



Input Paper to the EUSBSR Revision Process

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Preliminary remarks about this paper

The implementation of the EU Strategy for the Baltic Sea Region (EUSBSR) represents one focus area in the work of the CPMR Baltic Sea Commission (BSC). The BSC underlines its commitment for a stronger implementation of multi-level governance within the EUSBSR and advocates stronger synergies between the EUSBSR and Cohesion Policy instruments.

In order to support the revision of the EUSBSR Action Plan planned during 2019/2020, the BSC Executive Committee has decided to set up a Task Force under the chairmanship of Mecklenburg-Vorpommern. The Task Force shall develop a regional perspective for the revision of the objectives and scope of the EUSBSR Action Plan and its governance structures, with the aim of promoting a stronger involvement of regional stakeholders in the EUSBSR implementation process.

Regional Authorities are considered to be key drivers of the development in the context of the constitutional role granted to them. In Estonia, Latvia and Lithuania, there are no regions. The CPMR BSC works with associations of municipalities, planning regions and agencies relevant to issues relating to Regional Development in these countries.

Policy development, steering investments, granting support to actors in their region and bundling resources to effectively seize their territorial potential are, in many countries, the key tasks of Regional Authorities. They also facilitate the transmission of project results into policy development and support their capitalisation.

Even almost ten years after the EUSBSR came into existence, the role of the regions is still not fully taken into account when it comes to the implementation of the Strategy.

Through this paper, the BSC Member Regions want to provide input to the EUSBSR revision process in order to promote a more thoughtful involvement of regional players in the implementation process of the Strategy, both thematically and governance-wise.

In this paper, the current role of Regional Authorities as well as the parameters for their involvement at the operational and the coordination level of the Strategy will be highlighted. Based on the analysis, proposals for a stronger regional dimension of the EUSBSR are formulated for consideration in the revision process.

The BSC stands ready to partner with the European institutions, National Coordinators, the Coordinators of Policy Areas and Horizontal Actions and the National Focal points to discuss the role of the regions in the future implementation of the Strategy and to develop new approaches for cooperation where needed.

1. CPMR BSC proposals for a stronger involvement of Regions

For a more holistic approach in the revised EUSBSR Action Plan:

- The multi-level governance perspective of the Strategy should be enhanced to ensure alignment with agendas, strategies and political involvement at all levels of government;
- The EUSBSR governance and operational parameters should involve Regional Authorities in a more conscious way as Regions very often are “spiders in the net” when it comes to territorial development;
- The Strategy should be based on a view in which economic, social and environmental aspects of sustainable development interact with each other. Conditions for a stronger involvement of the business sector should be improved;
- The Strategy should create conditions for an enhanced cross-sector implementation of policy areas to ensure strategic planning strategies for sustainable development at regional level and across the Baltic Sea Region as a whole;
- Actors of the EUSBSR coordination level and the bodies responsible for preparing the EU Programmes in the Region for the post-2020 period should increase their efforts to achieve a better coherence of strategy and funding. As the INTERREG Baltic Sea Region Programme still plays a key role in the implementation of the Strategy, closer cooperation with the coordination level of the EUSBSR is urgently needed;
- From the regional perspective, the targets and indicators to measure the success of the implementation process, in parts, do not match with the degree of maturity of cooperation in the different Policy Areas and Horizontal Actions. A well-developed cooperation like in the PAs linked to environmental issues, has different needs and produces different results than those with less structures. Targets and indicators should be chosen accordingly;
- The external dimension of the implementation of the EUSBSR should be strengthened. Thematic overlaps of the EUSBSR and territorial development strategies in neighbouring countries should be analysed. The possibility to exploit synergies through joint action should be looked into.

For a stronger involvement of regions at the coordination level of the EUSBSR:

- National Coordinators, National Focal Points, Coordinators of Policy Areas and Horizontal Actions should develop meeting and communication formats to address Local and Regional Authorities in their national language with a specific focus on the added value of the Strategy;
- Each EUSBSR country should create dedicated contact points for regional actors with a special focus on the National Focal Points to create awareness and conditions for Regions to participate;
- Pan-Baltic networks and organisations with regional or local actors or members should be considered as stakeholders in the coordination of the Strategy as they support communication with and involvement of regional and local actors.

