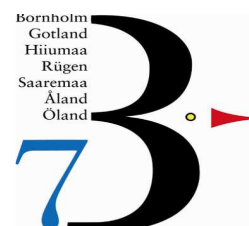


Position Paper on the EU Budget for Cohesion Policy after 2013



A future Oriented EU Budget Focusing on Growth and Jobs

The EU needs a budget reflecting the need for growth and new jobs. A budget targeting the new Europe 2020 growth strategy. A budget with the cohesion policy and the regional and local authorities as the driving forces.

Therefore, the next financial perspective (2014-2020) must give priority to the policy areas ensuring growth, development, innovation, research, and transfer of knowledge through international cooperation.

BSSSC, B7 Baltic Sea Islands Network, and Union of Baltic Cities – hereafter mentioned as the Baltic Sea organisations - fully believe that the recently adopted EU strategy for the Baltic Sea needs to be backed up financially. The financial support needs to be substantial in order to ensure a joint and coordinated approach to the development of the Baltic Sea Region.

The regional and local authorities' power as engines of growth for Europe's way out of the economic recession must be fully supported in the forthcoming budget. The regional and local growth strategies are essential to ensure the interaction between public authorities, research institutions and business. Through the EU programmes regional and local authorities support this cooperation and add on the knowledge and development that has already been created in the European regions and municipalities.

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The Baltic Sea organisations prioritise a future EU budget that supports all key growth areas of Europe 2020, e.g. smart, sustainable and inclusive growth. Therefore, it is crucial to put weight on those parts of the EU budget that support growth.

The Baltic Sea organisations urge decision makers to prioritise the following areas of the financial perspective 2014-2020;

1. All regions and municipalities are crucial for ensuring growth in the EU. Therefore, the cohesion policy should be a policy for all regional and local authorities in a structure maintaining the three existing objectives; the Convergence Objective, the Competitiveness and Employment Objective, and the European Territorial Co-operation Objective. Referring to the Accession Treaties of Sweden and Finland and Lisbon Agreement article 174, northern sparsely populated areas and islands should be given special attention.

The allocation of funds should be based on GDP/capita. As criteria for financial allocation one should also analyse the relevance of challenging demographic structure and rate of unemployment.

2. European Territorial Co-operation (Interreg programmes) has enforced European added value and increased integration, and the objective should be strengthened in the future.
3. The transnational strand of the European Territorial Co-operation Objective (INTERREG B) should be the key instrument that supports the new macro-regional strategies, e.g. the Baltic Sea.
4. Rural development programmes should focus more on promoting the professional opportunities and economic development in rural areas and the effort must be coordinated with the Structural Funds interventions.
5. The Eighth Framework Programme (FP8) must be added the extra funds needed to support the Europe 2020 goals of smart and sustainable growth. Particularly cooperation between industry, government and knowledge institutions should be strengthened.

1. EU Cohesion Policy

The overall objective of the EU Cohesion Policy (European regional policy) is to reduce economic, social and territorial differences, and at the same time contribute to growth. This objective remains of particular importance and should be maintained. Art. 3 of the Lisbon Treaty now expressly underlines the aim of economic, social and territorial cohesion. The regional programmes and funds are designed to bridge the difference in

prosperity and development to the benefit of all. Therefore it is important that the cohesion policy continues to cover all EU and all regions. Only by supporting all areas, it is ensured, that the potentials of all regions and municipalities are used optimally in order to enforce the overall European growth and thus to support Europe 2020. The Europe 2020 strategy is bound to fail if its implementation does not take place at the regional and local level.

Cohesion Policy provides an ideal instrument to deliver the concrete results required to create jobs, promote growth and show effects. In the increasingly globalised world, growth in one region leads to the creation of new jobs in another region. In the end, regional and local investments lead to growth and prosperity not only for the region or municipality but for Europe.

The Convergence Objective investments with a benefit to the environment and the infrastructure are a prerequisite for the least developed regions and municipalities to enhancing competitiveness, growth and employment. This kind of objective needs to be maintained in the future.

The overall structure and financial priorities of the three cohesion objectives (Convergence, Regional Competitiveness and Employment, and European Territorial Co-operation) have worked well in the present budget period and should be maintained as such.

