

Baltic Sea Region INTERREG IIIB Neighbourhood Programme

Current Priorities & Measures

Priority 1. Promotion of spatial development approaches and actions for specific territories and sectors

Measure 1.1. Supporting joint strategies and implementation actions for macro-regions

Measure 1.2. Promoting sustainable spatial development of specific sectors

Measure 1.3. Strengthening integrated development of coastal zones, islands and other specific areas

Priority 2. Promotion of territorial structures supporting sustainable BSR development

Measure 2.1. Promoting balanced polycentric settlement structures

Measure 2.2. Creating sustainable communication links for improved spatial integration

Measure 2.3. Enhancing good management of cultural and natural heritage and of natural resources

Priority 3. Transnational promotion of institution building, strengthening the capacity for spatial development activities

Description of the programme objectives, main activities and expected effects/impacts (from the draft Programme Complement)

Priority 1:

Promotion of spatial development approaches and actions for specific territories and sectors

Measure 1: Supporting joint strategies and implementation actions for larger development zones or macro-regions

Measure 1 will in particular support a better BSR integration through strategic development of sub-regions. **Development concepts and concrete pilot actions for larger development zones or macro-regions within the BSR** will therefore be promoted. Strategic development zones (macro-regions) represent in general areas with significant economic growth potentials or consist of high trans-border disparities in socio-economic development. These macro-regions might be used and activated by transnational cooperation. These regions are wider than border regions according to EU Interreg "A" programmes. They exceed the capacities of inter-municipal cooperation, though local and regional authorities play an important role. They are characterised of closeness to borders and require a strong, transnational concerted and contiguous involvement of sub-national and national levels.

The whole BSR should be covered by different, overlapping each other, macro-regional co-operation networks. Some of them should also integrate BSR with other pan-European regions. This would strengthen the BSR integration and improve BSR position in the global economy. The development of strategic zones should also enhance and contribute to overcoming main BSR divisions (listed in point 5.1. of CIP). Therefore the preference will be given to the zones

strengthening territorial cohesion with Russia (incl. Kaliningrad oblast) and Belarus and zones better integrating Northern Germany and Northern Poland, Baltic States and Barents region with the rest of BSR.

Through concentration of activities on such (trans-regional) interaction areas, a more concrete (compared to overall BSR concepts) learning process, management and implementation of activities can be anticipated. Projects can draw on experience from INTERREG II C (e.g. in South-western, South-eastern and Central BSR or Via Baltica Development Zone). Also experiences flowing from the twinned PHARE CBC/INTERREG programme are of particular interest of prospective project partners in translating common actions to joint transnational spatial development strategies in specific macro-regions.

The process-oriented approach of regional authorities, the preparation of spatial development concepts, the installation of a strategic management and a continuous generation of pilot actions and projects and other implementation activities, also such, having an investment component. The new programme could help implement the results gained under INTERREG II C.

Moreover, measure 1 will help preparing and further developing respectively **spatial development strategies and activities covering the whole BSR**, in particular those having a clear operational component, supporting integration and strengthening the BSR competitiveness, including cooperation on SME:s and knowledge exchange. For instance binding together new evidence, results and strategic approaches gained through projects on transport corridors, pan-Baltic intermodal transports, city cooperation, integration of remote areas and development of thematic cultural tourism routes.

In view of the principles of ESDP, CEMAT, and the VASAB 2010-process and of the different traditions and situation of BSR countries, **a common understanding of spatial planning approaches and innovative methods** in a transnational context will also be promoted.

The enlargement process poses entirely new challenges for politicians and decision-makers throughout the Baltic Sea Region. Along with expansion of the European Union eastwards, a new regional level of administration is in the course of operation. The new Member States are welcome to formulate their strategic plans of development on regional level. New regional authorities are being established with increased power to tackle different problems, among others those related with spatial arrangement and consequences of new infrastructure investments co-financed from EU funds.

Expected projects under this measure are very comprehensive and cross-sectoral, dealing with different types of activities, enhancing sustainable development and intra macro-regional cohesion by influencing different spatial structures. Umbrella solutions providing a frame for different activities are welcome under this measure. To avoid overlap with projects under Priority 3 (projects dealing mainly with institution building) it is important to underline that projects exclusively focusing on establishment or strengthening macro-regional multi-purpose institution buildings are not eligible under this measure. However, an institution-building component can form an eligible part of any project focusing on macro-regional development strategies.

