

**SETTING REGIONS IN MOTION**  
Baltic Sea INTERREG III B project conference  
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## **Programme for transnational territorial co-operation in the Baltic Sea Region 2007-2013**

**Abstract of the draft concept on the programme contents and  
implementation as of 29 April 2006**

## ***1. Positioning and strategy of the programme***

The Baltic Sea Region (BSR) has become a European laboratory of integration where three different economic backgrounds and cultures came together. Joint transnational projects, which gathered together partners from old and new EU Member States as well as from the neighbouring countries (Belarus, Norway, Russia), substantially contributed to the territorial convergence and building of durable networks of co-operating organisations and institutions.

The Baltic Sea Region Programme 2007-2013 presents a new stage of transnational co-operation in the area, deeply rooted in the achievements of the two past transnational programmes - Interreg IIC (1997-99) and Interreg IIIB (2000-2006). The mutual learning process, which started from the exchange of experience in spatial planning and development, and which went through commonly elaborated studies, action plans and strategies, will for the upcoming programme period aim to demonstrate the Baltic Sea Region profile and identity in addressing the challenges of the EU's Lisbon and Gothenburg strategies.

The programme is currently in the preparatory phase. Its contents and implementation features are being developed by representatives of eight EU Member States and partner countries of Norway, Russia and Belarus around the Baltic Sea designated to the Joint Programming Committee. The elaborated proposals will be subject to broad consultation process, with an expected contribution from pan-Baltic organisations regarded strategic partner in the programme preparation and implementation as well as from other stakeholders interested in submission of joint transnational projects. The programme shall be presented to the European Commission in the autumn of 2006, which determines that the first call for proposals may take place in summer 2007 after official adoption of the programme by the European Commission.

The Baltic Sea Region Programme 2007-2013 – reflecting the trends and tendencies of the area's socio-economic situation – **will address those issues, which need intervention at the transnational - Baltic Sea Region - level**. The programme will hence relate to the deficits in the territorial cohesion at the overall BSR level, with an emphasis on the existing East-West divide in the distribution of socio-economic processes. For the long-term regional sustainability of the BSR essential is a future role of Russia as an increasingly influential neighbour and partner in various co-operation domains. The programme will also tackle adaptation strategies to the development setting that cannot be changed in medium term, such as scattered settlements, low population density and harsh climate conditions in the northernmost territories. Further, the programme will respond to demographic processes, such as ageing and migration, and their resulting effects on the general business environment and the labour market situation. Last but not least - the programme will accentuate actions dedicated to management of the common asset for all countries involved in its implementation – that is the Baltic Sea.

Bearing that in mind the programme will attempt to stimulate the identified strengths and diminish the detected weaknesses. Its ambition is to wisely assimilate needs of a better territorial cohesion of the Baltic Sea Region, a demand to raise competitiveness of the whole area and its individual parts and a necessity to carefully manage the sensible environment of the Baltic Sea to achieve more sustainable pattern of development. Pursuing this, the programme will not substitute any national or EU-co-funded development programmes, which may address similar thematic fields, but will endeavour to yield an **added value by demonstrating the overall Baltic Sea Region dimension of the envisaged actions**. In effect, the programme's benchmarking results may find application in the other territories and programmes, on account of its twofold - European and Baltic – perspective and in accordance with the possibility to extend its activities beyond the BSR co-operation area.

As the programme operates at the transnational level and promotes functionality of the Baltic Sea Region, its **overarching strategic objective** is:

***'To strengthen competitiveness of the Baltic Sea Region, its territorial cohesion and sustainability of its development by connecting potentials over the administrative borders'***

By such a formulation, the programme highlights the intention to act as an agent for boosting the socio-economic capital of individual territories by providing them with a framework to be bridged together. Through its thematic scope the programme will on one hand contribute to smoother transfers of competence, flows of goods, passengers and information as well as diffusions of innovation over the national and regional borders within the Baltic Sea Region and on the other – will provide ground for common actions to improve Baltic Sea environment and to use its space and resources in a sustainable way. In effect of the programme the connected potentials of individual territories will stimulate faster integration of the Baltic Sea Region into the global economy as well as its internal convergence, increased investment attractiveness, higher regional productivity, and better quality of the environment. Overall, in terms of socio-economic competitiveness (including environmental assets), the programme-conducive actions will help acknowledge position of the Baltic Sea Region as global player.

