



CENTRAL BALTIC
INTERREG IV A
PROGRAMME
2007-2013

The Annual Report 2010 on the implementation of the European Union Strategy on the Baltic Sea Region of the Central Baltic IV INTERREG A Programme 2007-2013

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1. Introduction

The Central Baltic INTERREG IV A Programme 2007–2013 (hereinafter Programme) - approved by the European Commission on 21.12.2007 - aims at increased co-operation across the borders of the Central Baltic Sea region. Altogether 96 million Euros from the European Regional Development Fund are available for projects from the participating regions of Estonia, Finland including the Åland Islands, Latvia and Sweden with the total ERDF funding Technical Assistance included being slightly over 102 million Euros. All projects participating in the Programme must involve partners from at least two countries. The Programme consists of the overall **Central Baltic Programme**, the **Southern Finland – Estonia** and the **Archipelago and Islands Sub-programmes**. The common priorities of all three programmes are:

Priority 1. Safe and healthy environment

Priority 2. Economically competitive and innovative region

Priority 3. Attractive and dynamic societies

Within these common priorities, the Central Baltic Programme and the two sub-programmes have their specific focuses deriving from geographical and thematic needs and opportunities of the respective area as defined in the Programme document. The fourth priority is for the technical assistance. The Programme had at the end of 2010 65 running projects approved in the calls 1-3 and additional 18 Call 4 project proposals approved by the Steering Committees during October 2010 (total 83 approved projects). This constitutes total 72,1 million Euros of ERDF funding granted which is 75,1 % of the total ERDF funding (96,0 million Euros) available for projects. The average total project budget is 1,1 million Euros and the average ERDF per project is 0,89 million Euros.

Completely new aspect to the Programme implementation since 2009 has been the new EU Strategy for the Baltic Sea Region (EUSBSR) which was endorsed by the European Council at the end of 2009 as the first ever macro-regional strategy in the EU. As the EUSBSR implementation requires - as called for by the European Union that structural fund programmes as well as other funding sources/institutions apply the strategy, the MA/JTS and participating Member States/Åland developed a Programme specific systematic approach to the matter during 2009 and further complemented 2010 as described below.

2. Quantitative information

After calls 1-4 the Programme is financing 53 projects labelled as described below in Chapter 3 constituting more than 46 million Euros total. In addition 2 projects have been given the status of contributing directly to the Flagship projects with over 1,4 million Euros allocated to them. Total 24,5 million Euros have been allocated to projects being in link with EUSBSR.

Quite a considerable amount of allocated ERDF funding have been granted to projects having identified as investment projects. By investment project is meant such a content where physical investments of different kind play an important role although not being the sole content of the project.

Table 1: Allocated total ERDF funding 2007-2010 in relation to the EUSBSR

Main Priority areas of the strategy	ERDF amount (€) of projects in link with the Strategy	ERDF amount (€) financing flagship projects identified in the action plan of the strategy	ERDF amount (€) of other projects contributing to the strategy
R&D			2 412 345,98
Innovation	5162 995,03		1 531 275,00
Energy			762 398,00
Transport	1 694 873,37		2 755 498,00
Environment	12 006 776,08		10 518 998,42
Other ¹	5 644 398,97	1 429 876,02	28 101 385,38
Total ERDF	24 509 043,45	1 429 876,02	46 081 900,79

Table 2: Share of ERDF investments contributing to priority areas of the strategy (sum of flagship projects + other projects contributing to the strategy)

Main priority areas	ERDF amount (in M €)
<i>R&D</i>	2 412 345,98 €
<i>innovation</i>	1 531 275,00 €
<i>energy</i>	762 398,00 €
<i>transport</i>	2 755 498,01 €
<i>environment</i>	10 518 998,42 €
<i>other</i>	29 531 261,40 €
<i>Total ERDF amount</i>	47 511 777
Total ERDF amount of OP (TA included)	102 179 012

¹ The group "Other" consists of projects deriving from various regional cross border development needs covering innovative, environmental, social and cultural features however not directly attributable to the categories set in the table 1. The same information applies to table 2.