Objectives

- *Ensuring overall sustainable development of the BSR through incorporating most recent development requirements such as globalisation, enlargement, information society into BSR spatial development strategies;*

- *Promoting BSR integration through development measures in strategic macro-regions, building on strong and diminishing weak points;*
- *Developing through integration the tools of territorial impact assessment, strategic environmental assessment and methods for strengthening the gender perspective in various planning and development measures in different sectors;*
- *Extending the traditional role of spatial planning to perceive space as an important resource determining socio-economic competitiveness of countries and regions;*
- *Translation and adaptation of the pan-European and pan-Baltic framework concepts such as ESDP, VASAB 2010 Plus to the concrete macro-regional circumstances and through that contribute to the implementation of these policy documents;*
- *Facilitating accession process through transfer (learning by doing) of know-how in strategic spatial planning and preparation of development strategies at macro-regional, sub-regional and national level.*

Main activities, eligible for support:

- Preparation of spatial development perspectives and strategies for the transnational territory and promotion of innovative instruments for spatial development and regional management, applicable in transnational context,
- Launching integrated strategies for specific development zones and promoting pilot actions and marketing initiatives as examples for implementing the strategic options including activities preparing further investments (environmental and territorial impact assessment methods, regional and land use plans, technical and economic studies and expertise),
- Raising awareness on long-term spatial perspectives and promoting networks of planning and research institutions for developing joint observation and monitoring,
- Promoting innovative instruments for spatial development and regional management applicable in transnational context in particular territorial impact assessment and strategic environmental assessments of policies and projects affecting the transnational territory,
- Preparation and implementation of marketing strategies based on the project results bridging the planning phase with market-oriented activities and execution of pilot action and establishment of networks for marketing initiatives of the BSR regions,
- Promoting regional conditions for economic/research networking and for development of small- and medium-size enterprises (in order to strengthen innovative potential of regions),
- Promoting training of spatial planners related to transnational context,
- Developing financing structures, which implement results gained through transnational investigations (e.g. macro-regional development agencies, managers, moderators etc.),
- Implementing concrete small-scale infrastructure investment (based on preparatory transnational investigations and studies, and being regarded as a first step towards larger investments e.g. information and innovation centres of transnational importance including soft- and hardware provisions, ICT networks, etc.).

Priority 1 - Measure 2: Promoting sustainable spatial development of specific sectors

Measure 2 concentrates on **sectors where transnational spatial development actions are specifically required**. The INTERREG II C programme has revealed such requirements in particular for the energy and the tourism sector. These sectors are the most relevant partners for joint spatial development actions, exploring potential of spatial planning instruments to be used within sectoral planning and management actions to make them more integrative. The measure might be opened to other sectors for which a better spatial integration is needed. Sectoral development might be explored for the whole BSR territory and/or through appropriate case studies. The ambition is, that in connection to different sectoral activities, the spatial development

concepts and approaches will be better utilised. For example, the tourism industry has a potential to contribute to economic growth in BSR, by providing new jobs, integration, cultural and environmental awareness. Therefore tourism should be developed as a part of more general solutions, taking care of different aspects of sustainable long-term development. Such solutions should comprise the cities, the coastal zones and other areas and should strengthen their specific opportunities but also inter-relations. An integrated management with regard to tourism should balance social and economic benefits with environmental threats.

Promotion of specific profiles and of integrated concepts for sustainable BSR tourism is outstanding issues where increased demand will put planning and implementation capacity under strain. Also in this connection it is essential that tourism development is being well integrated in broader spatial concepts. This is in particular important in the structurally weaker regions where development potential in tourism has been observed and the nature has remained relatively unspoiled. Projects could be developed towards a sustainable tourism and innovative products should be promoted in that respect. The creation of new tourist products and transnational thematic routes, combining cultural and natural assets of different countries/regions/cities represent a specific challenge and opportunity for the programme. They can encompass tourist routes, parts of buildings or building complexes information centres for tourist purposes, booking centres, etc. Activities in such fields could foster integration and contribute to a better use of regional potential. It might also be used for creating public-private partnerships and encouraging spatial and environmental impact assessment.