There is also a need to adapt programme interventions to the new challenges facing Europe, for example climate change, globalisation, demographic changes, and energy challenges. To a certain extent, concentration on the most pressing challenges is required to ensure the effectiveness of cohesion policy. In particular, cohesion policy should be used to further develop the full potential of a sustainable growth in line with the Europe 2020 Strategy.

Criteria for Eligibility and Financial Allocation

At the present, when transparent and reliable the gross domestic product (GDP) is the only comparable indicator for relative prosperity. The GDP in purchasing power per capita is the only comparable indicator of regional and national prosperity. Within economic cohesion GDP/capita is also for the next Structural Funds period the only proper and transparent indicator

of whether a region qualifies for convergence or competitiveness funding from the EU Structural Funds.

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Referring to the Accession Treaties of Sweden and Finland and Lisbon Agreement article 174, northern sparsely populated areas and islands should be given special attention.

As criteria for financial allocation for eligible regions one should also analyse the relevance of challenging demographic structure and rate of unemployment.

2. Interreg Co-operation

The Baltic Sea organisations fully support the maintenance of the three existing strands under the European Territorial Co-operation Objective. The European Territorial Co-operation (Interreg) is an integrated part of the Cohesion Policy. The Interreg programmes supporting cross-border, transnational and interregional co-operation have showed good value for money. To the benefit of the whole community, the Interreg programmes have contributed to diminish border barriers and to increase exchange of experiences on best practices within many areas between partners from two or more countries. With this enormous potential in mind, Interreg should be considered the key instrument for financing the Baltic Sea Strategy.

The EU budget for Interreg cooperation is closely linked with the macro regional strategies and should be given high consideration over the current budget period. The Interreg programmes give great value to small, medium sized and mayor actors being active partners in international cooperation.

In order to fully exploit the potential of European Territorial Co-operation there is however an overall need to simplify management and control systems. Instead of having different rules for each single programme, standard solutions should be made available. There is also a need to replace the current inflexible control and audit system by a more cost-effective approach. Furthermore, there should be more flexibility for the involvement of project partners outside the respective programme area. In addition the participation of private actors must be facilitated by e.g. establishment of aid schemes in the beginning of the programme period.

Concerning the transnational Interreg strand B we furthermore suggest inserting an application facility for smaller transnational projects and such

projects that cover only a smaller geographical part of the programme region.

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3. Macro-Regional Strategies

The EU budget should foresee funding in the transnational programmes intended to co-finance initiatives and flag-ship projects under the macro-regional strategies, for example the Baltic Sea Strategy. The financial support for the Strategy for the Baltic Sea Region is not satisfactory at present because various programmes, e.g. national programmes, have supported the strategy without any coordination. The Baltic Sea organisations urges the European Parliament to maintain a budget post for the coordination of the implementation of the Baltic Sea Strategy, like on the EU budget for 2010.

After 2013 the transnational programmes should be programmed specifically for the support of the macro-regional strategies. The macro-regional strategies will thus constitute the strategic framework behind the use of the transnational Interreg funds.

Russia and Belarus are important for the harmonious development of the Baltic Sea Region. Therefore, EU funding from the European Neighbourhood and Partnership Instrument must be available for Russian and Belarusian partners in order for them to be able to take part in the future Baltic Sea co-operation.

4. Rural Development

The EU rural development policy should be seen in close connection with the cohesion policy. Rural development resources should - more than today - serve to promote the business opportunities, and economic development in the rural areas. The rural development programme's axis 3 supports activities to create more jobs and to make rural areas more attractive places to live in. Such activities should be given a higher priority and be closely coordinated with the business development efforts supported by the cohesion policy.

Furthermore, it is crucial to create the best possible relationship and synergy between rural development efforts locally, regionally, nationally and in relation to the EU-funded effort (Structural Funds programmes and the rural development programmes).

5. The Eighth Framework Programme (FP8)

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The EU Framework Programme for research, technological development and demonstration has been and must remain a major source of funding for research and innovation in the Baltic regions and municipalities.

The coming FP8 should be added the extra funds needed in order to support the Europe 2020 targets on smart and sustainable growth. A greater emphasis on innovation, commercialisation, technological development and development of key technologies is needed in order to substantiate the Baltic strongholds within these fields. Strengthening research, science and innovation communities will render the region as a whole more competitive and also turn out to be beneficial for the development of the European Research Area in general.