## ***2. Proposed programme priorities***

In order to implement the strategy mentioned above, it is proposed that **the programme be streamlined to four priorities**. The content within those priorities will be concentrated on issues of strategic character, which are specifically relevant for the transnational level of the BSR.

The **first priority** shall focus on **generation and diffusion of innovations across the BSR** to help achieve an integrated innovation environment. Although the promotion of innovative approaches in particular themes will be an overall objective for all priorities, a specific priority is dedicated to core innovations in the field of natural and technical but

also organisational sciences (e.g. business services, design and other market-related skills). The specific focus of that priority will be on three issues:

- Supporting the performance of BSR-leading scientific and technologic clusters and creation of new ones in the deficit areas
- Facilitating the transfer of innovations from those clusters to relevant actors and structures
- Strengthening the social tissue for better absorption of innovations.

The **second priority** is in particular dedicated to **improving the internal and external accessibility of the Baltic Sea Region**. The focus of the priority will lie upon promoting of such joint transnational solutions in the field of transport and ICT, which overcome the persistent impact of functional barriers both to diffusion of innovation and traffic flows and thereby strengthen its sustainable economic growth and territorial cohesion.

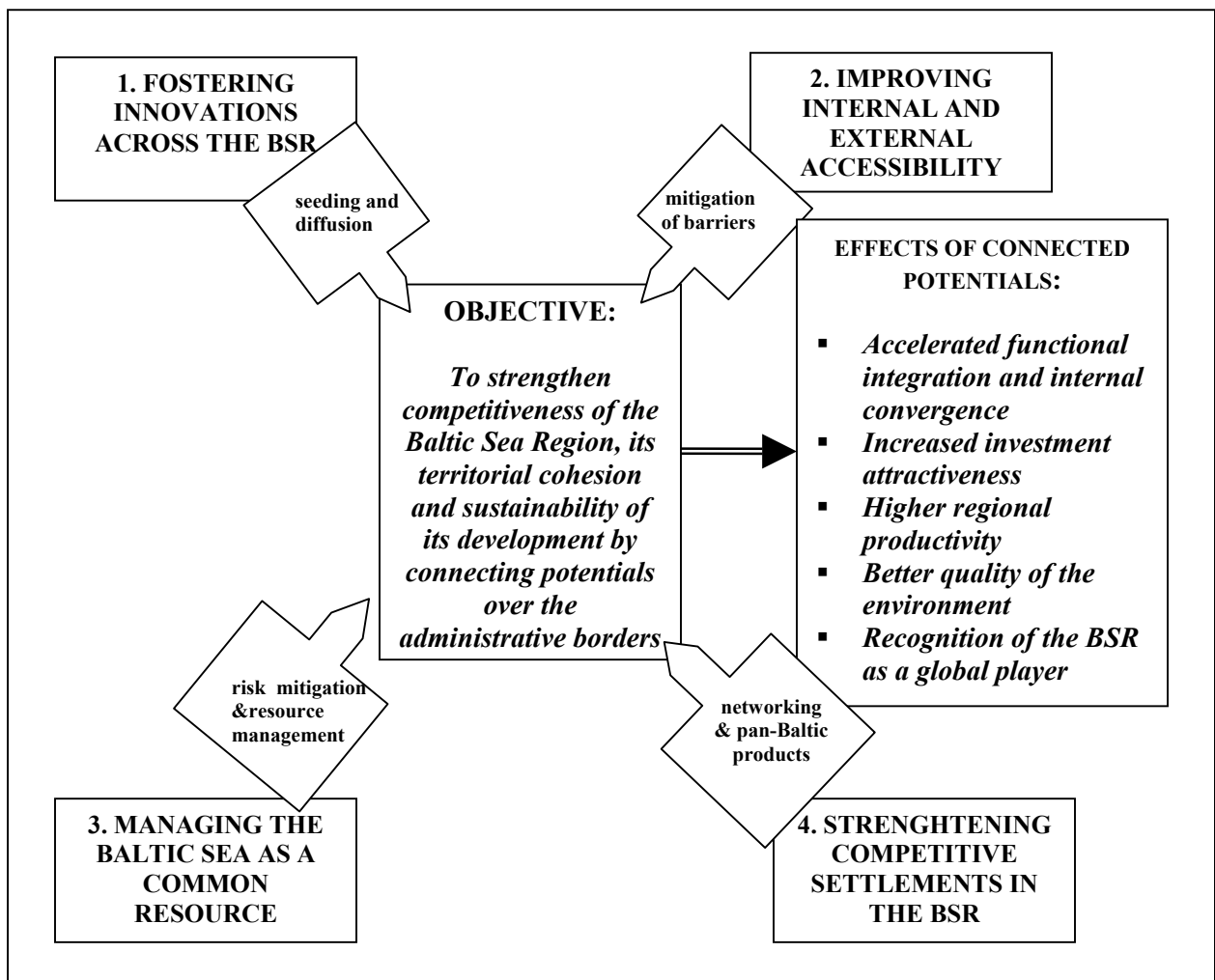
Such barriers include:

