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EU Strategy for the Baltic Sea Region

Core Europe in the Northern Periphery?

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Table of Contents

Problems and Recommendations	3
1. Introduction	5
2. Public Consultation	6
2.1 Policy	6
2.1.1 Environment	6
2.1.2 Economy	7
2.1.3 Infrastructure	8
2.1.4 Safety and Security	9
2.2 Governance	9
2.2.1 Action Plan	10
2.2.2 Institutional Issues	11
2.2.3 Northern Dimension	12
2.2.4 Funding	14
3. Conclusion	15
Acronyms and Abbreviations	17
List of Analysed Documents	18

Problems and Recommendations

For the first time in its history, the European Union is setting out to prepare a macro-regional strategy – for the Baltic Sea Region. The European Commission has been asked to draft a Baltic Sea Strategy document by June 2009, which is to be adopted during the Swedish presidency of the EU in the second half of the year. The Strategy aims to identify and address the most immediate problems facing the Baltic Sea Region in the realms of the environment, economy, infrastructure and safety and security.

The Baltic Sea Strategy is relevant because of its innovative and experimental nature. It is innovative because the Strategy will be developed on a transnational level of governance, which means it exceeds the scope of traditional EU regional policies (“Europe of Regions”), while it is not primarily targeted at third countries outside the EU (“European Neighbourhood Policy”). Instead, the Baltic Sea Strategy indicates the emergence of a new governance level in the EU that is located between the nation state and the supranational community.

The Strategy is experimental because of a special geopolitical feature of the Baltic Sea Region. Since the completion of the eastern enlargement in 2004, the Baltic Sea has almost become a sea inside of the EU, while there is one coastal state, Russia, which will remain outside the EU. Although the Strategy is primarily targeted at the EU member states along the Baltic rim, Russia cannot be ignored. Thus, the Strategy is a challenge, not only as a new domestic dimension of EU politics, but also for the development of the EU-Russia relationship.

The EU Strategy for the Baltic Sea Region could create a transnational area of enhanced cooperation (without referring to this term in the sense of the European treaties). However, if the Strategy turns out to be successful, it will probably become a blueprint for similar EU regional strategies, which have already been proposed, for example, for the Danube region. The Baltic Sea Region could thus develop into a kind of core Europe in the northern periphery.

To achieve this, however, a number of difficult questions have to be answered in terms of both policy and governance issues. This paper is designed to contribute to this discussion by summarising the results of the recent public consultation about the Strategy and by comparing these results with the preliminary action plan that was put forward by the Commission in February 2009. 47 documents have been analysed including the position papers of all eight EU member states of the region, of many subnational or transnational governmental and non-governmental organisations, as well as of several EU institutions. This analysis leads to two main conclusions and related points for discussion:

With regard to policies, the Commission has been responsive to most of the proposals put forward during the consultation process. The priorities of the preliminary action plan are well in line with public opinion in the region – possibly too well, as the action plan, in its present form, appears to be quite broad, complex and not sufficiently focused. The Commission, while trying to do justice to as many interests and actors as possible, is possibly about to create just another label for an already established cooperation, thereby losing out of sight the original motive behind the Strategy, namely to revive the stagnating Baltic Sea cooperation by means of a clear, coordinated and action-oriented strategy. It follows from this that it could be worthwhile

considering a slimmer design of the Baltic Sea Strategy, which would imply a more restrictive selection of genuine 'flagship projects'. This advice is however directed, not primarily at the European Commission but at the stakeholders in the region, who would have to give up their insistence on (at least some of their) special interests being included in the Strategy. From a German point of view, it will be important in this discussion to strike a balance between federal and Länder interests as well as between transnational and European considerations. In the final analysis, the question is what the Baltic Sea Strategy is meant to accomplish: Shall it place the whole Baltic Sea cooperation under the umbrella, and control, of the European Union? Or shall it provide an impetus for a European macro-region that principally continues to see itself as an area of cooperation in its own right and distinct from the EU?

With regard to governance issues, the results of the consultation have been inconsistent. There is consensus as to the implementation of the Strategy by way of a 'rolling' action plan, which is to be funded by available financial means. There is lack of consensus, however, regarding the question of whether and to what extent institutional structures have to be created, or modified, in order to implement the Strategy. Different views also exist about the Northern Dimension, which is to provide the framework for the external aspects of the Strategy. These issues still need further discussion and clarification on the part of both the Commission and regional stakeholders. The discussion should no longer ask if new institutional structures are to be created, but where and how. This is particularly true for the Northern Dimension, which in its present form is inappropriate to serve as the external pillar of the Strategy. It might be worth considering if, for instance, the Council of the Baltic Sea States could be merged with the Northern Dimension into a single institution.

1. Introduction

The development of the Baltic Sea Region has been a success story of European integration in the post-Cold War period. When the Berlin Wall fell in 1989, the Baltic Sea was largely outside the European Union's horizon. Of the then seven coastal states only Denmark and (West) Germany were members of the Union. Two decades later the geopolitical situation has changed completely. Eight out of nine coastal states are now EU members: next to Denmark and Germany, these are Sweden, Finland, Estonia, Latvia, Lithuania and Poland. Other countries that participate in the Baltic Sea cooperation include Norway and Iceland, which are also partly integrated in the EU (through, inter alia, the European Economic Area and the Schengen agreement). The Baltic Sea has nearly become a sea internal to the EU, yet not fully so: The Russian Federation, including the exclave of Kaliningrad, remains outside the EU, while being an integral part of the Baltic Sea Region. Russia's hybrid role as a participant of regional cooperation and as neighbour of the EU puts the Baltic Sea Region at the borderline between the internal and external spheres of European Union politics.