Therefore, general co-operation between industry, government and knowledge institutions, as well as health research, health innovation, collaboration between medical device industry and the hospital/health system, clean technologies and the creative industries, should be reinforced in particular.

Examples of good Baltic Sea projects partly financed by the EUBaltic Master II

The overall aim of Baltic Master II (Lead Partner: Region Blekinge, SE) is to improve the on-land response capacity to oil spills in the Baltic Sea as well as to enhance the prevention of pollution from maritime transport. The project brings together actors from a wide range of levels going from local, regional and national authorities to research institutes, universities and pan-Baltic organisations. Providing a link between the local/regional level and the national level is an important task of the project in order to combine hands-on knowledge with strategic work.

Baltic Master II also puts a significant effort in developing practical solutions to environmental safety problems in the Baltic Sea. Oil contingency plans in coastal regions and common ways of treating ship generated waste are two examples which will be further investigated. Baltic Master has 48 partners from 9 different countries around the Baltic Sea.

Contact: www.balticmaster.org

BSHR HealthPort

BSHR HealthPort (Baltic Sea Health Region - Business acceleration support and training bridging innovative SMEs and health care organisations to strengthen BSR health economy) aims at bridging the existing cross-sectoral gaps by involving the regional key actors in the value chain of health care innovations. Health care is split into sectors which function separately: health care providers, enterprises, research institutions, regulatory and financing .

Specifically BSHR HealthPort addresses key bottlenecks like 1) Insufficient commercial exploitation of ideas proposed by health care researchers and practitioners, 2) Procurement practices limiting access of innovative SMEs to the health care market and 3) Insufficient innovation competencies of and cultural differences between the target groups.

BSHR HealthPort partners and associated organizations cover all health care related sectors and comprise expertise from triple helix organizations, public authorities, health care providers, industries, universities, financing institutions, as well as owners of health care providers. BSHR HealthPort is

a part of the Baltic Sea Strategy flagship project “Set up cross-sectoral reference projects for innovation in health and life science”.

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Contact: www.scanbalt.org

BSR-Quick

The Project (Lead Partner: Hanse-Parliament, Hamburg, DE) merges and strengthens the networks and abilities of 40 SME- and Innovation-partners all over the BSR. Chambers of Commerce, crafts, associations as well as R&D-institutions develop innovation clusters, establish durable co-operations and harmonize qualification of entrepreneurs.

The link between SMEs and R&D-institutions will be closer and more effective to increase the competitiveness of the BSR and enable SMEs to improve their position as an engine for economic growth. Concrete output: Investment plans for SMEs, ICT-based supporting tools, Transnational action programmes, Educational products, R&D solutions for SMEs etc.

Contact: www.hanse-parlament.eu

Cleanship

The project (Lead Partner: Port of Trelleborg, SE) represents 21 formal and 16 associated partners from all over the Baltic Sea Region (BSR). The stakeholders from regional and local government, port cities, port, ship owners, ship fuel makers, energy suppliers, NGOs, ship security bodies and maritime research institutes are developing common strategies, standards and new technical solutions for clean Baltic sea shipping.

The goal is to contribute to mitigating eutrophication of the Baltic Sea, to diminish the release of climate relevant gases and water pollution caused by shipping. Particularly, ship borne air pollution shall be reduced and the discharge of untreated sewage from passenger ships be avoided. Therefore the partnership promotes i.e. the installation of a new infrastructure for Liquefied Natural Gas (LNG) at Baltic Sea ports.

Cleanship is a strategic project that will contribute to transform the BSR into the worldwide first model region for clean shipping strategy, infrastructure and technology.

The European Green Belt

The Green Belt initiative started as a grassroots movement when the former military blocks collapsed. The aim was to save the natural assets that had grown alongside the iron curtain. The Baltic Green Belt project aims at closing the longest "missing link" in this network: The southern and eastern Baltic coast. The vision of the European Green Belt initiative is to create a global symbol for transboundary co-operation in nature conservation and sustainable development.

Activities are usually rooted in the former border regions. People previously separated by the iron curtain now co-operate to form economically and ecologically sustainable landscapes. One key factor is the preservation of the green heritage of 40 years of the iron curtain. The partnership consists of NGOs, scientific institutions, public authorities and economic stakeholders. Activities of the BELT project focus on improving the ecological situation of the coastal strip on both sides of the waterline, while promoting social and economical aspects of sustainability to secure economic prosperity.