For a stronger involvement of regions at operational level:

- EUSBSR Flagships, as they can be both projects and processes, should offer a strategic development perspective that goes beyond the duration of projects;
- The qualification of a project or a process as a Flagship demands a certain procedure laid down in the EUSBSR Action Plan. The rules for adoption should also state how the Flagship partners shall be involved into the overall activities of the Policy Area/Horizontal Action during implementation and how the expected project results could be capitalised in the framework of the PA/HA;
- To be part of a Flagship should make a difference compared to a regular transnational project through its connection to a PA/HA;
- For the purpose of sustainability, the concept of platform projects in the INTERREG Baltic Sea Region Programme should be developed in the sense of a Flagship process and be connected to the Policy Area or Horizontal Action to which it belongs thematically. From a regional perspective, a thematic platform, e.g. on Smart Specialisation, can be also as seen as a practical approach for multi-level governance in the EUSBSR;
- Support is needed for Regional Authorities to create regional hubs connected to EUSBSR Policy Areas, Horizontal Actions and Flagships, based on regional needs and conditions;
- Developing coordination capacities within areas of the Strategy should be funded through the INTERREG Baltic Sea Region Programme by developing appropriate instruments at programme level which give preference to local and regional actors;
- Capacity building programmes for local and regional actors should be developed to improve networks, to build know-how on capitalising project results, to cooperate on the preparation of the next generation of S3 Strategies and to promote best practice cases.

2. Regional participation – state of play

General Remarks

The information detailed in the following section is based on statistics of the INTERREG Baltic Sea Region Programme and on the results of an enquiry amongst the BSC Member Regions. It is non-exhaustive as not all possible sources could be included in this analysis but it seems to be sufficient to highlight regional involvement in the implementation process of the Strategy, and to derive recommendations there from.

The following Member Regions have played an active role in the preparation of the BSC input to the revision of the EUSBSR:

- **FINLAND:** Helsinki-Uusimaa, Ostrobothnia, Oulu, Southwest Finland
- **GERMANY:** Mecklenburg-Vorpommern
- **POLAND:** Podlaskie
- **SWEDEN:** Gävleborg, Skåne, Stockholm, Västerbotten, Norrbotten

1. Regional involvement in the coordination of the Strategy

In the governance of the EUSBSR, the National Coordinators (NC) the Coordinators of the Policy Areas (PA) and the areas of Horizontal Actions (HA) are considered as the coordination level of the Strategy. All BSC Member Regions that have joined the Task Force have direct contact with their respective National Coordinators.

A highlight of cooperation was the joint organisation of the 8th Annual Forum of the EU Strategy for the Baltic Sea Region in 2017 in Berlin by the CPMR BSC and the German Foreign Office in its capacity as National Coordinator. From the CPMR BSC perspective, the major focus was on the strong involvement of Local and Regional Authorities in the event. In fact, about 20% of participants represented a Local or Regional Authority.

Regarding the coordination of a Policy Area or a Horizontal Action in the EUSBSR, Regional Authorities have assumed a leading role only in exceptional cases and only by the North German Länder like Mecklenburg-Vorpommern (PA TOURISM), Schleswig-Holstein (PA CULTURE) and Hamburg (PA EDUCATION).

BSC Member Regions are represented in coordination bodies: Ostrobothnia in the Steering Group of PA Culture and Southwest Finland in the Coordination Group of HA NEIGHBOURS. Helsinki-Uusimaa is represented in the Coordination Group of PA TRANSPORT through its participation in the BSR Access project platform which receives funding through the INTERREG Baltic Sea Region Programme. In addition, the CPMR BSC is regularly invited to meetings of HA NEIGHBOURS which pursues a very integrative policy when it comes to the involvement of relevant stakeholders in their activities.

Beyond the immediate representation in Steering Groups, the CPMR BSC Secretariat and Working Groups have developed close contacts with the Coordinators of the Policy Areas and Horizontal Actions that are highly relevant for the work of its Member Regions. These are some of the specific activities and processes that the CPMR BSC has been cooperating on over the last few years:

- **INNOVATION:** The CPMR BSC has both co-organised and been invited to round table discussions and several seminars and workshops that link Smart Specialisation under the umbrella of the PA INNOVATION Strategy Guide. Developing the use of the Smart Specialisation policy instrument is a central part of this Strategy Guide and hence regions and regional stakeholders are important innovation actors for this policy area.

During autumn 2018, CPMR BSC and PA INNOVATION, together with HA CAPACITY, initiated a special Baltic Leadership Programme on Smart Specialisation. The aim of this programme was to support capacity building in the transnational cooperation of regional S3 managers.

- **TOURISM:** The BSC Maritime Working Group participated in the Baltic Sea Tourism Forum 2018. PA TOURISM engaged in dialogue with the Regions of the BSC Maritime Working Group during 2017/2018. Amongst others, the CPMR BSC supported (as an Associated Partner) the Sustainable Tourism project coordinated by PA Tourism and financed by the CBSS Project Support Facility Programme.