The Europeanisation of the Baltic Sea Region is primarily the result of a regional cooperation that emerged and developed independently of the EU. This cooperation has yielded a plethora of transnational networks, organisations and institutions that even specialists have had a difficult time studying. The variety of cooperative arrangements is a specific strength of the region and contributes to its reputation as a laboratory for transnational cooperation. On the other hand, this same variety is increasingly perceived by regional stakeholders as a weakness, as the cooperation lacks a common goal or mission. Such a mission was still manifest in the 1990s. It materialised in the active support of the countries at the eastern rim of the Baltic Sea in their double transition from authoritarian to democratic rule and from planned to market economies. When the Baltic states and Poland entered Nato and the EU in 2004, this mission was by and large accomplished. The Baltic Sea cooperation reached a peak, but also lost its momentum. It became a victim of its own success; in search of a new mission, regional cooperation began to stagnate.

Against this background there was fertile ground for the idea to develop an EU Strategy for the Baltic Sea Region. The idea was brought up in late 2005 by the European Parliament, namely by the Europe Baltic Intergroup, an informal group of MEPs under the chairmanship of the British conservative Christopher Beazley. Initially the initiative was not met with a positive response, although it was endorsed in a resolution adopted by the EP in November 2006. Yet neither Finland nor Germany were willing to take up the initiative during their presidencies of the EU in 2006 and 2007, respectively. It was the Swedish government that eventually embraced the initiative with a view to preparing its EU presidency in the second half of 2009. In December 2007 Sweden encouraged the European Council to agree on the following mandate:

'Without prejudice to the integrated maritime policy, the European Council invites the Commission to present an EU strategy for the Baltic Sea region at the latest by June 2009. This strategy should inter alia help to address the urgent environmental challenges related to the Baltic Sea. The Northern Dimension framework provides the basis for the external aspects of cooperation in the Baltic Sea region.'

In the Commission, the Directorate-General for Regional Policy (DG REGIO)

assumed responsibility to prepare the Strategy. DG MARE heads a steering committee, which also includes the Directorate-Generals for Maritime Affairs (DG MARE), the environment (DG ENV) and external relations (DG RELEX). Altogether, 19 directorates are involved in the drafting process, which makes the Strategy a demanding task also for the Commission. The public consultation about the Strategy was officially opened with a so-called Stakeholder Conference in Stockholm on 30th September 2008. On this occasion the Commission published a working paper, which, for the first time, indicated the main thematic areas of the Baltic Sea Strategy: environment ('to make the BSR an environmentally sustainable place'), economy ('to make the BSR a prosperous place'), infrastructure ('to make the BSR an accessible and attractive place'), and security ('to make the BSR a safe and secure place'). In the following months, roundtables were arranged for each of these four focus areas; a second Stakeholder Conference in Rostock concluded the consultation processes on 6th February 2009. In Rostock, the Commission presented its 'preliminary list of possible actions (to be confirmed)' for the Strategy. The draft action plan will be further worked out and completed in March and then made the subject of an inter-service consultation within the Commission in April and May. The Commission is likely to decide upon the draft Strategy on 10th June and then forward it in the form of a Communication to the European Council. The final adoption of the Baltic Sea Strategy is scheduled to take place during the December meeting of the European Council.

2. Public consultation

The public consultation of the Baltic Sea Strategy was met with a wide-ranging response. The Commission received about 110 written contributions, of which 47 have been made available to the public. These 47 documents form the empirical base of this discussion paper. The sample of documents can be regarded as representative, as it comprises the position papers of the most relevant actors, including the governments of the eight EU member states of the region and of twelve subnational units (Länder, voivodeships, committees of regions etc.). Moreover, six papers by non-governmental organisations or networks have been included, as well as the contributions from the European Parliament and the EU Committee of the Regions. The sample has been completed, as far as possible, by reports of the various consultation events. The entire text corpus analysed amounts to over 120 000 words.

2.1 Policy

It is possible to identify about 750 policy proposals in the 47 documents analysed. The following summary of the consultation results will be structured in line with the four focus areas of the preliminary action plan put forward by the Commission, i.e.: environment (2.1.1), economy (2.1.2), infrastructure (2.1.3), and safety and security (2.1.4). Each section will first list the Commission's proposals and then compare them with the proposals as they emerged from the consultation.

2.1.1 Environment

'To make the BSR an environmentally sustainable place'

Preliminary proposals by the Commission:

- To reduce nutrient inputs to the sea to acceptable levels
- To preserve natural zones and biodiversity (overfishing)

- To reduce the use and impact of hazardous substances
- To reduce the pollution from ships
- To reduce the risk of pollution from oil spills
- To mitigate and adapt to climate change

Two issues dominated the consultation process: the 2007 Baltic Sea Action Plan (BSAP) of the Helsinki Commission (HELCOM), and the integrated maritime policy of the EU, both of which have been taken up by the Commission. The first five priorities of the preliminary action plan correspond by and large with the principal objectives of the BSAP, i.e. reduction of eutrophication, of hazardous substances, of pollution by shipping; and preservation of biodiversity. The aims of the EU Water Framework Directive, which calls on the member states to develop and implement common environmental standards, is largely in line with the BSAP, not least because both pursue an integrative, cross-sectoral approach. The aim of harmonising and coordinating national policies, which was broadly endorsed by the consulted stakeholders, has implicitly been taken up by the Commission, albeit not explicitly stated. This is also true for consultation proposals that call on the Commission to make the Baltic Sea Region a 'pilot project' and thus eligible to supportive measures according to the Water Framework Directive. Representatives of DG MARE have repeatedly signalled their openness to the idea, though not outright support.

All in all, most proposals of the consultation can be found in the Commission's preliminary action plan, including those that are related to the issue of climate change. But some proposals have been ignored. These include calls for reform of the Common Agricultural and Fisheries Policies in accordance with the aims of the Baltic Sea Strategy. Educational activities to promote environmental awareness have been put forward by several stakeholders, but not become part of the Commission's action plan.

