to fully access the EU single market as well as are hampered by the lack of enterprise culture, as they were pinned down for many years by the iron curtain. Smooth transportation is jeopardized by gaps in transport connections, when rail and road infrastructure in new member countries is nowhere near to overland network in old EU states. The same goes for the energy market, suffering from years of malpractice. Stakeholders have understood that these obstacles cannot be overcome by single countries acting alone, therefore they started to cast about for allies.

After almost five years of the worldwide financial crisis and nearly three of amplified cooperation, the BSR countries are in a pretty good shape. A safe haven in a tumbling world, one could say. But if the region desires true harmony, it needs to continuously increase its competitiveness and cultural wealth.

The financial crisis has not only awakened the demons of isolationism and political selfishness, but also harmed the sensitive bond of trust, linking societies with their sovereigns. Words of unrest broke out, as people

felt deserted by politicians who teamed up with financiers in their hunger for money. Maintaining the political momentum is the necessary condition to keep the promises, as the political will remains indispensable for success. If the BSR Strategy shows real cooperation across boundaries, the citizens will have hard evidence that the Baltic Sea region, along with its inhabitants, is a precious commonwealth to all decision makers. In order to do so, the EUSBSR needs to be better embedded in political and administrative structures, even in times of austerity – and above all despite it. It seems that proper communication could help win the hearts of ordinary people, not only experts and the BSR Strategy's participants. The European Commission fully fathoms that awareness of the EUSBSR and its results need to be more visible. So much for words, now let actions do the talking. ●



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24-26 October 2011 Second Annual Forum of the EUSBSR – Gdansk Poland, photo: EU

# The first of its kind

By **Colin Wolfe**, Head of Unit, DG Regional Policy, European Commission (EC)  
& **Shawna Robert**, Programme Manager, DG Regional Policy, EC



The Strategy is becoming a motor for new joint transportation projects, and has reinforced existing projects by encouraging the alignment of policies and financial resources at the EU, national, and local levels.

The EU Strategy for the Baltic Sea Region (EUSBSR) is the first of its kind to take a macro-regional development approach to reinforcing practical cooperation. In relation to transportation, it has already resulted in regular ministerial level meetings and planning at the Baltic Sea region level, as well as a framework for technical cooperation at expert level.

The Strategy is becoming a motor for new joint transportation projects, and has reinforced existing projects by encouraging the

alignment of policies and financial resources at the EU, national, and local levels. It has helped to develop a common view to TEN-T planning and implementation, enabling the region to speak in a coordinated manner, for instance during the TEN-T review process. It has facilitated decision making on major network connections, for example through the Europe 2020 inspired the idea of green corridors.

Outside the Baltic, the approach has generated much interest from other regions. The transportation approaches of the Danube Region Strategy and the Atlantic Motorways of the Sea draw particular inspiration from Baltic work on mobility in the region and its multi-modal approach.

To work, the Strategy depends on sustained support and coordination of resources and programming. With this in mind, the Strategy was recently revised to align more closely with Europe 2020 goals, with an emphasis on innovative and green technology solutions. Closer links with neighbours is also highlighted, to reduce travel time within the Baltic region and waiting time at external borders.

In addition, Baltic transportation issues will take centre stage at the 3<sup>rd</sup> Annual Forum for the Strategy, June 18-19, 2012, in Copenhagen. This event will also encourage public-private partnerships and strengthen linkages between regional and national decision-making and investments.

Sweden and Latvia are coordinating the transportation activities of the Strategy, facilitating the work of all the partners with the help of a steering committee involving all the national administrations concerned.

For more information, please visit our newly launched website at [www.balticsea-region-strategy.eu](http://www.balticsea-region-strategy.eu).