- National borders, which cause low interoperability of national transport networks,
- Water basin of the Baltic Sea, which forms a physical obstacle in serving flows of goods and passengers,
- Interfaces causing low compatibility between European/national and regional transport networks, which may hamper access to market areas in the BSR,
- Low numbers of target population inhibiting provision of large-scale public transportation and market-run ICT installations in some areas,
- Not harmonised transport and ICT policies on various tiers of governance – and their incoherence with comprehensive regional development actions.

The **third priority** shall concentrate on issues related to the **Baltic Sea as a common resource**. Unlike any other transnational space in Europe, the BSR is geographically easily to distinguish due to the fact that all participating countries are located in the Baltic Sea catchment area. Following the challenges it makes to accessibility, and based on the experiences of the preceding programmes (Interreg IIC and IIIB), the water resources and the maritime potential including the coastal zones will form a separate priority. This priority will focus on enhancing sea use planning in the BSR and ensuring sustainable protective measures in the comprehensive manner. The following topics are to be addressed: offshore planning and management, maritime safety and minimalisation of environmental risks, integrated coastal zone management and water management in the context of climate change tendencies and water quality of the Baltic Sea.

The **forth priority** looks at the issues tackled in the other priorities from a more synthetic and complex point of view by investigating how to **make the settlements and their networks in the BSR more competitive** at a European scale. The priority will also allow for multi-stakeholder and cross-sectoral strategies at the pan-Baltic and transnational level. The thematic scope of the priority includes: co-operation of city networks, urban-rural partnerships, development of settlement patterns in the context of demographic changes and migration, shaping of natural and cultural environment as factors for the BSR competitiveness as well as development of pan-Baltic tourist products.

A diagram showing arrangement of the programme priorities is given below. It is further followed by specification of directions of support as well as of those activities, which will be not welcome within the framework of the programme.



	<b>PRIORITY 1</b> <b>FOSTERING INNOVATIONS ACROSS THE BSR</b>
<b>Focus</b>	Actions involving public administration, academic/research institutions and private sector (based on the triple-helix model)
<b>Directions of support</b>	<ul style="list-style-type: none"> <li>• Co-operation of economic clusters across the national borders (networking, exchange of best practices, benchmarking of cluster policies, joint creation of models and transferable results) and extension of the networks to the eastern part of the BSR</li> <li>• Creation of model solutions at the BSR level demonstrating how to enhance cluster performance through provision of appropriate technical (energy, transport, communication) and social infrastructure (education, further education, centres of excellence and competence), adequate services, as well as by spatial planning and</li> </ul>

	<p>administrative support</p> <ul style="list-style-type: none"> <li>• Establishing transnational networks and support systems for the transfer of innovations to the business sector</li> <li>• Creation of model solutions at the BSR level in the transfer of innovations to the business sector (including financial, organisational, legal and administrative support elements) and in improving absorption capacity of enterprises in their international activities</li> <li>• Joint marketing of BSR achievements and capacities in creation and transfer of innovation and in attracting foreign direct investments</li> <li>• Facilitation of networking and exchange of best practices at the transnational level on education and other policies, which provide ground for an innovation environment</li> <li>• Creation of new educational facilities and institutions in higher education or life-long learning to fill the gaps in existing transnational networks</li> <li>• Cataloguing best practise examples on regional and local communication between various actors, social groups etc. concerning effects of innovations as well as on attracting people of different age, gender and profession to innovation issues</li> </ul>
<b>Not welcome activities</b>	<ul style="list-style-type: none"> <li>• Local/regional actions</li> <li>• Pure research networks lacking regional development dimension</li> </ul>