2.1.2 Economy

'To make the BSR a prosperous place'

Preliminary proposals by the Commission:

- To better implement the single market
- To foster innovation
- To promote entrepreneurship
- To reinforce sustainable agriculture, forestry and fishing
- To integrate the labour market

With regard to economic affairs, the consultation focused on calls for the full implementation of the single market and for strengthening the region's competitiveness. Both aspects have been taken into account by the Commission. As far as the single market is concerned, the Commission's proposals are quite abstract. Apart from the aim to create an integrated labour market on the basis of a coherent approach to employment exchange, working conditions and student exchange, the priorities of the preliminary action plan are still to be backed up by concrete actions. The action plan is more explicit with regards to enhancing competitiveness by promoting innovation and entrepreneurship. The Commission seized upon several suggestions, among others, the *think small first* approach to the benefit of small and medium sized

enterprises, which has been advocated by the Swedish and German governments, or Poland's proposal to support closer cooperation on industrial and product design. Other suggestions incorporated in the preliminary action plan include a joint innovation strategy and a BSR cluster programme.

Some proposals have not been considered by the Commission. This is true first and foremost for the Service Directive, which is absent from the action plan, although the consultation contained a great deal of criticism about restrictions on providers of cross-border services as well as calls for an integrated approach to the administrative implementation of the directive. There are also proposals regarding the single market, in particular the SOLVIT Programme or the Baltic Sea Market Surveillance Network, which have not (yet) found their way into the action plan.

2.1.3 Infrastructure

'To make the BSR an accessible and attractive place'

Preliminary proposals by the Commission:

- To end the energy isolation of the Baltic states
- To improve the functioning of the energy market
- To improve internal and external transport links
- To increase tourism

The consultation process has primarily resulted in calls for energy grids and transportation nets to be expanded. Stakeholders proposed to develop the physical infrastructure of the BSR as well as to create greater intermodality between different means of transportation. The Commission took up these proposals in its preliminary action plan and added two more priorities: to improve the functioning of a common energy market and to promote tourism. The two latter priorities were also reflected in the consultation process, although stakeholders have rarely addressed tourism and the preservation of the region's cultural heritage as infrastructure issues. In contrast to the economic part of the action plan, the Commission lists a number of concrete projects. For example, in order 'to end the energy isolation of the Baltic states', it proposed to realise three projects of the Baltic Ring programme, which is designed to connect the Baltic electricity grids with one another and with those of Sweden, Finland and Poland. Other projects include the Scanled gas pipeline and the construction of a liquefied natural gas terminal in Swinoujście, Poland. These projects shall be supplemented by measures to promote clean energy – wind, solar, biomass – and by measures designed to improve energy efficiency in private households. Regarding the enhancement of internal and external transportation links, the Commission's draft action plan is confined to general objectives, such as improved coordination of investments and planning processes, implementation of Motorways of the Sea projects and of the Northern Dimension on Transport and Logistics, as well as realisation of Green Corridors for more efficient freight transport.

Other infrastructure projects like Rail Baltica, Via Baltica or Nordic Triangle have not been included in the preliminary action plan, although they have been endorsed by several stakeholders. However, some of these projects have already gained priority status as part of the TEN-T scheme. Finally, suggestions to upgrade the region's information and communication technology infrastructure have been completely disregarded.

2.1.4 Safety and security

‘To make the BSR a safe and secure place’

Preliminary proposals by the Commission:

- A common maritime surveillance system
- Decrease occurrence of and harm done by cross-border crime
- Maritime safety
- Sufficient maritime accident response capacity
- Sufficient response capacity to major storms
- Preparedness to respond to cross-border health threats

With regard to safety and security, the consultation process showed a high degree of consensus. In addition to maritime safety and maritime surveillance, stakeholders called for sufficient response capacity to natural disasters, for joint efforts to combat organised crime and, less frequently, for cooperation on cross-border health threats. These four suggestions have been taken up by the Commission in its preliminary action plan. The overall priority placed on disaster prevention and crisis management has been supplemented by a special priority placed on response capacity to major storms. A Baltic Sea maritime surveillance system will be realised by means of horizontal actions, which aim at creating a common monitoring, information and intelligence sharing environment. This will include obligatory control systems on board of all ships, commonly applied surveillance tools and standards, and corresponding pilot projects. In this respect, the Commission’s proposals are largely in line with the ideas that came out of the public consultation. The same could also be said of the plans to enhance collaboration between customs, border, police and judicial authorities with a view to combating cross-border organised crime. The Commission’s proposals concerning response capacity to environmental disasters and health threats still are rather vague, as also is the case for its proposals on maritime safety. The preliminary action plan discusses the creation of a single national coordination centre for maritime operational tasks, to exchange data through the SafeSeaNet system, and to make the Baltic Sea a pilot region for e-navigation.

Proposals that have been ignored by the Commission include calls for compulsory pilotage at least in parts of the Baltic Sea area, and intensified education within maritime transport and safety and security, such as the Baltic Master II programme.

2.2 Governance

In marked contrast to the policy dimension, relatively little is known at this point about how the Baltic Sea Strategy shall be governed. So far, the only thing that seems to be clear is the Commission’s intention to implement the Strategy by means of a ‘rolling’ action plan, i.e. an action plan of indefinite duration, which must be updated on a regular basis. It has been possible to identify in the consultation documents about 670 statements or proposals dealing with governance issues. This body of ideas will be summarised in the following sections on the ‘rolling’ action plan (2.2.1); institutional reform (2.2.2); relations to Russia and other third countries in the framework of the Northern Dimension (2.2.3); and funding of the Baltic Sea Strategy.

2.2.1 Action Plan

The Commission's plan to implement the Strategy by way of a dynamic action plan has received widespread support in the consultation process. In particular, stakeholders unanimously welcomed the suggestion that each priority action should be described by identifying: (a) measure; (b) time frame; (c) financial instruments; (d) responsible actors for the implementation. It was also popular to add a fifth element, namely, success control by measurement of results. To this end, it has been proposed to specify a set of indicators or benchmarks to determine progress. Another proposal refers to an annual report on Strategy implementation, which should include an updated ranking of the most effective solutions in individual areas.