3. Qualitative information

Already in May 2009, the Programme's role in the implementation of the EUSBSR was discussed by a EUSBSR Task Force established by the Monitoring Committee and consisting of representatives from the Programme's Member States as well as from the MA and JTS. The findings of this Task Force were presented in November 2009 to the Monitoring Committee and the latter agreed to take various steps which set the agenda for EUSBSR related activities and actions of the Programme (for details please consult Annual Report 2009, chapter 2.7). 2010 was then the first full year of Programme implementation with the EUSBSR in place. The Programme continued to actively support the implementation of the EUSBSR as the priorities widely correspond to each other by following the **decisions taken by the Monitoring Committee in November 2009**. To this aim were further developed and fine tuned internal EUSBSR related procedures, own structures trained and external target groups informed about the Programme's role in the EUSBSR implementation.

Starting from the 4th call for applications (May 2010), the **application form includes a new input field where all project applicants are asked to explain if and how they see their project supporting the EUSBSR**. Project applicants in the Central Baltic Programme (not the Southern Finland – Estonia or the Archipelago and Islands Sub-programme) which even see their project belonging to one of the EUSBSR Flagship projects mentioned in the Action Plan will have additionally to provide a letter of recommendation by the respective Priority Area Coordinator (a template has been made available on the Programme's website²). Enabling the applicants to elaborate on their project's relevance for the EUSBSR then required the EUSBSR to be part of any project generation (Project Development Seminars) and consultation activities.

The information provided by the applicants in the EUSBSR input field (and, if applicable, the letter of recommendation) will be evaluated by the JTS in the **assessment of project applications as if it was a selection criterion** (even if it is officially not) and will become part of the assessment reports provided to the Steering Committees. Hereby, the Steering Committees are enabled to take into account the relevance of the projects for the EUSBSR when taking funding decisions without it being a formal selection criterion. This was first done for the 4th call applications. Reality has though shown that the relevance of a project (application) for the EUSBSR did not play an explicit role in the funding decision discussions in the Steering Committees in October. This was predictable taking into account the discussions at the information and training day organized by the JTS for Steering Committees in September in which 12 of the total 118³ Steering Committee (deputy) members took part.

Approved projects which support the implementation of the EUSBSR are highlighted in the Programme's publicity measures (e.g. the Programme's project booklet "Showcase Brochure") if **labeled relevant for a certain priority area or being mentioned in the**

² Feedback has been received from Priority Area Coordinators if there is a need for a template or if it could not be handled in a less formal way, if a simple confirmative e-mail by the Priority Area Coordinator would not be sufficient.

³ This figure of 118 is based on the number of (deputy) seats per committee per Member State/Åland not taking into account that some persons are (deputy) members in more than one committee and if all Member States/Åland have nominated the full amount of possible (deputy) members.

Action Plan as (part of) a flagship project. Originally, the Monitoring Committee had decided that labeling was to be done by the Priority Area Coordinators, not the JTS. The first labeling exercise for 1st and 2nd call projects was conducted between December 2009 and February 2010. An individualized e-mail with pre-selected projects based on a comparative table "EUSBSR priority areas vs. Programme priorities directions of support" and summaries of all approved projects were sent to all 17 Priority Area Coordinators (priority area 12 counted as three, in total to 50-60 persons). The coordinators were given a "deadline" of 6-8 weeks which was followed up by e-mails and phone calls. Labels were then given to projects only on the basis of a "positive" message from the respective Priority Area Coordinator.

In general the Priority Area Coordinators appreciated this pro-active approach very much. However, the feedback rate in the **first labeling exercise of 1st and 2nd call projects** was 70% or 12 out of 17 coordinators replied and labeled 26 of the 46 projects. Some coordinators though questioned if the labeling is really to be done by them or not rather the Programme (JTS)? This experience and feedback raised first questions if leaving the labeling to 17 Priority Area Coordinators with some 50-60 persons involved really does contribute to a coherent labeling of all projects. Later during 2010, the **labeling of the 3rd call projects** was conducted in a similar way. Compared to the first labeling exercise, the feedback this time was even lower with only 59% or 10 of 17 coordinators replying at all (labeling 12 of 19 3rd call projects, partly labels for more than one priority area). Again, in general, the coordinators were very thankful for the pro-active approach and information received.