Contact: [www. balticgreenbelt.uni.kiel.de](http://www.balticgreenbelt.uni.kiel.de)

PURE – Project on Urban Reduction of Eutrophication

The main goal of the project is to implement concrete, voluntary actions that will reduce the eutrophication of the Baltic Sea. PURE supports selected waste water treatment plants (WWTPs) around the BSR to reach phosphorous content of 0,5 mg/l in outgoing municipal wastewaters with the means of chemical phosphorus removal. This method has been identified as one of the most cost-efficient ways to reduce the eutrophication of the Baltic Sea. Further, the phosphorus content of 0,5 mg/l is the level recommended by the HELCOM Baltic Sea Action Plan and it is half of the concentration stipulated by EU Waste Water Treatment Directive. PURE-project also contributes directly to the implementation of the EU BSR strategy, as one the flagship projects of the strategy addresses cleaner waste waters.

The eleven PURE -partners are: UBC EnvCom (Lead partner), John Nurminen Foundation (investment coordinator), HELCOM, Riga water, Jurmala water, Brest Vodokanal, Szczecin Water company, Kohtla-Järve water company, Luebeck Sewage Management, cities of Gdansk and Mariehamn.

Contact: www.purebalticsea.eu

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SCANDRIA (Scandinavian – Adriatic Corridor for Growth and Innovation)

The Scandria corridor connects capitals and metropolitan regions along the shortest way from Scandinavia to the Adriatic Sea.

Scandria is a cooperation of 19 partners from Germany, Denmark, Sweden, Finland and Norway willing to assume a future role in developing a green and innovative transport corridor. Scandria fosters co-modality, rail transport and environmentally friendly solutions in road transport.

Scandria will further improve logistic services and activate the corridors' growth potentials. The Scandria project is part-financed by the Baltic Sea Region Programme of the European Union.

Contact: www.scandriaproject.eu/

StarDust

The overall objective of the project (Lead Partner: Vinnova, SE) is to link together strong research environments, clusters and SME networks – creating a number of globally-leading research and innovation hubs in the BSR in order to achieve stronger critical mass, attractiveness, and a competitive international position. Activities will also foster job and SME growth opportunities, and strengthen social and territorial cohesion for the Baltic Sea Region.

In total, Stardust will mobilize 34 public and semi-public partners and 33 associated partners from national, regional and local levels – including strong clusters and business leaders engaged in the 5 pilots. This set of partners represents all national ministries and innovation agencies in the 10 BSR countries (including NO and IS); these high-level policymakers will form the project's Steering Committee. The project is a flagship project of the EU Strategy for the Baltic Sea Region.

Contact: www.vinnova.se

Submariner

The Partnership (Lead Partner: Maritime Institute Gdansk, PO) of 19 universities, research institutes, environmental and economic (national and regional) bodies from all Baltic Sea Region countries promotes new maritime products and technologies. The focus lies on blue biotechnology which has

a broad scale of possible future uses: algae, mussels and microorganisms can be the source of new pharmaceutical and cosmetic products, they help to reduce the eutrophication, and they serve as source of bioenergy, too. This can be combined with other renewable energies like wind farms and wave energy installations. The Project provides for feasibility studies and develops plans and road maps for the best possible future uses of these technologies which have often not been tested yet in the fragile conditions of the Baltic Sea.

Thus the project assists the Baltic Sea Region (BSR) on its way to become a European model region through the fostering of its sustainable economic development and the improvement of environmental conditions.

TRANS BALTIC

21 Trans Baltic (Towards an integrated transport system in the Baltic Sea Region, lead Partner Region Skane, SE) partners provide regional level incentives for the creation of a comprehensive multimodal transport system in the BSR. This is to be achieved by means of joint transport development measures and jointly implemented business concepts. This will be completed by Guidelines on BSR-specific transport intermodality and interoperability solutions, Traffic forecasts and scenarios for particular TEN-T and secondary transport corridors as well as training methodology for a competence management system in harbour logistics.

TRANS BALTIC – granted as a “Strategic INTERREG-Project in the BSR” - bridges and links from the BSR-scale into human dimensions: training, education, mobility and market chances – from political activities to individual effects.

Contact: <http://www.transbaltic.eu>