Stakeholders agree in principle that the action plan should be continuously monitored and regularly reviewed. The Polish government has already offered to conduct the first review of the action plan during its presidency of the EU in the second half of 2011, i.e. in about two years from the time when the plan is likely to take effect. According to this pattern, the next review could take place during the Lithuanian EU presidency in the second half of 2013.¹ However, the consultation has only provided few clues as to the actual method of review. Several stakeholders point to the Open Method of Coordination (OMC), which was initially introduced in connection with the Lisbon Agenda. Others suggest to make use of the *best practise* mechanism in order to assess and update the action plan. The non-paper of the Swedish government alone mentions best practise 18 times.

As far as monitoring of the action plan is concerned, the consultation has produced less consistent views. Some papers speak of the need to establish 'new', 'improved' or 'real' monitoring mechanisms while failing to specify them. Considering the widespread desire for some kind of success control, it seems expedient to introduce a reporting system to measure the action plan's progress. Yet several stakeholders, particularly the German Länder, have voiced their concern over increasing bureaucracy resulting from additional reporting duties. Irrespective of those reservations the Polish government has suggested an annual progress report to the European Council, which is to be compiled by the Commission with the assistance of the member states' governments.

The stakeholders' relative hesitation to suggest concrete governance mechanisms seems to be caused by a basic contradiction. On the one hand, many are advocating a bottom up approach to the implementation of the action plan and call for the participation of actors from all levels (national, regional, local) and sectors (public and private). On the other hand, there are also voices calling for 'strong leadership' or 'top down leadership'. Obviously, it is hoped that strong leadership will secure a more effective implementation of the action plan. The Union of Baltic Cities (UBC), for instance, takes the view that the Strategy must include adequate instruments to exercise pressure to those who are responsible for implementation. It seems that leadership is expected primarily from the European Commission, though stakeholders tend to avoid the term 'leadership' in this context. Most of all it is the national governments, who would like to entrust a 'strong role' or 'key role' to the Commission in monitoring implementation of the Strategy. It is noteworthy that this

¹ Only after 2013 a two-years review interval would no longer correspond with a Baltic Sea member state holding the EU presidency: Latvia's presidency in 2015 will take place in the first half of that year; Estonia will only follow in 2018 (1st half), and Finland in 2020 (1st half). If, in the meantime, the Lisbon Treaty enters into force the rotating EU presidency will be abolished, thus necessitating a new time frame for the review of the action plan.

position contrasts with the role the Commission sees for itself, namely as a ‘facilitator’ rather than a ‘leader’ of the Strategy. It seems that many stakeholders in the Baltic Sea Region are ready to give the Commission a more active and powerful role than the Commission is willing or able to take over.

2.2.2 Institutional issues

The consultation has indicated principled acceptance of the existing institutions of the Baltic Sea cooperation. Notwithstanding critics like the UBC, which has noted that many of the institutions and networks created in the 1990’s have lost their motivation and resilience, no particular organisation has been called into question. To the contrary, nearly all stakeholders believe that the EU Strategy should be based on the various organisations already working in the region. More precisely, HELCOM, CBSS and VASAB are frequently mentioned as organisations that should play an important role in the future since they have already made valuable inputs to the preparation of the Strategy. But this has not prevented stakeholders from calling for reform of the present fabric of institutions. Some consultation papers view the Strategy as an opportunity for regional organisations to define their own profile, to define their tasks more precisely, and to coordinate their activities better with one another. In short, ‘everyone must not do everything’, as the Baltic Sea Parliamentary Conference has stated in its position paper.

There are disparate opinions regarding the desirability of institutional reform. A number of stakeholders, including Germany’s federal and Länder governments, advise against new institutional structures, emphasising the risk of overlap and duplication of activities. However, a relative majority of stakeholders speak in favour of some sort of institutional innovation. These proposals point in three directions:

(i) A number of proposals suggest to create new institutional structures in certain sectors of regional cooperation. The Polish government is supportive of the creation of ‘a platform of cooperation’ constituted by regional Knowledge and Innovation Communities, and of ‘new instruments, institutions and regional initiatives’ in the area of power engineering, as well as of the appointment of ‘a joint coordinator’ for environmental aspects of the Strategy. Another regional ‘coordinator’ responsible for the implementation of the Trans European Energy Networks (TEN-E) has been suggested by participants of the Stockholm Stakeholder Conference. ‘New structures’ for Integrated Sea Use Management are supported by the WWF, and for Integrated Coastal Zone Planning by the Eastern Norway County Network. Both the Swedish Association of Local Authorities and Regions and the Euroregion Baltic advocate the founding of a European Grouping for Territorial Cooperation. And the joint position paper of the six Baltic Sea organisations (BSSSC, B7, Euroregion Baltic, BDF, CPMR, UBC) come out in favour of creating a ‘Baltic Youth Parliament’.

(ii) Nearly as numerous are proposals that would apply to the entire Baltic Sea Region, but be confined to the institutionalisation of consultation procedures. Whereas some proposals are rather unspecific, claiming a new ‘facilitating structure’ or ‘coordination structure’, others are more concrete. In its 2006 resolution on a Baltic Sea Region Strategy for the Northern Dimension, the European Parliament proposed an annual Baltic Sea Summit to be held before the Summer European Council. This idea has been endorsed by several stakeholders in their input to the consultation. Both the Polish government and participants of the Stockholm Stakeholder Conference have argued the case for an annual Baltic Sea Summit, though with the addendum that the summit should only be open to the heads of state of the EU member states of

the region. The Baltic Sea Parliamentary Conference has stated its general intention to focus on governance issues in the coming years, with the aim to 'develop a parliamentary dimension of the Baltic Sea Strategy'.