	<p><b>PRIORITY 2</b></p> <p><b>IMPROVING INTERNAL AND EXTERNAL ACCESSIBILITY</b></p>
<b>Focus</b>	Multi-stakeholder approach in tackling functional barriers to diffusion of innovation and traffic flows (inclusive of regional growth consequences) in the BSR and with special emphasis to transport corridor-related development zones
<b>Directions of support</b>	<ul style="list-style-type: none"> <li>• Development of a BSR multimodal transport strategy (with clarification of specific potentials and limits of maritime, air, road and rail transport with regard to passengers and goods)</li> <li>• Multimodal solutions and integrated development in transport corridors (especially at the land-water interfaces) – with specific focus on maritime, inland waterway and rail modes of transport, inclusive of motorways of the sea – in order to diminish bottlenecks and existent missing links <ul style="list-style-type: none"> <li>▪ Planning and analyses of air transport connections in the BSR in the context of sustainable development, economic growth and accessibility</li> <li>▪ Planning towards investments in public transportation catering for better connectivity of handicapped areas (e.g. remote areas, areas with low and scattered population pattern etc.)</li> <li>▪ Planning and deployment of small-scale solutions to improve interoperability with regard to port-hinterland connections and links between transnational-national-regional networks (addressing worst cases, highlighting good examples and creating new ones)</li> <li>▪ Planning and small-scale investments increasing absorption of ICT in lagging behind areas of BSR and counteracting the territorial digital divide</li> <li>▪ Capacity and harmonisation of transport and ICT policies across the tiers of governance and with translation to comprehensive regional development policies</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ Model solutions in transport and ICT adjusted to low population density (in the North) and to increased demand for transport infrastructure and services in the South, with usage of TIA</li> <li>▪ Solutions safeguarding durable co-operation in the development zones identified and investigated under Interreg IIC and IIIB (joint transnational development programmes and thematic strategies, establishment of institutionalised structures for monitoring and counselling on investments, elaboration of common products)</li> <li>▪ Elaboration, testing and dissemination of models and tools for efficient management of development zones</li> </ul>
<b>Not welcome activities</b>	<ul style="list-style-type: none"> <li>• Monosectoral actions in the transport field (e.g. technical and documentary preparation of site investments)</li> <li>• Transport development plans disregarding territorial conditions/development trends</li> <li>• Research-orientated and tool-making projects in logistics - not bound to achieving better capacity in multimodal transport corridors and interoperability of transnational, national and regional networks</li> </ul>

	<b>PRIORITY 3</b> <b>MANAGING OF THE BALTIC SEA AS A COMMON RESOURCE</b>
<b>Focus</b>	Joint transnational solutions, which improve information base, address obstacles in the present legislative systems and tackle on strategies to improve and manage in a sustainable way the marine environment of the Baltic Sea, inclusive of inland waters in its catchment area
<b>Directions of support</b>	<ul style="list-style-type: none"> <li>▪ Joint actions improving maritime safety and sea resources protection in the BSR, like: development, testing and implementation of strategies /tools /methods to minimise risks resulting from both natural hazards and human activities (marine transport, tourism, fisheries etc) or development of intervention plans (contingency planning)</li> <li>▪ Joint creation of models, their implementation and producing transferable results in offshore planning, starting from creation of tools for harmonisation, coordination and joint management of various sectoral data</li> <li>▪ Exchange of knowledge on the principles for development of national management plans on marine environment and joint transnational implementation of their relevant parts</li> <li>▪ Development and harmonisation of integrated coastal zone management strategies and pilot actions aiming at their implementation and competence building at regional and national level</li> <li>▪ Development of strategies for co-operation and joint actions to improve water quality of Baltic Sea, water usage and water supply as well as flood protection measures</li> <li>▪ Development of strategies, action plans and implementation actions for minimising impacts of climate change on water management</li> </ul>
<b>Not welcome activities</b>	<ul style="list-style-type: none"> <li>• Projects limited to data collection and processing</li> <li>• Local and regional activities of pure cross-border character</li> </ul>