- **HAZARDS:** The CPMR BSC, together with the European Parliament's Seas, Rivers, Islands and Coastal Areas Intergroup (SEArICA), the Informal Baltic Sea Group and PA HAZARDS, organised a high-level event on 5 September 2018 in Brussels. The focus of the event was to take stock of what had been achieved so far by the EUSBSR to reduce hazardous substances, marine litter and plastics in the Baltic Sea area and to draw policy recommendations in the EU legislation regarding hazardous substances as well as to the revision of the Action Plan of the EU Strategy for the Baltic Sea Region. This event was also connected to the meeting of the CPMR BSC Maritime Working Group, that took place the same day.

- **CLIMATE:** The CPMR BSC Energy Working Group is invited and regularly participates in the Roundtable of the Baltic Sea Region Climate Dialogue Platform of HA CLIMATE.

- **CAPACITY:** The CPMR BSC participated and ensured the participation of several of its Member Regions in the early workshops that HA CAPACITY organised in 2015. The CPMR BSC has also collaborated with HA CAPACITY to ensure good content and broad participation of the regional level in Baltic Leadership Programmes which served the purpose of capacity building.

Back-to-back with the 2017 EUSBSR Stakeholder Forum in Berlin, the BSC Member Region Mecklenburg-Vorpommern, together with Brandenburg and HA CAPACITY, organised the first "Participation Day". This event format has been successfully developed in the EU Strategy for the Danube Region. It serves to enhance the role of local and regional actors as well as to develop bottom-up approaches for the practical implementation of the EUSBSR. During the event, the focus was on the three topics of:

- Sustainable tourism development;
- Education, research, employability and integration of refugees;
- Involvement and cooperation – new approaches.

2. Regional participation at operational level

In general terms, the operational level of the Strategy refers to Flagships (FP) and funding instruments. Information on Flagships is available as an Annex to the EUSBSR Action Plan. Most of the FPs have received funding from the INTERREG Baltic Sea Region Programme. Of course, there are also other programmes funding FPs but the BSR Programme, as the major funding source, acts very transparent on its contribution to the EUSBSR implementation. Therefore, other sources are neglected in this paper.

Based on the statistics of the INTERREG BSR Programme, 56 Flagship Projects have been funded in the programme priorities 1–3. About 10% of the 760 project partners are Regional Authorities. The biggest category of project partners are higher education and research institutions. Regional Authorities have also assumed the role as Associated Partners which may be helpful when it comes to capitalising on the results of a project. On the other hand, to be an Associated Partner does not imply any rights or binding obligations. Therefore, this aspect is not further developed here.

While the average share of Regional Authorities amongst the project partners in FP is about 10 %, it is higher in the following objectives of the programme:

- 1.2 (Smart Specialisation, 5 FP): 33%
- 2.2 (Renewable Energy, 2 FP): 20 %
- 2.3 (Energy Efficiency, 2 FP): 15 %
- 2.4 (Resource-efficient Blue Growth, 6 FP): 11 %
- 3.1 (Interoperability of transport modes, 5 FP): 22 %

Other priorities of apparent interest for Regional Authorities such as culture, tourism, education, climate change or capacity building are not eligible for funding in the INTERREG BSR Programme.

In addition, at macro-regional level, the CPMR BSC provides a framework to cooperate with Flagships for the interest of its Member Regions. This has provided the projects with a political sounding board and engagement, while it also enriched the discussions of the Working Groups:

- **INNOVATION:** The CPMR BSC has also closely cooperated at operational level with PA INNOVATION. In concrete terms, Regional Authorities have actively participated in Flagships on Smart Specialisation in this policy area. There has been close cooperation between the CPMR BSC Working Groups and the three FPs of LARS, Smart Blue Regions and BSR Stars S3. Currently, the CPMR BSC has committed itself to be an Associated Partner in the recently approved platform project “Baltic Sea Region Smart Specialisation Ecosystem” (BSR S3 Ecosystem) in the INTERREG Baltic Sea Programme.

With regard to the highly relevant issue of alignment of funding, the CPMR Baltic Sea Commission has established close cooperation with PA INNOVATION and the ERDF Managing Authority Network in the Baltic Sea Region. In the framework of joint pilot projects, approaches were developed to use mainstream ERDF funds for transnational cooperation. Pilot areas of cooperation were clean technologies, blue growth and digital transformation.