Replies were not received from all Priority Area Coordinators due to lack of human and time resources and the understanding expressed by one coordinator that labeling is not a coordinator task. Therefore, **the question of who is supposed to label approved projects (coordinators or JTS) was raised in the Monitoring Committee and it was suggested that from the 4th call on the labeling is to be done by the JTS.** The reasoning behind was the question if labeling based on feedback from approximately only half of the coordinators is coherent and fair towards all projects? What about those projects where the coordinator did not reply at all? These projects could actually have deserved a label?! As the projects and their relevance from the 4th call on anyway is assessed by the JTS during the application assessment, with the JTS labeling approved projects a more coherent and fair treatment of all projects could be assured. The Monitoring Committee at its meeting on 10 November 2010 then decided in this way. Even if the labeling of approved projects is now to be done (4th call labeling exercise started in October 2010), the Priority Area Coordinators will of course be kept informed about the approved projects and provided an opportunity to comment on the labels foreseen by the JTS before being published.

Regarding the two calls for applications with funding decisions in 2010 (3rd and 4th call), the projects were labeled by either the Priority Area Coordinator (3rd call) or the JTS (4th call) as indicated in the table in **Annex 1**. The few projects not having received a label and hereby perceived as *contributing to the strategy* can however, due to the congruence between EUSBSR and Programme priorities, be considered as *being linked with the strategy*.

Not only with regard to the labeling, but in general **close contacts and cooperation with the Priority Area Coordinators have been established.** The latter are regularly informed about the Programme activities and co-financed projects and some joint activities

have been conducted. E.g. to tackle the challenge to allocate the remaining funding especially in the Programme's priority 2 (Economically competitive and innovative region) the coordinators of those priority areas fitting to the Programme priority 2 have been approached and joint actions to generate projects in this field discussed at a meeting with the coordinators of the priority areas 7, 8 and 12 Tourism in October. One of the "standard obstacles" for the coordinators is that the Programme covers only some part of the Baltic Sea Region, though their project partnerships in mind might be composed of partners from countries within and outside our Programme area. Finally, part of the annual reporting for 2009 was devoted to the EUSBSR and specific sections included into the Programme's Annual Report 2009 in line with the Commission's Reference Document.

In addition, **various measures were taken to inform and train both the main Programme stakeholders on the EUSBSR and its impact on the Programme, but also the wider public about the Programme's support to the implementation of the EUSBSR.** Firstly, the sub-page on the Programme's website on the EUSBSR has been updated upon need. The information from the website was then converted into a fact sheet and distributed at bigger events like the Baltic Sea Region Programme Conference in December in Jyväskylä. One aim in the publicity efforts related to the EUSBSR was to underline that also the Programme although being a cross-border and not transnational cooperation Programme can contribute with its projects to the implementation of the EUSBSR. This required often a pro-active approach suggesting to include into overviews, reports etc. projects co-financed by the Programme (and other CBC Programmes). Besides Central Baltic projects being mentioned in the various documents prepared for the HELCOM Baltic Sea Action Plan Stakeholder Conference in Helsinki in March on activities in the various fields of HELCOM action, another example in this regard is the situation analysis on place branding and place promotion efforts in the Baltic Sea Region by the BaltMet (Promo project) acting as leader of the EUSBSR horizontal actions to build a regional identity (cf. pages 26-27, www.baltmetpromo.net/public/branding.html#horizontal).