	<b>PRIORITY 4</b> <b>STRENGTHENING COMPETITIVE SETTLEMENTS IN THE BSR</b>
<b>Focus</b>	Multi-stakeholder actions dedicated to the competitiveness of the BSR by means of networked settlement structures at the transnational level and of pan-Baltic products and strategies based on natural and cultural heritage assets in urban and rural areas
<b>Directions of support</b>	<ul style="list-style-type: none"> <li>• Elaboration, testing and dissemination of model solutions and good practices on the network co-operation among and between metropolises and small/medium-size cities</li> <li>▪ Elaboration, testing and dissemination of models and tools for efficient urban-rural partnership</li> <li>▪ Preparation of <u>cross-sectoral</u> strategies at the pan-Baltic level (e.g. innovation strategies, regional development concepts, regional agendas 21, risk prevention strategies etc.)</li> <li>▪ Elaboration and implementation of transnational adaptation strategies, actions and models addressing demographic change and migratory processes</li> <li>▪ Development of BSR tourist products based on the area's cultural heritage and natural assets (e.g. planning and launching of transnational tourism routes, promotion of eco-tourism etc.)</li> <li>▪ Preparation of strategies for sustainable use and management of natural and cultural resources (e.g. "tourism experience economy" in vulnerable areas and in urban environments, sound forestry, Nature 2000, biodiversity)</li> <li>▪ Joint strategies for energy saving, promotion and transfer of knowledge in alternative and renewable energy management patterns</li> </ul>
<b>Not welcome activities</b>	<ul style="list-style-type: none"> <li>• Provision of pure regional/local products</li> <li>• Restoration and regeneration of local sites</li> <li>• Sectoral strategies for sustainable use and management of nature resources, which do not stimulate economic development of the BSR and which barely restrict to technical aspects</li> <li>• Actions in urban-rural partnership and in urban networking where each partner concentrates on local actions with no synergy out of the co-operation or where involvement of the private sector is weak, as the project intends merely to improve performance of the public sector and not to affect local and regional development in reality</li> </ul>

### ***3. Programme eligible area***

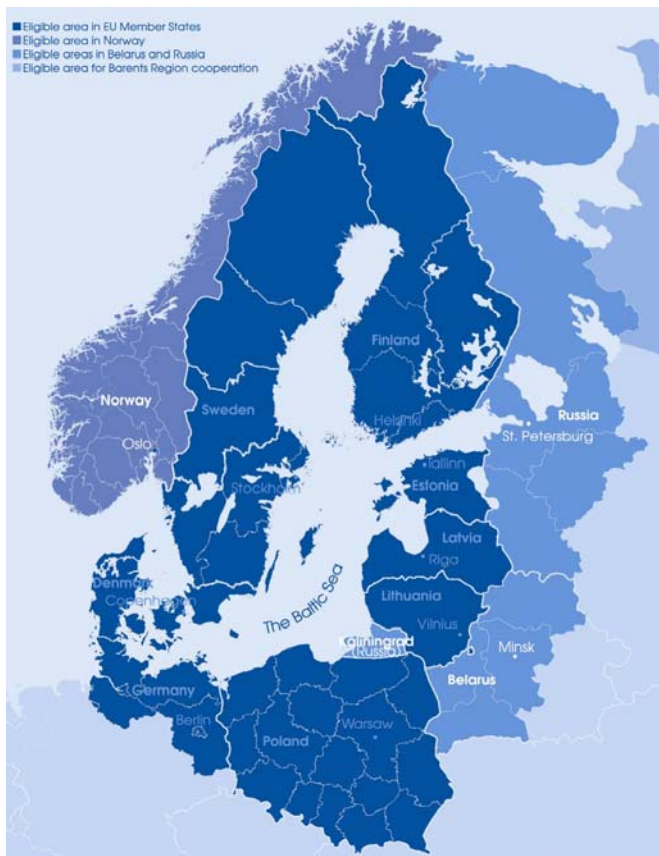
The Baltic Sea Region Programme 2007-2013 is being prepared by eleven countries surrounding the Baltic Sea. The proposed eligible area for the programme in the EU Member States includes whole territories of: Denmark, Estonia, Finland, Latvia, Lithuania, Poland and Sweden as well as the following areas in Germany: the States (Länder) of Berlin, Brandenburg, Bremen, Hamburg, Mecklenburg-Vorpommern, Schleswig-Holstein and the area of Regierungsbezirk Lüneburg in Niedersachsen.