- **TRANSPORT:** The BSC Transport Working Group is currently an Associated Partner in the Platform Project BSR Access which currently prepares a new FP together with PA TRANSPORT and HA CAPACITY. In addition, three Flagships, namely Scandria[®]2Act, TENTacle and NSB CoRe, have been firmly embedded in the agenda of the BSC Transport Working Group, and the CPMR BSC has been an Associated Partner to the projects. The Work Plan of the BSC Transport Working Group has been developed in close dialogue with Regions and partners of the Flagship project and relates to the Action Plan of the PA TRANSPORT. For projects and project platforms, the BSC Transport Working Group represents an important transnational stakeholder that has both expert and political leverage.

3. Parameters of regional participation

General Remarks

In general terms, it could be said that Regional Authorities - where existing - are the spider in the web when it comes to sustainable territorial development. Up to now, it seems that the potential of involving Regional Authorities in transnational cooperation and the implementation of the EU Strategy for the Baltic Sea Region could be increasingly used.

Obviously, the role of the Regions in the Baltic Sea Region is quite heterogeneous, but in general, regional players can be found that are able and interested in transnational cooperation, with many of them already active in this arena. It is self-evident that the role that Regional Authorities could play in the EUSBSR implementation process depends to a large extent on the constitutional framework under which they operate. While we see relatively strong regions in Germany and Poland, the regional level does not even exist in three Baltic States. Nonetheless, cooperation formats have been established at regional level which help to develop a territorial perspective, e.g. in the form of Planning Regions in Latvia or the Associations of Municipalities in Estonia. As from January 2019, all Regions in Sweden are responsible for regional development and also equally responsible for the implementation of the EUSBSR as an integrated part of regional development. The role of Regions in Finland is rather strong due to legal obligations regarding regional development and regional land use planning.

In this section, barriers and drivers for regional involvement in the implementation process of the EUSBSR are analysed. The focus is regional demands and processes and how they possibly relate to the structures of the EUSBSR and the instruments that are in use to promote the implementation.

Added Value of the Strategy

When considering the role of Regions in the implementation process, the essential question is that of the added value of the Strategy. Resources are scarce and have to focus on those policy areas, processes and projects which match with regional strategies and which make a difference to the quality of life of the citizens and territorial development.

Therefore, as a basic requirement, it seems to be necessary to raise awareness amongst local and regional decision-makers, both from the public and private sector, of the added value of the Strategy for territorial development. For the moment, communication of the EUSBSR is mostly carried out in English. It should be supplemented by information in national languages. In addition, there it should be clearly stated which benefits the EUSBSR offers in comparison to the traditional cooperation structures and instruments in the Regions.

Against this background, three aspects shall be highlighted which are considered essential for regional involvement: Policy development in selected areas; Flagships; and the role of pan-Baltic Organisations and Networks.

Policy development in selected areas

Depending on the constitutional setting in a country, regional development strategies are in place with the Regional Innovation Strategies or S³ being one of the most prominent. Often, they build the base for regional funding schemes for research, innovation and business, for investment in infrastructure and human resources. So far, it remains very difficult to connect EUSBSR-related activities with regional funding priorities.

The analysis in Section 2 of this paper provides some insight into those **policy areas** that are of key interest for Regions. These are:

- Innovation (S3);
- Renewable Energy;
- Bio-Economy;
- Energy Efficiency;
- Transport;
- Resource-efficient Blue Growth;
- Tourism;
- Education;
- Culture;
- Climate Change.

It is evident that these fields are strongly interrelated and have a deep impact on territorial development. For example, in the case of blue growth, companies play a key role in the emergence of innovations. Through the enhanced interconnection of the Strategy and funding schemes in the field of blue growth, the private sector could be involved in the implementation process. Promoting blue growth in a sustainable way addresses challenges related to climate change, environment and transport with innovative solutions.

A stronger interregional dimension to the post-2020 Smart Specialisation agenda is anticipated and should be strongly supported in the revised Action Plan of the EUSBSR relating to Innovation. This demands both capacity and coordination in relation to new and emerging instruments, utilisation of the ERDF in an interregional setting as well as strong coordination with Policy Areas connecting to relevant value chains. And supporting the innovative edge in the other PA/HA. Supporting capacity building programmes should be considered, in order to facilitate the preparation of "transnational windows" in the next generation of Regional Innovation Strategies as of 2021.

Circular economy, Sustainable Blue Growth and Digital transformation are examples of relevant areas relating to policy on EU level and which would need coordination with Innovation.

Next to the Policy Areas, there are also **territorial issues** of high regional interest:

The Baltic Sea is a highly heterogeneous sea area. At present, the EUSBSR does not give adequate consideration to the special areas in the Sea. For example, the Finnish Archipelago Sea is the most sensitive of these areas and taking this area into consideration in the Strategy would benefit the entire Baltic Sea Region. Its special ecological features, the research that has already been conducted and the political climate lay the foundation for the area to act as a test platform for purposes such as innovation in environmental protection. Information from the Finnish Archipelago Sea could be applied to the entire Baltic Sea Region.