# Crucial role of the cities

By **Per Bødker Andersen**, President, Union of the Baltic Cities (UBC)

Clearly defined governance, based on the bottom-up approach, transparency and involvement of multiple actors on different levels, has been the focal point of the UBC statement on the EU Strategy for the Baltic Sea Region (EUSBSR). The Union of the Baltic Cities was very active in the consultation process, not only providing its own position paper complemented by the UBC Commissions' suggestions, but also signing the joint statement with other Baltic Sea organizations.

The Union welcomed the EU initiative expecting realistic policy, ambitious in its objectives and responsive to the needs of the inhabitants of the region. Representing local interests, the UBC



Photo: Cruise Baltic

has been of the opinion that the cities can play a crucial role in the new Strategy.

"Cities constitute the public authority closest to the citizens and their everyday life. Knowing that a mounting challenge of the European Union is to take the Union closer to its citizens, the cities can perform a vital link. Understanding cities and urban areas as the foundation of the Baltic Sea governance would help to establish a link between the Union and its citizens," says the UBC statement.

The real test for the strategy is its implementation. Although the UBC members can identify their views and proposals in the EUSBSR Action Plan, their role has not been clearly defined or even it might be confusing. In fact the governance part of the Strategy is its weakest point. However, the UBC Executive Board decided to take part in the implementation of six projects, listed in the Action Plan as flagships, where it could make the best possible contribution. These are: 5.1 "Anticipate regional and local impacts of climate change through research", 8.1 "Promote young entrepreneurs", 8.4 "Make the Baltic Sea an Eco-efficient region", 11.1 "Complete the agreed priority transport infrastructures", 5.3 "Create a network of sustainable cities and villages" and the project InnoShip within the flagship "To become a model region for clean shipping" under Priority 4. Apart from the UBC representatives appointed by the Board, also a number of UBC member cities have been participating in conferences and seminars organised within the framework of implementing the abovementioned flagships.

Moreover, the UBC was invited to take part in the Annual Forums of the EUSBSR. On 14-15 October 2010 in Tallinn I was a keynote speaker at the plenary session on 15 October, and during the 2<sup>nd</sup> Annual Forum held in Gdańsk on 24-26 October 2011 I presented the local perspective at the session 'Multi-level Governance'.

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The great input from the region during the creation process of the EU Strategy

showed the potential of the BSR. The success of the Strategy does not lie in Brussels but in the region. We are convinced that more focus on involvement of all actors is necessary to develop a real multilevel governance system. Local and regional levels should be given the opportunity to constructively contribute to the formulation of objectives and the actions of the Strategy. Moreover, we think the EU Strategy needs to be backed up financially in the new EU programming period. The still ongoing funding programmes were designed before the EUSBSR was adopted, so they do not fully face the challenges of the Strategy. ●



24-26 Oct. 2011, 2<sup>nd</sup> Annual Forum of the EUSBSR, Gdańsk, Poland. Photo: EC



## Two urgent issues for the region

By Allan Alaküla, Head of Tallinn European Office

I gnoring the media and information space issues in the BSR Strategy should serve as a warning lesson for other EU macroregions envisaging their strategies. A copy-paste manner of the current BSR Strategy to the Danube region, as presented by DG Regio, will inevitably lead to repeating the same mistakes. The good news is that the European Commission has recognised in its latest Communication the need for better information exchange regarding the BSR Strategy. However, the only particular proposal made by the Commission, is to develop a website of the Strategy. It seems to be too little and too late.

The need for a BSR communication strategy is still ignored completely. However, the policies of the region cannot be elaborated and implemented, at least not in a democratic manner, without regular and massive informing and involvement of the people of the macro-region.

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**The extent of depopulation of smaller Member States puts at risk the well-being of the entire macro-region.**



24-26 Oct. 2011, 2<sup>nd</sup> Annual Forum of the EUSBSR, Gdańsk, Poland. Photo: EC

If we really want to succeed with macroregional policies, we also need macroregional media. As there is no budget for the macro-region, these media can only be initiated and funded by the Commission and Member States. The prime task is to produce a 24/7 news-flow from a macroregional perspective. It should enable every BSR resident and

visitor to answer the question of what is the news not only in their home town, country or in Europe, but also in the Baltic Sea region. Only then can we start recognizing such an entity as the BSR and get a grasp on our identity.

