



Joint development programme for the Euroregion Baltic

A summary

Background

During 2002 the Euroregion Baltic started the Seagull project (co-financed by the EU's Interreg III B programme for the Baltic Sea region) in order to devise a long-term development programme for the region. In autumn 2005 the programme was adopted by the ERB's Council and decision-making bodies in the ERB's member regions. The future vision reads:

“In 2015 the ERB will be a region characterised by growing prosperity and good living conditions for the citizens. The region is internationally recognised as a front runner in sustainable growth and the integration of old and new market economies, characterized by real social and regional cohesion.”

The development programme consists of three documents: a long-term strategy for the development of the region, an action programme with prioritised measures that shall be implemented during the coming years and a background document entitled “ERB – facts, figures, analyses and tools”.

The strategy specifies four focus areas for the development work of the coming ten years:

- **A competitive business environment**
- **An improved transport infrastructure**
- **A strong social dimension**
- **A sustainable environmental and energy policy**

The action programme develops eight different projects/activities within the four focus areas.

The ERB is well suited to constitute a political platform that spurs the development in different areas in the south east Baltic Sea region. The course of action is to collect knowledge and expertise, broker contacts and plan uniformly and strategically, in order that the member regions are capable of together gathering as much force as possible in terms of concrete ventures, e.g. investments due to be made in the region. As a result of which the parties involved enjoy added value.

The Baltic Sea is the common denominator for the ERB's member regions, and one decisive factor is also that all regions are included in the European Union apart from the Kaliningrad region in Russia which does however enjoy a close cooperation with the EU.

The ERB's vision is well in line with the EU's objectives for development in Europe and consequently one starting point is that the development work is as far as possible coordinated with the EU's funds and programmes in order to reinforce all projects that are implemented in the region in this way.

The ambition is to progress even further – to become a region that is a forerunner in Europe within future areas such as sustainability and social equalisation.

The ERB's development work should be characterised by the following approach and evaluations:

All ERB activities should strive to apply *good governance* in political and administrative work. *Sustainability* is a comprehensive requirement for all ventures. In the same way a *gender equality perspective* should always exist in the analyses. In addition, the work should strive for *youth participation* in the decision-making processes to as great an extent as possible.

One special part of the cooperation concerns involving and supporting the *Kaliningrad region* in different ventures so that the region keeps pace with the other member regions as far as possible.

The development programme is available for reading and downloading from the ERB's Website, www.eurobalt.org where there is also a wide range of reports with facts, figures and analyses that have been compiled during the implementation of the Seagull project.

A number of the intended projects/activities in the action programme are already underway, some are in the start phase and others are on the drawing board. A successful implementation of them requires that as many ERB members as possible commit themselves and do their share to create the development we seek for the south east Baltic Sea region.



1. A competitive business environment

With a territory of six million inhabitants and a large commercial sector the ERB forms a significant market for products and services. One important venture for encouraging growth in the region is to make it easier for companies to trade on this extended “home market”. The ERB cooperation should therefore be aimed at activities that improve the conditions for private companies, especially small and medium-sized companies. The public sector should support the efforts by opening up procurements and actively pursuing tenders from the whole region.

However, the focus of the development programme aims even further, namely to a sustainable economic growth and to establishing a profile as an international leader in the area of sustainable growth. Trade and industry can contribute to this objective

by adapting its offering to the growing demands for sustainability that are made of products and services.

Growth and increased prosperity require that we develop all parts of the region, not least rural areas where there is currently major unemployment with the resulting social problems in various places. One of the ventures that the ERB is planning concerns the development of tourism, an ambition that partly coincides with the objective to develop rural areas.

1.1 Innovative processes required for development and growth

Developing so-called “clusters” and innovative centres where companies and researchers are located in close contact but also in a competitive situation at the same time, has proved to promote development and increase the competitiveness of those involved.