EUSBSR related events organized by the Programme (and financed mainly by the Programme's technical assistance) or in which the MA or JTS participated were:

EUSBSR related events organized by the JTS:

- 10 March, Tallinn/Estonia, Thematic project generation event "From priorities to action" with two out of three thematic speakers being Priority Area Coordinators (1 and 12 Education)
- 14 September, Turku/Finland, EUSBSR Information and training day for the Programme's three Steering Committee members (and JTS, in cooperation with Interact Point Turku)
- 29 September, Riga/Latvia, Programme's annual event "Showcase Conference" with one out of 6 working sessions on the "EU Strategy for the Baltic Sea Region – An opportunity to joint forces"
- 13 October, Tallinn/Estonia, Priority 2 project generation meeting with Priority Area Coordinators 7, 8 and 12 Tourism

External EUSBSR related events in which **the MA and/or JTS participated:**

- 2 February, Helsinki-Vantaa/Finland, EUSBSR Laboratory Group (organized by Interact Point Turku)
- 26 February, Turku/Finland, Baltic Sea Region University Network Forum "Political Dimensions of the implementation of the European Union Strategy for the Baltic Sea Region"
- 8-9 March, Tallinn/Estonia, Conference The EU Strategy for the BSR - A new challenge for knowledge based regional and local governance and cooperation, participation in round table discussion "The role of local and regional dimension in applying the European Union Strategy for the Baltic Sea Region" and info stand (organized by Tallinn University together with various other organizations)
- 11 March, Riga/Latvia, 1st Working meeting of Priority area coordinators, OPs (MA/JTS) and European Commission, presentations "Implementing EUSBSR – Findings of the Interact Laboratory Group" and "Implementing EUSBSR – Example of actions taken by a CBC-Programme"
- 16-17 March, Bratislava/Slovakia, Workshop Territorial cooperation adding value to the Danube area, presentation "EU Strategy for the Baltic Sea Region and its implications for ETC Programmes/Social Funds" (organized by Interact Point Vienna)
- 3 May, Gävleborg/Sweden, EUSBSR Day, Programme presentation (organized by Region Gävleborg)
- 9 June, Riga/Latvia, National seminar on EUSBSR implementation (organized by the Latvian Ministry for Foreign Affairs and Interact Point Turku)
- 2 September, Vilnius/Lithuania, Implementation of the EUSBSR within ETC CBC Programme Lithuania-Poland and CBC ENPI programme Latvia-Lithuania-Belarus (presentation on lessons learned in the implementation of the EUSBSR) (Interact advisory service/workshop organized by the Interact Point Turku)
- 8 September, Helsinki/Finland, National seminar "EUSBSR – How does Finland respond", presentation "Central Baltic INTERREG IV A Programme 2007-2013 & EUSBSR" (organized by Finnish Ministry for Employment and the Economy together with Interact Point Turku)
- 8 September, Turku/Finland, Kick-off event of Flagship project "Attract tourists to rural areas especially to coastal ones" (Priority area 12 Tourism)
- 22 September, Brussels/Belgium, EUSBSR Laboratory Group (organized by Interact Point Turku)
- 14 October, Tallinn/Estonia, EUSBSR Laboratory Group (organized by Interact Point Turku)
- 14-15 October, Tallinn/Estonia, 1st Annual EUSBSR Stakeholder Forum
- 27 October, Copenhagen/Denmark, Seminar on project development and funding (in priority area 12 Health), Programme presentation (organized by NDPHS together with Interact Point Turku)
- 1 December, Jyväskylä/Finland, EUSBSR Laboratory Group (organized by Interact Point Turku)

Acknowledging the importance of the EUSBSR, the strategy has also been an **essential part of the already completed mid-term evaluation and will also be part of the ongoing follow-up evaluation**. The mid-term evaluation aimed at answering how the relevant aspects/pillars of the EUSBSR have been taken into account in the actual Programme implementation and if there has been any impact? For the ongoing

programming period, the mid-term evaluation concludes that since the Programme is contributing considerably to the EUSBSR no recommendations are necessary. For the upcoming period the evaluators recommend that for a programme like the Central Baltic INTERREG IV A Programme 2007-2013 *"it is proposed not to elaborate any new and detailed strategy of its own, but rather to assume the European Union Strategy for EUSBSR as its main document of strategy guidance. The Programme Document then could identify parts of the strategy that it would like to be part of. The latter to be done in close co-operation with the other ETC and mainstream programmes of the Baltic Sea Region."* Especially the recommendation regarding the upcoming programming period is still to be discussed within the Programme and its Member States/Åland.