(iii) Some proposals go even further and envisage the creation of new institutions. It was the European Commission itself, which triggered off the debate with the suggestion, formulated in its initial working paper to launch the public consultation process, to establish 'a structured and sustainable discussion forum', which could also include 'agreed decision-making mechanisms'. The idea obviously appealed to the Polish government, which finds it useful to establish a 'Forum for the EU Strategy for the Baltic Sea region', bringing together 'representatives of national, local and regional authorities and social partners'. Local Government Denmark, the member organisation of the Danish municipalities, could also conceive of a 'new discussion forum for decision-makers' that is to follow and monitor the Baltic Sea strategy. The most far-reaching proposal stems from the joint position paper of BSSSC, B7, Euroregion Baltic, CPMR and UBC.² These five organisations recommend a new 'governance model' that will consist of two main bodies: a 'Baltic Sea Forum' and a 'Decision-making Body'. The 'Baltic Sea Forum' shall have consultative tasks and be open to all actors who take an interest in Baltic Sea cooperation, including actors from outside the EU. The 'Decision-making Body', on the other hand, shall consist of elected representatives from the different national, regional and local levels in the Baltic Sea Region; its main task shall be to define and agree on common objectives and activities and to monitor the progress of the implementation of the Strategy. Both bodies shall be chaired by the European Commission.

2.2.3 Northern Dimension

The conclusions of the European Council meeting in December 2007 contain a single sentence about the governance of the Baltic Sea Strategy: 'The Northern Dimension framework provides the basis for the external aspects of cooperation in the Baltic Sea region.' The wording implies the distinction between an internal and an external dimension of Baltic Sea cooperation that did not exist in the past, at least not in the sense of an institutional issue. Therefore, as the Baltic Sea cooperation is to be integrated in a macro-regional strategy of the EU, the question is raised regarding if and how third countries can participate in this cooperation in the future. This is first and foremost relevant for Russia, but also for Norway and Iceland, as well as for Ukraine and Belarus which are also located within the catchment area of the Baltic Sea and thus involved in certain, primarily environmental, aspects of regional cooperation.

The vast majority of stakeholders welcome the plan to make the Northern Dimension (ND) the external pillar of the Baltic Sea Strategy. Only the German and Danish governments, while emphasising their wish to keeping Russia involved in the regional cooperation, avoid to take an explicitly positive stand on the ND. The Baltic Institute of Finland is alone in that it considers the ND inappropriate 'to address the Russia dimension of the Baltic Sea policy of the EU' because the ND 'does not come even close to covering all of the focus areas of the Baltic Sea collaboration'. In reality, the ND essentially consists of two partnerships, one for environmental cooperation and one for public health, with a third partnership on transport and logistics currently in the making. Cooperation with Russia and other third countries is either taking place in organisations like the CBSS or HELCOM, or lacking a specific institu-

² The Baltic Development Forum, which also signed the joint position paper, has noted in this context that it is not part of the proposal, as it is a private organisation

tional framework, as in the case of the European Maritime Policy.

The obvious discrepancy between the present structure of the ND and its intended utilisation as an external pillar of the Baltic Sea Strategy becomes even clearer in light of the results of the consultation. With the Estonian government being the only exception, every stakeholder has named one or more areas of cooperation where they deem Russian involvement desirable or necessary. Taken altogether, it is possible to identify 37 different subject-matters of cooperation with Russia mentioned in the body of consultation papers analysed. These 37 subject-matters cut across all four main priority areas of the preliminary action plan of the Strategy. It thus necessitates the question how we can bridge the gap between the desired and the actual scope of cooperation with Russia. Despite the fact that most consultation papers remain silent on this issue, several approaches can be discerned:

(i) One approach can be described as status quo-oriented, as it would preserve the flexible architecture of the present Baltic Sea cooperation, which takes place both inside and outside the ND. An illustrative example is the non-paper of the federal government of Germany, which speaks in favour of applying 'variable geographical limits depending on the subject'. Simultaneously, individual EU programmes could be opened up for participation of third countries, as the Land of Mecklenburg-Vorpommern has been suggesting with regard to the Europe for Citizens programme. This flexible approach has two advantages. First, it could be realised without major institutional change. Second, countries like Ukraine and Belarus, which are not considered 'northern', could easily be involved in the cooperation. Ultimately, however, such a flexible approach would not be compatible with the idea to make the ND the external pillar of the Baltic Sea Strategy.

(ii) A second approach points to the regional dimension in the sense of sub-national levels of cooperation with Russia and other third countries. This is the principal idea of the six Baltic Sea organisations (BSSSC, B7, Euroregion Baltic, BDF, CPMR, UBC), who have proposed a special 'flagship project' under the title: 'Incorporating the external dimension of the Baltic Sea'. According to this proposal, the external dimension of the Baltic Sea Strategy should comprise Russia, Ukraine and Belarus and primarily be implemented by means of paradiplomacy, with sub-state entities like cities or counties being the main actors. This approach would also have the advantage of leaving the present institutional structure of the ND largely unchanged, as third country cooperation would primarily follow the 'logic of informal institutions'. A similar, albeit less detailed, proposal has been put forward by the Land of Hamburg. This proposal speaks in favour of enhanced cooperation with north-west Russia, including a 'forum to deal with controversial issues', which could eventually assume 'model character for cooperation with the other Russian regions'. The Polish Convent of Marshals is also in favour of developing 'new instruments promoting EU-Russia cooperation', involving primarily 'non-governmental organisations, local and regional authorities and institutions of education and culture'. It is unclear whether these proposals are compatible with the ND in its present form. Certainly, some stakeholders like the Eastern Norway County Network explicitly call for a "regional dimension" inside the Northern Dimension'. Yet other stakeholders like the six Baltic Sea organisations seem to conceive of their proposals for an external dimension of the Strategy in a more distinct and complementary way.

(iii) Finally, a third approach puts the focus on the institutional development of the Northern Dimension itself. There are several consultation papers that propose either new ND partnerships or the modification of existing partnerships in order to bring them in line with the goals and objectives of the

Strategy.³ Other proposals point to the Council of the Baltic Sea States. For example, the non-paper of the Lithuanian government holds that the CBSS and the ND 'provide a sound basis for the implementation of external aspects of the Strategy'. Similarly, the Latvian government considers the CBSS and ND to form an 'appropriate framework' for third country cooperation. Hamburg and the six Baltic Sea organisations (BSSSC, B7, Euroregion Baltic, BDF, CPMR, UBC) are of the opinion that the CBSS should play a 'key role' in the cooperation with third countries, even though it remains unclear, as already mentioned, whether the involvement of the CBSS will have to take place within the ND framework. The Polish government is the only stakeholder who prefers to strengthen the role of the European Commission regarding the Northern Dimension, rather than the role of the CBSS.