The other, but not the least important lesson learned, is that the Strategy should not neglect any major developments in the region. It happened with the BSR Strategy which succeeded not to mention the Nord Stream pipeline – by far the biggest investment, with the largest economic and other impacts in the BSR. Instead of being accepted as an important integrating tool of the region, it has further divided the coasts of the Baltics politically.

We cannot continue to ignore the major demographic change which is currently reshaping the region – the massive exodus from the new EU

Member States, especially from Lithuania, Latvia and Estonia, not only to the Nordic countries and Germany, but also out of the BSR. While the BSR Strategy promotes talent retention and circulation of brains, in reality, we are facing a massive one-way traffic of labour. The extent of depopulation of smaller Member States puts at risk the well-being of the entire macro-region by contracting the market and harming the BSR's potential in global competition. This depopulation also creates major risks to foreign direct investments already made in the three Baltic States. It is not only a problem for Estonia, Latvia and Lithuania. It is a matter of utmost urgency for the entire BSR region.

All these issues can be well raised in the context of the incoming Lithuanian EU presidency, as an important lesson for other aspiring macro-regions. ●

# Connecting East Sweden to the BSR

By Jan Owe-Larsson, President, East Sweden Region



Uppsala, photo: Tommy Westberg

Concerning the European Union Strategy for the Baltic Sea Region (EUSBSR), the East Sweden region has already from the start-up processes been a keen stakeholder in addressing the key challenges of accessibility. As regional players, we want to be involved in the coordinating actions taken by the EU, Member States, regions and municipalities, pan-Baltic organisations, financing institutions and all other types of organisations interested in a more effective development connecting the Baltic Sea region. Decisions and funding of many of the

EUSBSR accessibility actions take place at a high level between the EU and Member States, but looking from a multi-level-governance perspective all of us are interlinked and have important roles to play.

We believe that the EUSBSR's aim to complete the agreed priority transport infrastructure by, for example, upgrading rail infrastructure in our region (and other parts of Sweden) has been a driving force.

The Connecting Europe Facility proposes, as one of ten transport corridors, the Baltic-Adriatic corridor in which you find the TEN-T Nordic Triangle multi modal corridor and as a part of this, East Sweden. I would like to stress, that the success of the regional authorities is due to their hard work in informing, lobbying and negotiating. We are part of a much bigger entity, in which the East Sweden region wants to be an attractive cooperation partner.

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**The economic future of Europe requires smart, sustainable and fully interconnected transport networks.**”

**T**he East Sweden area with its 430,000 inhabitants, situated 160 km south of Stockholm and bordering the Baltic Sea, has always been a developing infrastructure region. Looking back in history, the Bronze Age rock carvings in our region depict ships for trade and travel around the Baltic Sea. The Hanseatic League cogs also had their ports of call along our coast and in the 19<sup>th</sup> century the Göta Canal developed the Swedish east-west inland transport, with East Sweden as its eastern node.

In the European TEN-T context, our region is located within the priority project “The Nordic Triangle”. Two European motorways (E4, E22) and a trunk railway run through the area. There are two regional airports and one Baltic port.

The new access fairway to the Port of Norrköping was inaugurated last year. The work, which now enables 24-hour access to the port and its new intermodal terminal, benefitted from EUR 3.5 mln in EU co-financing from the TEN-T budget. This represents a key moment for both Swedish and Baltic Sea transport as a whole. The Port of Norrköping will hence see its vessel traffic increase and further develop as an intermodal node for the region, thus contributing to shift freight transport from road to more environmentally-friendly modes of transport.