The ERB can make its contribution to the private sector’s long-term competitiveness by creating opportunities for new networks that include universities, private companies and public authorities.

In a region where distances are sometimes great, methods and knowledge can be easily distributed via the Internet. The ERB should therefore continue to work to develop a Web-based toolbox that offers models and methods, contact personnel and relevant documentation in order to facilitate the development of clusters and innovative centres.

The method for developing clusters and to utilise and spread the knowledge resulting from the cooperation in the clusters could also be taught in so-called “learning centres”.

For example, a learning centre could offer premises for self-study, courses and study counselling. It could be a meeting place for companies and for professionally active adults who want to develop their competencies further. A learning centre has the advantage of allowing professionals who are not geographically mobile to study

further. The social contact offered by the learning centre can also function as support for students who study extramurally.

Added value for the ERB member regions

The objective of a sustainable and favourable economic growth in the region is supported by contributions to the creation of better conditions for the business activity of small and medium-sized companies. This can also give the region a strong profile and accordingly increase competitiveness. One important area in which the ERB can contribute is to support the build-up and distribution of knowledge. Innovative centres and cluster cooperation have proved that they work well as a means of more quickly providing universities, companies and authorities with comprehensive competency that would have been costly and time consuming to achieve on their own.

CURRENT INITIATIVES IN THE ACTION PROGRAMME

Establishment of an ERB structure that supports innovation and the development of small and medium-sized companies.

- **The ERB's research institutions and company resources should be audited in order to clarify the areas that would benefit from being combined in clusters as well as which existing clusters could be linked together.**
- **A Web-based toolbox, the development of which is already underway, should be improved and its development continued. It offers models and good examples and can function as an interface for organisations and individuals involved in innovative centres and cluster cooperation.**
- **By 2007 there should be at least one learning centre established in all of the ERB's member regions in Latvia, Lithuania, Poland and Russia.**

1.2 Developing the rural areas

In order for the ERB's objectives for enhanced welfare to be achieved, the development possibilities of the rural areas must be protected.

Rural areas suffer to a great extent from a shortage of job opportunities while employers are confronted by far too small supply of applicants for jobs that, among other things, makes it difficult to find the right competency. In addition, rural areas have as a rule inferior access to private and public services.

The differences between different parts of the ERB are great. A fairly large proportion of the population in Poland, Latvia, Lithuania and Russia still live in rural areas. The living conditions there are often worse than in the cities and unemployment is often high, which creates acute social problems.

Urbanisation has been underway for 50 years in Sweden and Denmark and a considerably smaller proportion of the population live in rural areas compared with the conditions in the ERB's member regions in general. Agriculture in the Swedish and Danish regions, which offers employment to a part of the rural dwellers, is declining and commuting to work in neighbouring population centres is increasing. There is a certain amount of cases where entrepreneurs are moving in, but mainly in rural areas close to population centres.

The challenge for the ERB's member regions in the Baltic States, Poland and Russia is to implement a restructuring of the agricultural sector in order for it to become more competitive. In parallel the shortage of employment must be counteracted in order not to increase social problems in the rural areas. The experience and knowledge of the Swedish and Danish regions in regional development can be made use of here.

In the EU's seven year budget for 2007-2013, rural development is established as the second pillar of the agricultural policy. The aim is, as in ERB cooperation, to work across borders and over all sectors, as well as to pursue the development work in a bottom up process in consultation at local and regional levels as well as in broad

partnerships. The ERB must act in coordination with the EU's structural funds in order that the investments achieve maximum effect.

There already is a considerable amount of experience, analysis and practical knowledge within the area of cross-border cooperation for rural development but the knowledge and material needs to be collected, organised and distributed.

The ERB is well suited to initiate an arena – an academy – for rural development. The aim is to build up a permanent resource for knowledge compilation, research and development, consultation, build-up of competency, and for their distribution.