4. Conclusions

The EUSBSR and the procedure created for the Programme has now been "tested" in practice twice during 2009 and 2010 and has indeed been an interesting challenge with both positive constructing experiences and naturally also less convincing outcomes leaving room for further developments. It must be kept in mind that although from a single Programme point of view the EUSBSR can be taken into account relatively smoothly regarding the very basic procedures (labeling, reporting, strategy promotion etc.) the very challenges lay elsewhere. As has been brought up in the various conferences and events organized in this matter, the biggest challenges are related to questions like how to ensure that all the development actors/organizations are aware of various financing possibilities, how to ensure proper and realistic networking on the matter, how to coordinate between different financing programmes especially taking into account the different implementation environment of territorial co-operation and mainstream programmes for instance etc. It would be equally important also to ensure the proper connections between the macro -regional areas most notably so far between BSR and the Danube region. It would be extremely important to have the overall "machinery" running as smoothly as possible already when the new programme period 2013+ will be launched.

In addition it should be mentioned that although there is no direct connection between overall economic or political situation and European Strategy for Baltic Sea Region (EUSBSR) at any given time, the existence of the EUSBSR could – *at best* - provide a stable framework for various relevant actors in terms of predictable Baltic Sea Region policy making environment therefore maybe offsetting some of the more unstable impacts by pure economic and/or political fluctuations.

It can be concluded after all that the Programme and its projects have performed well in supporting the implementation of the EUSBSR based for instance on the following facts. Firstly, since the Programme has been invited to share its experiences with the implementation of the EUSBSR with actors involved in the strategy both in the Baltic Sea region and also the Danube Strategy region. Secondly, by now two projects co-financed by the Programme are included in the Action Plan as (part of) a Flagship project: VOMARE (Voluntary Maritime Rescue) for priority area *14.1 Assess volunteer troops capacities regarding maritime pollution response, as well as maritime search and rescue operations* and BTP (Baltic Training Programme) for priority area *12.5 Education*. And thirdly, the Report

from the European Commission on The Implementation of the EU Strategy for the Baltic Sea Region 2010 states as lessons learned on page 4: "*The alignment of funding of the Structural Funds programmes with the implementation of the Strategy has generally proven to be more challenging than expected. There have been some notable exceptions to this, such as the Central Baltic programme, the Baltic Sea Region Programme and the Swedish competitiveness programmes.*"

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Annex 1

Priority Area ⁴ → Project ↓	1	2	3	4	5	6	7	8	9	10	11	12 E	12 T	12 H	13	14	15
Total	1	1	2	1	2	0	5	6	1	6	3	7	6	4	1	1	0
3rd call	0	0	0	0	0	0	0	1	0	4	0	5	4	1	0	0	0
BACES													x				
COFREEN										x		x					
FORTE								x				x					
GoVeSa LINK													x				
HELTH										x							
INFACTO												x	x				
SHIPWHER													x				
SUSBIO										x							
VIRTU														x			
WOODENERGY										x							
Yo!BaNa												x					
YOUTH SPACE												x					
4th call	1	1	2	1	2	0	5	5	1	2	3	2	2	3	1	1	0
BASIS							x	x									
BECOSI			x														
COMCOT							x	x					x				
CULT IDENTITY													x				
DigiEduEt								x									

⁴ 12E = Education; 12T = Tourism; 12H = Health.

DNSE												x					
ELDEM														x			
ENEF					x					x							
FaBBI								x									
FOODWEB																	
Global Vision							x	x									
Green Islands	x	x	x		x		x			x							
Hewenet							x							x			
H-TTransPlan												x					
KNOWSHEEP										x							
MIMO												x		x			
PENTA				x								x				x	
RIMA												x					x