The economic future of Europe requires smart, sustainable and fully interconnected transport networks. By expanding the trunk railway in East Sweden from two to four tracks over the coming years, one of the most detrimental bottlenecks will disappear and East Sweden will be better connected to the Baltic Sea region. ●



# Four decades of protecting our common sea

By Gabriella Lindholm, Sweden, HELCOM Chairlady



**T**he EU Strategy for the Baltic Sea Region was created with the ambitious goal to speed up, streamline and strengthen the actions to address the challenges that the Baltic Sea region is facing.

One key challenge is the environmental status of the sea. Today, we know that the ecosystem health of the entire Baltic Sea is impaired, with major environmental problems being eutrophication – caused by excessive inputs of nitrogen and phosphorus from agriculture, municipal wastewaters, ships and other sources; pollution by hazardous substances, decline of biodiversity and the negative impact of shipping, among others.

The intergovernmental Baltic Marine Environment Protection Commission, often called Helsinki Commission or HELCOM, has served since 1974 as a forum to develop, agree on and implement measures for the recovery and protection of the sea. I have been privileged to chair the Commission for close to two years and witnessed how HELCOM unites the whole region in common efforts to rescue the sea. HELCOM's members are each of the nine Baltic coastal countries and the European Union.

The latest programme of such protection measures, included in the Baltic Sea Action Plan (2007–2021), is implemented in synergy with the EU Strategy for the Baltic Sea region, where the ongoing activities and previous commitments are re-enforced; where the challenging areas receive extra political impetus; and where new projects are initiated. This will lead to achieving our common goals.

We profit from synergies when the priorities are streamlined – and this is precisely the case in the HELCOM Baltic Sea Action Plan and the EU Strategy. It is important that these synergies are maintained and ensured to stay strong in the future. To achieve this, the HELCOM work, the targets and objectives of the Baltic Sea Action Plan as well as emerging issues need to continuously be accounted for in the EU Strategy.

Streamlining of financial and human resources is important both on a national and EU level. For this purpose, the environmental objectives must be integrated with economic and socio-economic goals.

One recent milestone in HELCOM's work as well as in implementing the EU Strategy is the designation by the International Maritime Organization of the Baltic Sea as a Special Area, whereby discharges of untreated

sewage from passenger ships will be banned.

Another positive development is launching of transboundary and eco-system based Maritime Spatial Planning in the Baltic Sea within the framework of HELCOM and VASAB (Vision and Strategies around the Baltic Sea), acting as co-leaders of one of the Horizontal Actions under the EU Strategy. Maritime Spatial Planning is an emerging approach, receiving increasing attention. It is usually defined as a public process of analyzing and allocating the spatial and temporal distribution of human activities in marine areas to achieve ecological, economic, and social objectives. The eco-system approach of HELCOM fits seamlessly into this strategic method, through which HELCOM is looking at potentially conflicting uses of the sea, such as fisheries and nature conservation within marine protected areas, with the aim to find a resolution in a participatory manner. Further, HELCOM is taking new steps towards more environmentally-friendly shipping through completely eradicating the harmful airborne emissions and through the promotion of Liquefied Natural Gas as a fuel. For instance, the work to develop a joint application by the HELCOM countries to the IMO to designate the Baltic Sea as a Nitrogen oxide (NOx) Emission Control Area has been completed, and the only question remaining is the timing of the submission to be decided by HELCOM in June 2012.