In more concrete terms, this concerns for example agriculture and forestry, diversification within and outside of agriculture, the development of tourism and access to public services for rural areas.

The arena should be established in cooperation with universities and relevant authorities and other organisations.

Added value for the member regions

The academy for rural development will be a source of new knowledge that can provide proposals for possible solutions to a range of problems. It will be a meeting place for all interested parties at local and regional levels.

It could become a European arena – an innovative example for the whole of Europe – for innovation and experimental structures whose results could be useful for many other European regions.

Finally, with its collective knowledge and experience, the arena could become a strong base for influencing the future policies of the EU in the area.

CURRENT INITIATIVES IN THE ACTION PROGRAMME

- **An academy for rural development is being established. The academy should be established in cooperation with universities, authorities and other organisations.**

1.3 Tourism creates jobs

Tourism is one of the fastest growing commercial areas in the world. Tourism can offer new work opportunities and increased income, not least for rural areas.

A flow of tourists annually visits different parts of the ERB. The region has major cultural, historical and natural value as well as many types of experience attractions. Each part of the region has its own tourist products. There are no coordinated efforts to develop a transregional tourist industry for the whole region.

A cooperation within the region is required, partly to gain more from the tourism that already exists in different parts of the region, and partly in order to be able to attract yet more visitors. The ERB is a good platform for establishing a transregional cooperation for the development of tourism. The ERB's member regions have already started the work by establishing a working group that has been assigned to examine more closely how transnational tourism could be developed.

It could for example be about increasing the accessibility of the parts of the region that currently cannot be reached in an easy and convenient way. It could also deal with attracting visitors to attractions of high cultural value in ERB's eastern areas that are as yet unknown to the wider public.

One of the first measures is to establish a network between those responsible for tourism in the member regions so that the different interested parties at local and regional level can meet and develop common strategies and activities.

The objective is increased tourism, but at the same time sustainable tourism. The ERB's member regions have large unique natural environments that must be preserved.

Added value for the member regions

Developing tourism is a first-hand prioritisation for all member regions of the ERB. By means of a common working group and of being within a network the member

regions have the opportunity to exchange knowledge and experience that can help their progress.

Increasing tourism can promote the ERB by means of an increased and positive interest for the whole region. It provides openings for growing incomes and more work opportunities. With the ERB working as a platform, society can ensure that it will become a question of sustainable tourism.

The networks between the different parts of the region can also increase the understanding of our different cultures and traditions and accordingly strengthen unity and solidarity in the region.

CURRENT INITIATIVES

- **The working group for developing tourism is being made permanent in order to continue the work already begun to develop a strong network between the interested parties, and in order to conduct market research, promote transregional product development and ensure that the development proceeds towards sustainable tourism.**



2. An improved transport infrastructure

The ERB's ambition is that the south east Baltic region shall be a coherent region with rapid and convenient communications where people can travel easily for shopping, tourism, study or work.

Good communications are a necessary condition for the ERB to achieve increased growth, to be able to implement the required investments in rural areas and to fulfil the ambition to increase tourism. The expansion of the transport infrastructure must be carried out at the same time so that it is sustainable from an environmental and energy point of view.

Since the EU was expanded in May 2004 with four countries in the Baltic region, new regulations for border crossings have been added which have increased the

volume of transportation and travel. The prognoses indicate a very strong growth in passenger and freight traffic across the Baltic Sea in the near future. Passenger traffic is expected to increase by 250 per cent in 15 years, freight traffic equally as much and air traffic by 500 per cent.

So far the contacts and growth have been inhibited by the fact that far too many transport communications are of low quality as well as by the large number of border crossings in the region.

Roads and railways are the fastest means of improving the geographical cohesion of the region. Bottlenecks need to be built away. Harbours and shipping transportation must at the same time be made more accessible for the rapidly increasing volume of goods transportation. The EU's commitment to "motorways of the sea" to relieve the other goods transport alternatives coincide with the interests of the ERB.