Another area of specific relevance for Regions is to seize the potential of a stronger connection of the EUSBSR with the integrated EU Policy for the Arctic in the fields of transport, innovation, sustainable tourism development or bio-economy.

Flagships

Beyond the immediate participation as a Partner in a FP, it might be useful to take a broader perspective on the role of Regional Authorities. The partners operate in a regional context. They are connected to local and regional structures which may provide complementary know-how and offer access to additional resources. Therefore, a cross-cutting regional perspective may open up the possibility to better exploit the results of the FPs. Eventually, the results of these projects have to be first of all implemented on site, in those Regions, where the partners come from.

According to an analysis amongst FP partners in Mecklenburg-Vorpommern, the involvement of FP partners in PA/HA-related activities appears to be handled very differently. In some cases, the connection is only through the Lead Partner or a thematic network. Consequently, the local and regional reach out of the Strategy seems to be somewhat erratic. Clear cut rules would help PA/HA Coordinators and potential FP partners in developing sustainable projects and processes.

A Flagship should offer a strategic perspective that goes beyond individual projects. The possibility of closely connecting the platform projects that receive funding from the INTERREG Baltic Sea Region Programme with the Coordinators of Policy Areas or Horizontal Actions should be looked into. This could help to carry over project results from one programming period to the next. Thus, it could have a better impact on regional policy development and steer investments.

A healthy development scenario includes shifting from project-based funding to process-based funding. This could enable efficient work plans (such as projects) to operate simultaneously with several parallel funding sources supporting them. This would save organisations from a detrimental financial gap between programming periods and could enable longer-term contracting of talented personnel.

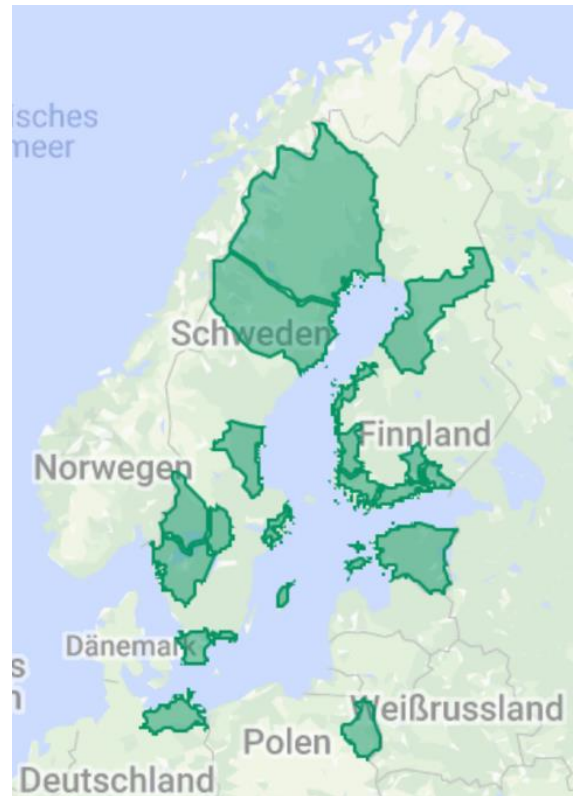
Pan-Baltic Organisations or networks

Additional coordination requirements in selected fields are already, or could potentially be, taken over by pan-Baltic Organisation or networks, e.g. the CPMR BSC, ScanBalt or Submariner. They have proven to effectively involve Regional Authorities (but not only) in the EUSBSR implementation process. In the case of the CPMR BSC, this support takes place in the form of BSC Working Groups which cooperate or liaise regularly with PA/HA Coordinators, Steering Groups and FPs.

In this context, a question may be addressed during the revision process, regarding how these organisations and networks could be better used. In some cases, it might make sense to give them a more visible role in the implementation process. In other cases, it could even be asked if the existing structures really need the EUSBSR to achieve progress at macro-regional level or if they are politically strong enough without the EUSBSR. The evaluation of the EUSBSR under the aspect of the maturity of existing pan-Baltic organisations and networks may lead to a more focused and effective macro-regional approach.

Annex: CPMR Baltic Sea Commission Fact Box

The BSC organises cooperation amongst its Member Regions and voices their interest at macro-regional and EU level. Being the Geographical Commission of the Conference of Peripheral Maritime Regions (CPMR) in the Baltic Sea Region, the BSC cooperates with other CPMR Member Regions. The organisation brings together some 160 Regions from 25 States the European Union and beyond.





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