2.2.4 Funding

Two claims reflect the general tenor of the consultation: First, the Baltic Sea Strategy should be implemented by making use of all available funding resources, i.e. from the European Union, its member states and from International Financial Institutions (IFI), as well as private capital. Second, the focus should be on improved, i.e. more efficient and effective, ways to coordinate the different funding instruments. The European Parliament's call 'for an own EU budget line for the Baltic Sea Strategy' has been endorsed by the Polish and Lithuanian governments. However, the vast majority of stakeholders seem to comply with the Commission's will that Strategy funding should be confined to existing financing instruments. Thus, for the time being, the issue of a new EU budget line for the Strategy seems to be settled. Instead, it could be worth considering the idea, as advocated by the Swedish government and by BaltMet, that all funding for the region should be transparent and visualised. To this end, a kind of 'strategy budget' could be compiled, which would not be a budget in a strict legal sense, but a balance-sheet displaying source and application of funds linked to the EU Strategy for the Baltic Sea Region.

Although it is widely agreed that the Strategy shall be financed within the limits of available funds, this does not rule out the possibility of finding additional financial resources. Especially the non-paper of the Swedish government speaks to the desire to point out hitherto untapped funding opportunities. To begin with, it calls attention to the decision of the Nordic Investment Bank (NIB) in May 2007 to develop a joint strategic approach together with the European Investment Bank (EIB) with the aim to increase the NIB's contribution to the competitiveness of the BSR. Regarding environmental cooperation, the NIB has already established its own Baltic Sea Environment Financing Facility, which is designed to facilitate the implementation of the HELCOM action plan. The Swedish non-paper also points to the European Neighbourhood Investment Fund (NIF), which aims to support investments, particularly major transport infrastructure projects, to a much greater degree than previous EU mechanisms. Moreover, the Nordic countries and the European Investment Fund (EIF) are looking at the possibility of supplying the region with additional risk capital through a dedicated arrangement. Finally, additional funding could also result from member states' self-commitment to assume responsibility for implementation of certain priority actions or projects in the framework of the Strategy.

³ Institutional modifications have been called for by the Europe Baltic Intergroup in the area of environmental cooperation; the European Parliament wants to incorporate Kaliningrad in the existing ND partnership on public health (NDPHS); and the six Baltic Sea organisations (BSSSC, B7, Euroregion Baltic, BDF, CPMR, UBC) would like to see the 'inclusion of a "maritime strand" in the action plan of the ND'.

Apart from the funding opportunities outlined in the Swedish non-paper, there have also been financially relevant signals coming from the EU. The Commission has proposed, as part of its preliminary action plan, to create a Baltic Sea Fund for Innovation and Research, although it remains unclear who is to endow the fund. DG MARE has signalled the commitment of funds in the framework of the EU's integrated maritime policy. Furthermore, the EU has recently adopted a € 5bn economic stimulus package – money that can be used to finance some of the energy infrastructure projects ranking high on the Commission's preliminary action plan.

Finally, the consultation has revealed yet another problem. The wish to make use of EU funding instruments for the purpose of the Baltic Sea Strategy might be at variance with legal rules since the selection criteria of already established funding programmes like INTERREG cannot be rendered ineffective due to new priorities like those defined in the EU Strategy for the Baltic Sea Region. How, then, can a carefully-targeted use of EU funds for the priorities of the Strategy be secured? Local Government Denmark has proposed that projects that are in line with the Baltic Sea Strategy should get a 'plus' when they are evaluated as part of an application to EU funding. The Latvian government even calls for 'streamlining of some of EU financial resources currently available in the Baltic Sea region'. The legal and practical feasibility of these proposals require further examination. The managing authorities of the operational programmes related to the Baltic Sea are expected to discuss this issue at their next meeting on Gotland in June.

3. Conclusion

As this analysis has focused on both policy and governance aspects of the emerging EU Strategy for the Baltic Sea Region, its conclusion is twofold:

Policy – An action plan can hardly include all ideas and proposals put forward in the course of a public consultation as extensive as the one on the Baltic Sea Strategy. With this qualification in mind it seems fair to say that the Commission has by and large been able to draft an action plan that captures the essence of public opinion in the region. However, because they have not been covered by the Commission's preliminary action plan despite the fact that they had played a prominent role in the consultation process there are two topics that need to be specifically mentioned:

(i) Spatial planning: This topic is referred to in nearly all consultation documents, in the sense of both marine and land-based spatial planning. It was also a recurring theme on the agenda of the different stakeholder and roundtable meetings, not least on the initiative of Commission representatives. Against this background, it is surprising that the preliminary action plan lacks any proposals regarding spatial planning.

(ii) Education, research und culture: The Commission has been responsive to several proposals in this field, which is primarily reflected in the economic part of the action plan. However, the action plan falls short of the wealth of ideas that arose during the consultation process. These ideas touch upon all priority areas, be it educational programmes to foster environmental awareness, research in maritime safety and security, or measures designed to promote region branding. It is fair to say that, in light of the consultation, education, research and culture should actually constitute a fifth priority area, as it had initially been proposed by the European Parliament and by the CBSS in its reform declaration of June 2008.