Norway will be participating in the Baltic Sea co-operation on equal terms with the eligible territory of the whole country.

Programme co-operation area in Belarus is planned to cover four oblasts: Minsk, Grodno, Brest and Vitebsk.

Proposed eligible area in the Russian Federation is composed of St Petersburg and the surrounding Leningrad Oblast, Karelian Republic, the Oblasts of Kaliningrad, Murmansk, Novgorod and Pskov. For projects addressing development of the Barents Region also co-operation with Archangelsk Oblast, Komi Republic and Yamalo-Nenetsky Autonomous Okrug is envisaged.

The proposed eligible area is shown on the map.



#### **4. Funding**

For the EU Member States the budget for the programme will be provided by the European Regional Development Fund (ERDF) and respective co-financing by project partners. Norway secures co-financing for the country's project partners from the national resources. Partners from Russia and Belarus can receive support from the European Neighbourhood and Partnership Instrument (ENPI) incorporated to the programme. This

implies that Russian and Belarusian partners will apply for funding in a joint project proposal with their counterparts from the EU Member States and Norway.

## ***5. Programme management structure***

Following the applicable EU provisions on programme management and building on the experience gained in the Interreg IIC and IIIB programmes, the Baltic Sea Region Programme 2007-2013 will be managed by:

- Monitoring and Steering Committee responsible for selecting projects and making funding decisions as well as for overseeing the use of ERDF and ENPI funds.
- Managing Authority responsible for the appropriate programme implementation,
- Certifying Authority responsible for payment to project partners,
- Audit Authority supported by a transnational Group of Auditors responsible for development and proper implementation of the audit strategy of the programme,
- Joint Secretariat responsible for the day-to-day management of programme implementation, serving decision making bodies of the programme, operating the website and providing assistance on project generation and implementation using instruments of the so called pro-active approach.

## ***6. Quality requirements for future projects***

The projects shall address topics identified under the priorities of the programme as outlined above.

Specific focus of the transnational programme requires that the projects should in first turn follow the **principle of transnationality**. This implies:

- to address topics of importance for or having impact on the whole BSR,
- to develop model solutions and learning experience in a transnational context, i.e. through a common process of actors of various countries, or
- to provide development proposals (strategies, programmes, concepts) for a contiguous transnational territory (e.g. transport corridor-related development zone)

In this context, essential is the involvement in project implementation of partners from at least three countries from the programme area.

Further, future transnational projects in the BSR should demonstrate specific **quality requirements** to respond to the profile of the programme. They include:

- **contribution to sustainable development** – the proposal should aim at strengthening growth, competitiveness and employment, securing social inclusion, as well as at protecting and improving the quality of the life and quality of natural environment on the territory in question; this means in practice that the

proposal should include all these aspects in the working methodology on solving the identified problems

- **integrated territorial approach** – the proposal should contain a comprehensive concept how to tackle the identified problem, which affects development of territory in question (target area of the project); the concept shall include multidisciplinary actions and should involve actors from various sectors and administrative levels striving for elaboration of common solutions (*which should fulfil the principle of sustainable economic development*)
- **region building** – the proposal should contribute to competitiveness of the whole BSR and to its territorial cohesion by reducing territorial disparities, which have arisen particularly because of lagging behind development of some regions
- **added value** – the proposal should demonstrate innovative approach; in other words, it should differ from already available transnational solutions for given problem in order to avoid duplication of work and usage of the already known methodology; the principle requires that the project owners familiarise themselves with results of previous transnational projects within the framework of BSR Interreg IIC and IIIB programmes and have orientation on parallel running initiatives
- **competence building** – the proposal should see to it that through networking and exchange of good practice the institutions involved in the proposal increase their capacity in running sustainable economic development policies; furthermore, the principle implies that the proposal should produce model solutions and learning experience (e.g. recommendations), which may be applied on other territories, thus contributing to accumulation of competence at the overall BSR level
- **durability** – the proposal should aim at producing results and establish structures which exist beyond the lifetime of projects; in that sense the programme funding should serve as start-up financing towards durable and sustainable solutions; in practice, the proposal should demonstrate a *problem-solution orientation*, that is a clear path from planning and studies to concrete large-scale investment projects it is expected to prepare or launch

All future projects will be requested to meet those quality requirements. Compared to the previous programmes, more emphasis will be given to:

- Strengthening of **the strategic relevance** of projects through; (1) selection of strategically relevant themes, (2) common creation of widely applicable example (model) solutions, learning experience and transferable results, and (3) improved partnership between national/transnational and regional/local authorities and organisations (in this partnership the national authority takes care of dealing with strategic issues and model solutions, while the regional/local authority develops the solutions on the ground).