The airlines need to be able to offer fast same-day travel for companies and research networks for example. Amongst other things, increased tourism requires convenient air travel for weekend trips, improved ferry communications, attractive and well sign-posted roads.

Several major European projects are underway to improve the transport infrastructure in the Baltic Sea region. Unfortunately all member regions of the ERB have poor access to the transport corridors that are currently being prioritised by the EU and its member states. Consequently the ERB is at risk of falling behind the regions that have more direct access to the corridors that run to Europe's largest markets.

The ERB must mobilise support for a concrete, long-term and sustainable expansion of transport communications that include the south east Baltic area. To do this requires political effort and powerful lobbying activities.

2.1 Promoting common transport ventures

A transport infrastructure committee should be appointed which includes a politician from each member region. It would be beneficial if experts from both the private

and public sectors are also included. A close dialogue with private commerce should be conducted concerning the expansion requirements that should be prioritised.

During 2006 the committee should have completed an analysis of the situation in the area and a proposal for appropriate common priorities within the ERB.

A common strategy should then be developed for planning and investments in the transnational transport infrastructure. The strategy should be established by the ERB's council before the end of 2006.

Added value for the region

Good transport communication is a wholly essential condition for economic growth and is already high on the agenda for all member regions within the ERB. By means of planning and investing together we make major gains from coordination that strengthen the individual efforts.

The aim of the ERB, to distribute knowledge on the plans that exist for the transport infrastructure in different parts of the region, can bring more parties together in an advantageous cooperation.

Unified action adds greater weight when political support is being sought for investments in the EU and the EU's member states.

CURRENT INITIATIVES

- **A transport infrastructure committee is being formed with the assignment of analysing the situation, presenting proposals for appropriate prioritisations, creating a common strategy and actively contributing to seeking political and economic support for the implementation.**



3. A strong social dimension

Since the start of the 1990s a comprehensive cooperation in the social arena has been underway within the ERB, primarily through “bilateral” projects between local authorities and regions – so-called “twinning cooperation”. This cooperation has covered a broad spectrum from elderly care and child care via social exclusion and drug problems to education, culture and art.

The activities has contributed to increased understanding and knowledge on each other’s cultures and traditions. Such continued cooperation is important. For this reason the ERB’s decision-making bodies encourage local authorities and regions to continue to invest in twinning relations and not least to provide reasonable financing for this.

The ERB's Council wishes to focus the development cooperation within the social field on labour market issues and education – defined as the “social dimension” in an EU context. A high employment level and a well functioning labour market are decisive conditions for achieving an improved welfare for the citizens.

The social objectives set up by the ERB – good living conditions and social equalisation – are also central objectives for the EU. This is expressed in the ten-year growth strategy called the Lisbon process, and through the ventures undertaken with support of the EU's structural funds. In its own plans for cohesion, the ERB should pay great attention to the work that is performed within the framework for the structural funds and utilise these funds as much as possible.

Within the ERB there is presently a considerable gap between demand and supply of labour. For example, there is a growing need for personnel within healthcare services. At the same time we can observe that potential labour is considered to lack suitable education to meet the requirements of the employers.

Other bottlenecks to supply and demand being met on the open labour market in the region are the presence of prejudice, political and administrative obstacles and a lack of knowledge of foreign languages. In some of the member regions the fear of “competence emigration” also exists, that the highest educated leave the region or the country.

The ERB has the ambition to become a model for labour market integration at its best – between old and new EU countries and also Russia. A long-term common strategy is required in order to fulfil this ambition and to rectify imbalances in the labour market in a way that favours all involved.

3.1 Promoting a mobile labour market

The member regions are – or have direct access to – major employers within the public sector. They should be encouraged to adopt common guidelines on the integra-

tion of labour. The ERB's member regions should promote the EU's free movement of labour and apply the EU regulations correctly and far-sightedly.