Despite these possible additions to the action plan, the discussion should

actually move in the opposite direction. The preliminary action plan is fairly representative of the stakeholders' wishes. The Commission did a good job – perhaps too good, as it is running the risk of missing the original goal of the EU Strategy for the Baltic Sea Region, namely to provide new focus to an increasingly stagnant cooperation. In view of the scope and complexity of the preliminary action plan, it seems doubtful whether the Strategy will have the desired effect. Thus it should be considered to slim down the action plan and confine it to a few actions that would really deserve to be called 'flagship' projects. In other words, less could be more. Ultimately, the question to be asked is what the EU Strategy is meant to accomplish: Is it to bring as much of the Baltic Sea cooperation as possible under the umbrella, and control, of the EU? Or is it to provide new impetus to a European macro region that continues to regard itself a distinctive area of transnational cooperation in its own right?

Governance – The results of the consultation process are counter to expectations that the EU Strategy will be designed to reduce the overall complexity of institutional arrangements in the Baltic Sea Region. 'No new institutions, no duplication of activities' was the initial slogan. Even the consideration of the dissolution of individual regional organisations was not excluded. In contrast, the consultation reveals a surprisingly high degree of inclination to institutional experimentation. This inclination seems appropriate, if not necessary, at least with regard to the Northern Dimension, which in its present form cannot serve as the external pillar of the Strategy. Further thought must be given to this and other institutional issues. And future discussions should no longer ask whether new institutional structures or mechanisms are to be created, but which ones and how. The consultation has brought forth a number of interesting ideas. One idea that could deserve further consideration is linking the Northern Dimension more closely to the CBSS, which due to its membership composition and organisational structure would fulfil all requirements to become the main arena for cooperation between the EU and Russia or other third countries.

Apart from the Northern Dimension, it should generally be kept in mind that all relevant institutions of the Baltic Sea cooperation already involve Russia and other third countries. Thus if implementation of the Strategy really requires institutional reform it would be much more useful to develop new structures or mechanisms that refer solely to the EU member states of the region – without participation of third countries on equal terms. Otherwise, the risk of duplication or overlap with existing institution would be difficult to avoid.

Finally, the outlook for the Baltic Sea Strategy of the EU contains both good and bad news. The bad news is the global financial and economic crisis, which has begun to make a deep impact on all countries in the region and in particular the Baltic states. The crisis could have a debilitating effect on the stakeholders' commitment to the EU Strategy. The good news, on the other hand, proceeds from the assumption that the Strategy will need time and patience to be brought to life. Tangible results are unlikely to be achieved within one or two years, but more probable in the medium and long term. This is primarily because the action plan can only be implemented within the limits of the present Financial Perspective of the EU until 2013. At the same time, there will be many opportunities in the coming years to further develop the Strategy and to introduce common strategic interests into the ongoing review of EU policies (Financial Perspective; Trans European Networks; Structural Funds; Common Agricultural and Fisheries Policies etc.). Only then can the great potential of the EU strategy for the Baltic Sea Region be fully unleashed.

Acronyms and Abbreviations

B7	Baltic Islands Network
BaltMet	Baltic Metropolises
BASTUN	Baltic Sea Trade Union Network
BDF	Baltic Development Forum
BSAP	HELCOM Baltic Sea Action Plan
BSPC	Baltic Sea Parliamentary Conference
BSR	Baltic Sea Region
BSSSC	Baltic Sea States Subregional Co-operation
CBSS	Council of the Baltic Sea States
CCB	Coalition Clean Baltic
CPMR	Conference of Peripheral Maritime Regions
	DG ENV Directorate-General for the Environment
DG MARE	Directorate-General for Maritime Affairs and Fisheries
DG REGIO	Directorate-General for Regional Policy
DG RELEX	Directorate-General for External Relations
EIB	European Investment Bank
EIF	European Investment Fund
HELCOM	Baltic Marine Environment Protection Commission
ICT	Information and Communication Technologies
IFI	International Financial Institutions
ND	Northern Dimension
NDPTL	Northern Dimension Partnership on Transport and Logistics
NGO	Non-governmental Organisation
NIB	Nordic Investment Bank
OMK	Open Method of Coordination
SME	Small and Medium enterprises
TEN-E	Trans-European Energy Networks
TEN-T	Trans-European Transport Networks
UBC	Union of the Baltic Cities
VASAB	Vision and Strategies around the Baltic Sea 2010
WWF	World Wide Fund for Nature

List of Analysed Documents

National governments

<i>Country</i>	<i>Title of document</i>	<i>Date</i>
Denmark	Danish thoughts on the EU strategy for the Baltic Sea Region	24 Sep 2008
Germany	Preparing an EU Strategy for the Baltic Sea Region - A Contribution from Germany	25 Sep 2008
Estonia	Ideas For the Baltic Sea Region Strategy	n.s. [July 2008]
Finland	Preparation of the EU's Baltic Sea Strategy: Finland's objectives for the priorities of the Strategy	25 Feb 2008
Latvia	The EU Strategy for the Baltic Sea Region - A Latvian Version	14 July 2008
Lithuania	Lithuanian proposals for the EU Baltic Sea Strategy	30 May 2008
Poland ¹	Cohesion and competitiveness of the Baltic Sea Region - Contribution from the Government of the Republic of Poland into the works on the EU Strategy for the Baltic Sea Region	01 June 2008
Poland ²	Cohesion and competitiveness of the Baltic Sea region – from vision to actions: The second contribution of the government of Poland into the works on the EU Strategy for the Baltic Sea region	28 Nov 2008
Sweden ¹	A Healthy and Prosperous Baltic Sea Region- A Swedish contribution to the preparation of an EU Strategy for the Baltic Sea Region	14 May 2008
Sweden ²	A European Strategy for the Baltic Sea Region Food For Thought	06 Sep 2007

Subnational governments

<i>Region</i>	<i>Title of document</i>	<i>Date</i>
Local Government Denmark	Consultation – EU Strategy for the Baltic Sea Region Contribution from Local Government Denmark	23 Dec 2008
Land government of Mecklenburg-Vorpommern, Germany	Zusammenfassung der Diskussionen und der Ergebnisse des Workshops EU-Strategie für die Ostseeregion, Positionsbestimmung für Mecklenburg-Vorpommern	02 June 2008
Land government of Hamburg, Germany	Contribution by the Free and Hanseatic City of Hamburg to the EU Baltic Sea Strategy	01 Sep 2008
Land government of Mecklenburg-Vorpommern ¹ Germany	Contribution of the state of Mecklenburg-Vorpommern to the EU Strategy for the Baltic Sea Region	25 Sep 2008
Land government of Mecklenburg-Vorpommern ² Germany	Entwurf Stand 10.12.08: Beitrag des Landes Mecklenburg-Vorpommern im Rahmen des Konsultationsverfahrens der Europäischen Kommission zur EU-Ostseestrategie	10 Dec 2008