- Further efforts towards **preparing future investments** of transnational relevance and including pilot investments as part of projects
- Securing significantly more precise and **measurable description of project outputs**
- Achieving high quality with regard to **marketing activities as well as to dissemination and transfer of the programme and project results**

## ***7. Project partners***

Main partners of projects are: public authorities from national, regional and local level, academic, research and training institutions, foundations and other non-profit organisations. Involvement of private institutions is envisaged, e.g. by making use of public-private partnerships or non-profit associations.

## ***8. Pro-active support for project generation, application and implementation***

Assistance in project generation and implementation will be provided by the Joint Secretariat. Further information and advice will be offered by national institutions involved in the programme facilitation (e.g. national sub-committees)

Pro-active tools will cover activities throughout the whole project cycle – from preparation to finalisation of the project. An **overall implementation kit** is proposed to be prepared for the projects to assist them throughout the project cycle of application and implementation, including e.g. homepage, seminars and quality workshops on different themes as well as individual advice via e-mail, phone and face-to-face contacts. In the new programme the **focus of the assistance by the Joint Secretariat in the application phase will be extended** from mainly content aspects to technical/ administrative aspects (budgeting, contracting, how to guarantee national co-financing, project/financial management). In addition, the Joint Secretariat's guidance to ongoing projects will be increased in order to ensure that planned results are achieved and that implementation will be in accordance with the set timetable for avoidance of de-commitments.

Use of the seed money instrument is still under discussion. Alternatively, it is considered to allow for reimbursement of project preparation costs once a project has been approved.

To exemplify, the selection of following tools/instruments could be used in the pro-active support on part of the Joint Secretariat:

### **I. Project inception / preparation phase** (before project approval decisions)

- 1) Programme info days (arranged by National Sub-committees/ national contact persons / Joint Secretariat)
- 2) Programme homepage; FAQ site
- 3) Filled-in project idea form – submitted to the JS (in addition: project idea database at the programme homepage)

- 4) Lead Applicant seminar (replacing earlier Partner Search Forums) followed by on-the-spot project consultations by Joint Secretariat

## **II. Project implementation phase** (after project approval decisions)

- 1) Series of Lead Partner seminars organised by the Joint Secretariat with different focus (e.g. project management, financial management/auditing, communication)
- 2) Ad-hoc meetings with project/financial managers of the Joint Secretariat (to discuss common controversies, e.g. decommitment issues)
- 3) Quality workshops/ training for ongoing projects, either thematic or cross-thematic (1) to steer the projects towards the results expected at the programme level (2) to accumulate the project expertise for the programme needs and (3) to allow for exchange of ideas among project owners; individual project consultations when needed.
- 4) Programme community website (with uploadable information from the projects)
- 5) Intensive use of various mailings lists and feedback channels

## **9. Calls for applications**

Calls for applications will be launched on a **regular basis**, maximum two calls each year. Focus and timing of the calls should however be kept flexible for different alternatives. At the beginning of the programme calls could be run on a 6-months basis. In the course of the programme implementation the schedule should be changed to 9-12 months period from the opening date to the decision date.

Calls will be open and advertised for a longer period, e.g. 3-4 months.

The following schedule is envisaged for the first call:

Programme info days	April-May 2007
Opening of the call (press releases, information campaign)	June 2007
Lead applicant seminars/project consultations	June-September
Closure of the call	October 2007
Decisions on projects	December 2007

## **10. Further information**

Further information about the new programme will be provided by the Joint Secretariat and will be available at the website of the current Baltic Sea Region INTERREG III B Neighbourhood Programme ([www.bsrinterreg.net](http://www.bsrinterreg.net)).