One first concrete step should be to engage a working group to compile a report of the labour market situation in the region. The report should then form the basis for an educational programme where the ventures supported are those that can correct the imbalances in the supply and demand of the labour market.

Added value for the region

An analysis and investment in a common, open labour market can create more jobs and also contribute towards filling gaps in the areas where there is a shortage of labour. Accordingly, the access to correctly educated labour increases in each individual member region. The growth of the service sector is facilitated.

More people employed mean that the social gaps are reduced and growth increases in the whole region.

CURRENT INITIATIVES

- **The ERB will work actively to increase understanding of the added value that twinning cooperation creates and so that such cooperation has access to financing.**
- **The ERB should engage a working group to compile a report that analyses the situation in the labour market within the ERB with the supply and demand that exists as well as the bottlenecks that exist for an open labour market.**
- **The report should form the basis for an educational programme that, amongst other things, contributes to reduced imbalances in supply and demand.**



4. A sustainable environmental and energy policy

Sustainable growth is a main objective in all of ERB's activities. Production and consumption in the region should therefore be consistent with environmental requirements and good energy economy. Emissions and pollutants must be reduced. The Baltic Sea shall be a living sea.

Investments in transport infrastructure must be evaluated from an environmental and energy point of view. A clean environment is an important condition for tourism and therefore essential for the success of the investments in tourism by the ERB and the member regions. Ultimately, investments in environmental and energy technology can result in good business opportunities for the region's trade and industry.

The ERB's ambition is to establish a profile internationally as a front runner in the area – as a region where sustainability is central for all actors, in private business, the public sector and voluntary organisations.

In the energy field, the ERB should work concurrently to make energy supplies secure, strengthen the locally based power production and support renewable energy sources. Investing in local power production reduces vulnerability in our societies. In addition, the investment in renewable energy sources promotes the ambition of the member states to act on climate change.

4.1 Pilot area for good water management

With the Baltic Sea as the common denominator, the management of water is a natural focus for ERB cooperation.

Water has great significance for regional development. Access to good quality water is decisive for the health of the citizens.

Access to water is required within agriculture both for rearing livestock and cultivation. At the same time agriculture is a source of pollutants in water via fertilisers and insecticides for example.

In addition, industry requires water in many of its processes and also contributes to pollution.

Amongst other things, clean bathing water in the sea and lakes is required for tourism.

For the ERB as a whole the eutrophication of groundwater, surface water and coastal water is a serious problem. Common and coordinated actions are necessary to reduce the load and to enable the EU's requirements for water quality to be fulfilled.

Many projects and initiatives concerning water quality are underway in the region but there is currently no forum for contacts, exchange of experience and coordination actions. A water forum could facilitate cooperation within modern water management and create pilot projects that could make the ERB a front runner in the area. The experience from such projects could be utilised as a foundation for business development where methods and projects within water management are commercialised.

Added value for the region

The Baltic Sea is a common interest for all of the ERB's member regions. A water forum for the region could be an important contact point and create a cooperation that removes a lot of the duplicated work that currently takes place in the field of water management. The costs would be lower for each individual governing body when it is possible to share each other's knowledge and experience.

Common efforts make it easier to attract capital and companies for new ventures.

A secured access to high quality water fortifies industry, agriculture and tourism as well as human health and well-being.

CURRENT INITIATIVES

- **The ERB's water forum is being established with the assignment of starting and developing a cross-border cooperation on modern water management that can make the ERB a front runner in an EU perspective. The forum shall have access to expertise, work as a broker of contacts, project results and other experience as well as have the capacity to identify important common projects.**

4.2 Reducing the environmental threats in the Kaliningrad region

The environmental problems in the Kaliningrad area are serious. They also constitute a potential threat to surrounding regions. The need for investments to reduce pollutants and emissions is acute.

