

BULLETIN

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Review of the EU Strategy for the Baltic Sea Region: Key Challenges

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A year and a half after its launch, the EU Strategy for the Baltic Sea Region has revealed some significant flaws resulting from its structure, unclear objectives, inadequate financing and opaque governance. The initial high political support for the instrument has also dropped, and Poland will have to face all these challenges during the review of the Strategy scheduled to take place during the Polish presidency of the EU Council. Although this issue is of secondary importance to the priorities of the presidency and to the key challenges facing the Union today, Poland should make an effort to hammer out clear guidelines for reviewing macroregional strategies in the future.

Challenges in the Baltic Sea Region. The extensive network of intergovernmental, local, and NGO cooperation that flourished after 1989 has failed to bring about the results expected and progress remains inadequate to address the major challenges. Cooperation in environmental protection and maritime transport regulation remains minor; significant differences persist in the economic development of the Baltic states; and some topics are never discussed at the regional fora as the countries of the region remain divided over such problems as conventional security, the development of energy policies or the EU budget. Cooperation is additionally undermined by the relatively small interest in Baltic affairs demonstrated by the region's largest countries, i.e. Germany, Poland and Russia—a fact often attributed to the principle of consensus in force in regional organisations and an absence of incentives or sanctions. The principle of consensus has taken the most controversial issues (e.g. nuclear energy) off the agenda, shifting the focus to less important areas. The situation changed somewhat with the two EU enlargements of 1995 and 2004, as the *acquis communautaire* and financial subsidies introduced a new system of incentives, pushing forward some projects, for instance in transport infrastructure.

Weaknesses of the Strategy. The process of developing the EU Strategy for the Baltic Sea region was initiated after 2004 as a group of MEPs known as "Baltic Europe" was hoping to give new impetus to regional cooperation in the changing geopolitical situation. Sweden had supported the instrument in the EU Council, and it was under that country's presidency that the Strategy was adopted, as the first "macro-regional strategy for the EU." The innovative aspects of the Strategy included a cross-sectoral approach, as its pursuit requires cooperation between actors at the local, national, as well as EU level.

As a result, problems of the region can now be discussed at the Community level. More frequent meetings have stimulated cooperation by boosting interest in the region among the less active member states. On the other hand, this process must not be conducted at the expense of the non-Baltic EU members. Hence the Strategy was based on the principles: "no new EU money, no new EU institutions, no new EU legislation." Even the process of defining the goals of the Strategy was far from ordinary: instead of being defined at the outset of the process, the objectives were formulated at the very end. The European Commission had first chosen the proposed projects to be pursued within the framework of the Strategy, and only then did it classify them under four general categories of goals. As a result, the Strategy is vague, with the projects often overlapping with earlier initiatives.

Moreover, most countries provide no additional funding for the projects, thus undermining significantly the motivation to develop them. The governance of the Strategy is not precise either:

despite the involvement of numerous actors, it is hard to say who exactly is responsible for the Strategy's success or failure. Last but not least, it is impossible to define precisely the actual aim of the Strategy. Under the Strategy, the Baltic Sea region should be an easily accessible, attractive, safe, secure and prosperous area of sustainable development. Unless a hierarchy of these goals is introduced, we can expect either a clash of interests or a lack of decisive progress in regional cooperation.

Review of the Strategy. Under the Strategy, its guidelines and implementation are to be reviewed annually, and additionally by the Baltic state holding the EU presidency. The Polish review will be unprecedented, as no guidelines for its completion have been formalised, leaving room for manoeuvre, so the shape and intensity of future regional cooperation will to a large extent rest upon the degree of Poland's involvement. While it might be relatively easy to overcome the technical weaknesses of the Strategy, the review of its goals and projects selected to achieve them will be much more challenging. Moreover, the heated debate will focus on funding for all macroregional strategies from EU sources.

In light of the above, enhanced interoperability should become the starting point for the review. The Strategy can be simplified and clarified by presenting the existing projects classified in priority areas and pillars on an online platform. The latter should be modelled on the existing project management portals and include information on fundraising options, potential partners for a project, etc. The artificial division of projects into flagship projects and horizontal actions should also be eliminated, as in practice flagship projects often pursue the principal aim of horizontal actions, which is to increase the region's territorial cohesion.

The efficiency of the Strategy can be increased by an enhanced involvement of the EC. Otherwise, the Strategy will be at risk of suffering the same weaknesses as the other Baltic cooperation fora. To avoid this, the EC should commission a study on the causes of low efficacy of the existing regional organisations. Only then can the goals of the Strategy be adequately defined. These should combine the interests of the rim states, but through negotiations rather than consent. As an example, the strategic "Clean Sea" and "Sea of Technology" goals could be defined. The Nordic countries aim at improving the environmental state of the Baltic, while Poland and the Baltic republics would profit from diminishing economic disparities through cooperation in technology and innovation.

A revision of the goals and measures for their attainment is of a crucial importance for the Strategy. Due to the time constraints, however, a discussion on this topic can be initiated, but not completed, during the Polish presidency, and it will most likely continue during the following presidency (Denmark). The question of funding for macroregional strategies in the new EU financial framework will be both challenging and time-consuming. On the one hand, additional funding is crucial for the development of projects, but, on the other, decisions should be taken with caution as long as the aim and scope of macroregional strategies remain vague. For now, an absence of a precise definition of a "macroregion" means that the instrument might be misused, as it could be interpreted as embracing practically all regional forms of cooperation.

The funding could be provided by national funds created especially for the purpose, but this would require political support. Meanwhile, the review of the Strategy is not a top priority for the Polish presidency, and neither is it among the leading challenges facing the EU today. But Poland's involvement could nonetheless be significant, providing an opportunity to flesh out macroregional development so that Baltic cooperation might become exemplary. Otherwise, the Strategy will join the club of other cooperation institutions of minor efficiency.