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A lot of work is ahead of us, regarding the full implementation of the previously agreed actions, as well as the identification of new and needed measures. Rescuing the Baltic Sea requires a long term plan and tireless action. We already have success stories to tell and examples of concrete outcomes and promising initiatives about the synergistic collaboration towards the same targets. ●



24-26 Oct. 2011, 2<sup>nd</sup> Annual Forum of the EUSBSR, Gdansk, Poland. Photo: EC

# Thrust of energy for the Baltic

Janne Jõesaar-Ruusalu, National Contact Point of the Baltic Sea Strategy, Estonian Ministry of Foreign Affairs, talks with Lena Lorenc on lessons learned from the EUSBSR's implementation



- **We are almost three years after the adoption of the EU Strategy for the BSR and already behind the first implementation report. What have been, in your opinion, the most important lessons learned from the realization of the Strategy so far?**

The Strategy is already contributing positively to enhanced cooperation in the region. There are new networks established and initiatives enrooted, new momentum is given to the already existing projects. A fresh, macroregional way of thinking is developing. During the first years we saw a need for clarifying the roles of different regional organizations, and we should look for better coherence here. It is important to maintain political support at all levels – EU, national, regional and local. We also need more clarity in financing the Strategy's activities. As we know, the new EU budget framework for 2014-2020 will be agreed upon and we have to make sure that possibilities for financing the Strategy's projects from different sources and funds will be secured. This is especially important because the EUSBSR is an approach with three no's – no to new legislation, new institutions and new money – hence using the existing EU and national resources more effectively is crucial.

- **As far as the development of transport and energy infrastructures is concerned, there are a number of tools at the EU level – different funds, policies, etc. Does the EUSBSR bring added value here?**

The macroregional approach gives us a framework where we can address the challenges too broad for the national level and too specific for the whole EU. Transport and energy infrastructures are one very good example here. They are directly connected with one of the three overall objectives of the Strategy: to Connect the Region (the other two being to Save the Sea and to Increase Prosperity). The Baltic Sea region cooperation reinforces and facilitates already ongoing work and existing EU policies, helps to implement them, boosts the cooperation and gives it a more clear focus. For Estonia, the Baltic Energy Market Interconnection Plan (BEMIP) and Rail Baltic are of special importance here.

- **What is Estonia's role in the Strategy?**

Estonia is committed to the Strategy and is working actively together with the European Commission and other Member States to develop it further. The EUSBSR is at the moment divided into 15 priority areas and Estonia is coordinating the internal market priority area. We can identify many ways to remove the hindrances to the internal market and thus increase competitiveness: interoperable IT solutions, recognition of professional qualifications, establishment of a network of research institutions, etc. The added value here could pave the way for trans-European solutions as well.

- **The Strategy does not commit the non-Member States. How are e.g. Russia and Norway supporting the EUSBSR in regards to the common interest matters, such as transport bottlenecks?**

The Member States have agreed that cooperation with interested third countries is necessary in order to tackle challenges in our macroregion effectively. Our partners outside the EU are interested in the Strategy and take part

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Photo: Cruise Baltic

in concrete projects; the Strategy's action plan involves common projects with Russia and Norway. The main cooperation platforms here are the Northern Dimension and the Council of the Baltic Sea States.

- **As far as the cooperation with the private sector is concerned, it seems like the Strategy isn't widely recognized among businesses and the public. How to encourage the business sector to be more active in its implementation?**

The strategy has quite a unique structure with a very broad stakeholder community: the European Commission, national ministries and agencies, different regional organizations, regional and local authorities, international financing institutions, as well as the private sector and NGOs. Last year the Member States together with the European Commission put a lot of effort into making the strategy's governance more clear and in better defining the division of labour among the different stakeholders. The next step forward is to communicate and better promote the EUSBSR as well as to have more dialogue with our business organizations. We can find a lot in common in the strategy goals and private sector interests,

these common interests should be pointed out and discussed. The potential of the region is large and the added value from better cooperation is quite clear.

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## BDF Summit and EUSBSR Annual Forum 2012

18-19 June 2012 • DK/Copenhagen



Under the auspices of the Danish Presidency the 14<sup>th</sup> Baltic Development Forum Summit will be arranged jointly with the 3<sup>rd</sup> Annual Forum of the EU Strategy for the Baltic Sea Region. The headline for this year's event is 'Public-private co-operation for a smart and green infrastructure in the Baltic Sea Region'.

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