The Kaliningrad region needs support and assistance with major work assignments such as to eliminate the environmentally hot spots that have been identified, secure an efficient handling of dangerous waste and secure the distribution of good drinking water. The use of hazardous substances needs to be reduced, polluted areas need to

be decontaminated and the areas of major biological and cultural value need to be preserved.

Efforts are required in the energy area in terms of economical management and investment in renewable energy.

The EU should be persuaded to support plans for cross-border cooperation between Russia and the neighbouring EU regions in the areas of the environment and energy.

Added value for the region

The threats to the environment in the Kaliningrad region constitute a potential threat to the entire Baltic region and it is therefore in the interests of everybody that the risks are dealt with and the dangers eliminated.

CURRENT INITIATIVES

- **The ERB's Russian parties should, with the support of experts from other ERB members, propose a concrete plan to reduce the most serious environmental threats (hot spots) in the Kaliningrad region before the end of 2006. Following which, finance should be sought from the EU and other international and national financiers for the implementation of the plan.**

4.3 Investing in renewable energy

The supply of energy is a decisive issue for the growth and living standards in the entire region. At the same time as access to energy is made secure, the use of energy must be sustainable. The objective in the energy area is therefore as well a more efficient use of energy as to increase the proportion of renewable energy sources.

Amongst other things, the reason for the ERB placing emphasis on the energy area is connected with the actions of the member states to limit the emissions of green-

house gases, the importance of increasing the proportion of domestic energy in order to reduce society's vulnerability, and an understanding that this can help to increase employment.

Bioenergy already has quite considerable importance within the ERB, but there are good opportunities to significantly increase the proportion of bioenergy in the energy supply. This could take place by increasing the use of pellets, by focusing on local thermal power stations and preferably those connected with the timber industry, as well as by investing in combined biofuel-based heating and power production.

There are good opportunities for trade and industry to develop competence and specialised technology in the area. Companies should be able to increase their sales by means of coordinated export efforts.

In addition, wind power has a very significant growth potential within the ERB. ERB cooperation should support the expansion of sea based wind power stations and work to link together future wind power generating areas on both sides of the Baltic Sea by expanding the electricity distribution network. The ERB should also support investments in land-based wind turbines, primarily in the east and south parts of the region.

In order to be able to work broadly and comprehensively with the energy issues, the region needs a common energy forum. This forum should develop a long-term action plan that identifies suitable sources of energy and projects to invest in, builds a platform for business development in the area, supports research and contributes to distributing knowledge in different ways.

Added value for the region

Access to energy is decisive for continued growth in the region. Common projects can yield major gains from coordination for the ERB's member regions. New work opportunities are being created.

At the same time, society can ensure that the development is sustainable and that society's vulnerability decreases through investment in locally based power production.

CURRENT INITIATIVES

- **The ERB should form an energy forum which includes representatives for trade and industry, government authorities and regional and local self governments. This forum should conduct a study of energy supply within the ERB and then draw up an energy action plan.**
- **The ERB's energy forum should form an expert panel to evaluate suitable projects, support research and education in the area of renewable energy, as well as promote business development and exports.**





THE EUROREGION BALTIC (ERB) has been established to develop a long-term politically governed cooperation between nine regions in six countries in the south east Baltic region – see map.

The objective for the cooperation is to improve the quality of life for those living in the region, to secure sustainable development with good growth and to increase understanding between the different nationalities, cultures and traditions that co-exist around the Baltic Sea.

The Seagull Project, started in August 2002, has aimed at making ERB cooperation concrete by devising a long-term programme for the region's development. The project is now concluded and its main result is a joint development programme for the region. The programme that consists of a strategy, an action programme and a background document, including analyses and facts on the ERB, was adopted during autumn 2005 by the decision-making bodies affected in the ERB's member regions and by the ERB's council.

Read more on the ERB's Website www.eurobalt.org



SEAGULL www.eurobalt.org



The Seagull project has been co-financed by the European Union Baltic Sea Region INTERREG III B programme