Land government of Mecklenburg-Vorpommern, Germany	Zusammenfassung der Diskussionen und der wesentlichen Ergebnisse des Workshops „Die EU-Ostseestrategie und Mecklenburg-Vorpommern“ in Rostock	11 Dec 2008
Helsinki Region, Finland	Perspectives of the Helsinki Region on Major Baltic Sea Policy Challenges in the European Union	14 Apr 2008
Eastern Norway County Network	INNSPILL TIL EU - EU Strategy for the Baltic Sea Region	05 Dec 2008
Voivodeship government of Warminsko-Mazurskie, Poland	Future EU Baltic Sea Strategy - Position of Warminsko-Mazurskie Voivodeship - Assumptions to EU Baltic Sea Strategy	n.s. [2008]
Voivodeship government of Zachodniopomorskie, Poland	Position of the Government of the Zachodniopomorskie Voivodship concerning the Strategy of the European Union for the Baltic Sea Region	n.s. [2008]
Convent of Marshals, Poland	2 nd Position of the Convent of Marshals of the Republic of Poland on the EU's Baltic Sea Region Strategy	18 Dec 2008
Swedish Association of Local Authorities and Regions	EU strategy for the Baltic Sea region – position of the Swedish Association of Local Authorities and Regions	08 Feb 2008
Blekinge Region, Sweden	Position paper and input of Region Blekinge to the EU Strategy for the Baltic Sea region	04 June 2008
Scania Region, Sweden	Outline for an EU Baltic Sea Strategy	13 Aug 2008
Southern Sweden (Sydsam)	Outline for an EU Baltic Sea Strategy	10 Sep 2008

Baltic Sea Region Organisations

<i>Organisation</i>	<i>Title of document</i>	<i>Date</i>
Union of Baltic Cities (UBC)	Contribution of the Union of Baltic Cities to the Baltic Sea Strategy of the European Union	n.s. [2008]
B7 Islands	B7 Bornholm Position Paper Notes EU Strategy for the Baltic Sea Region	27 Aug 2008
Baltic Metropolises (BaltMet)	Baltic Metropolises Position Paper On The EU Strategy For The Baltic Sea Region	Sep 2008
Mid Nordic Committee (Norway, Sweden, Finland)	EU Strategy for the Baltic Sea Region – the views of the Mid Nordic Committee	11 Sep 2008
Oresund Committee (Denmark, Sweden)	EU:s Östersjöstrategi	29 Sep 2008
Euroregion Baltic	Resolution adopted on 20 th November 2008 by Euroregion Baltic Council expressing position towards an EU Strategy for the Baltic Sea Region	20 Nov 2008

Baltic Sea States Subregional Co-operation (BSSSC), B7, Euroregion Baltic, Baltic Development Forum (BDF), Conference of Peripheral Maritime Regions (CPMR), Union of Baltic Cities (UBC)	A competitive region in a globalized world	01 Dec 2008
Baltic Sea States Subregional Co-operation (BSSSC), B7, Euroregion Baltic, Baltic Development Forum (BDF), Conference of Peripheral Maritime Regions (CPMR), Union of Baltic Cities (UBC)	A competitive region in a globalized world - Appendix	01 Dec 2008
Baltic Sea States Subregional Co-operation (BSSSC) Youth Network / BSSSC Working Group on youth policy	Let's shape the future of our BSR together!	01 Dec 2008
Baltic Sea Parliamentary Conference (BSPC)	European Commission Consultation on the EU Strategy for the Baltic Sea Region - Views of the Baltic Sea Parliamentary Conference	17 Dec 2008
Baltic Sea States Subregional Co-operation (BSSSC) Youth Conference	Let's shape the future of our BSR together!	04 Feb 2009

Non-governmental organisations

<i>Organisation</i>	<i>Title of document</i>	<i>Date</i>
Sassnitz Port Authority, Germany	Fährhafen Sassnitz - „Workshop – EU-Strategie für die Ostseeregion“	02 June 2008
Coalition Clean Baltic (CCB)	Proposals for components for the Action Plan of the objective “To make the Baltic Sea Region an environmentally sustainable place”	30 Sep 2008
Baltic Sea Trade Union Network (BASTUN)	The Baltic Sea Strategy for Fair and Functional Labour Markets - Trade Union Standpoints on the Baltic Sea Strategy	24 Nov 2008
World Wildlife Fund (WWF)	Public consultation on the EU strategy for the Baltic Sea region	15 Dec 2008
BalticSea2020	Baltic Sea 2020 Position Paper: To the European Commission on the EU Strategy for the Baltic Sea Region	22 Dec 2008
Baltic Institute, Finland	Contribution of the Baltic Institute of Finland to the preparation of the EU Strategy for the Baltic Sea Region	29 Dec 2008

European Union

<i>Institution</i>	<i>Title of document</i>	<i>Date</i>
Europe Baltic Intergroup (EP)	Europe's Strategy for the Baltic Sea Region	n.s. [15 Nov 2005]
European Parliament (EP)	A Baltic Sea Strategy for the Northern Dimension	16 Nov 2006
Committee of Regions (CoR)	Position Paper of the Interregional Group „Baltic Sea Regions“ of the Committee of the Regions on an EU Strategy for the Baltic Sea Region	10 Apr 2008
European Commission	Summary stakeholder confernece Stockholm	30 Sep 2008
European Commission	Roundtable on environmental issues organised in Gdansk on 13 November 2008	13 Nov 2008