Project co-operation focused on **sustainable use of the energy potential** (including those for alternative forms of energy production) are highly envisaged under this measure. Energy efficiency and energy savings potentials through better use of territorial conditions might be exploited by joint transnational actions. Concrete small-scale infrastructure investments (based on preparatory transnational investigations and studies, and being regarded as a first step towards larger investments) are particularly welcomed.

Decentralisation together with liberalisation of the electricity market as a consequence, will require more specific measures in the spatial planning field. This comes from the observation that liberalisation of the energy market might rather suppress than extend the use of local fuels and bio-energy and therefore can act against the Rio Agreement. The net energy demand (total final consumption minus transfer losses) has been increasing and is expected to rise sharply within the next years. Energy savings will become a crucial issue. The strategic proposal of the Baltic 21 energy sector is to save energy through transnational co-operation around the Baltic Sea with regard to energy production and energy exchange. This strategy if applied, will have considerable spatial impacts on local labour markets, on the settlement structure, on the natural assets. Therefore spatial considerations should be taken into account while working on the energy development issues in the BSR.

Objectives

- *Strengthening integrative role of spatial approach within sectoral concepts, such as integrated strategies for tourism development;*
- *Introducing spatial planning multi-sectoral aspects to the sectoral planning and management;*
- *Strengthening overall sustainable development of the BSR through implementation of spatial planning tools within sectoral planning*
- *In particular creation of precondition for in-situ urbanisation through diversifying the rural economy by focusing on tourism activities*

Main activities, eligible for support:

- Preparing and promoting integrated sectoral strategies (concepts and action plans) with focus on their spatial impacts, in particular strategies (concepts and action plans) for sustainable tourism development and creation of innovative tourist products (combining cultural and natural assets of different countries/regions/cities) based on these strategies,
- Promoting specific profiles for BSR tourism,
- Supporting transnational co-operation on making use of regional potentials for sustainable use and supply of energy including renewable energy through better use of natural resources and territorial conditions,
- Developing transnational studies and investigations on optimal use of the energy potential taking into account spatial aspects (e.g. impact on settlement structure, etc.),
- Conducting further investigations (related to the transnational studies and/or investigations on optimal use of the energy potential) which support preparation of investments (environmental and territorial impact assessment, regional and land use plans, technical and economic studies and expertise),
- Launching pilot actions and demonstration projects in local and sub-regional scale related to the transnational studies and/or investigations on optimal use of the energy potential,
- Identifying travel and tourism flows, needs and potential on a Pan-Baltic level,
- Executing supportive activities (environmental and territorial impact assessment, regional and land use plans, technical and economic studies and expertise) strengthening the tourism infrastructure and leading to the future investments,
- Launching pilot actions and demonstration projects in local and sub-regional scale related to the integrated strategies (concepts and action plans) for sustainable tourism development,
- Implementing concrete small-scale infrastructure investments based on preparatory transnational investigations and studies, and being regarded as a first step towards larger investments (e.g. thematic/tourist/routes, parts of buildings or building complexes, / information centres for tourist purposes, booking centres),
- Preparing and implementing marketing strategies based on the project results bridging the planning phase with market-oriented activities,
- Promoting training of spatial planners on sectoral issues and sectoral planners on spatial planning cross-section issues.

Priority 1 - Measure 3: Strengthening sustainable integrated development of coastal zones, islands and other specific areas

Measure 3 is concentrated on sustainable spatial development and **integrated management of coastal zones, islands, river and mountain regions and other specific areas**. It will support comprehensive regional development approaches (concepts, land use plans, planning procedures and pilot actions) and the preparation of best practice towards those areas. Beside exchange of experience, common transnational development concepts (for contiguous areas) and transnationally coordinated development actions (for separated areas) respectively should be promoted. The Baltic Sea coastal zone, has important potential of manufacturing industry, harbours and sea-based economy, services and recreation settlements. Efficient use of those various potentials, possible forms of co-operation as well as a balanced development in line with maintenance and improvement of natural and cultural environment needs to be further explored. The experience from INTERREG II C should be deepened (supporting concrete pre-investment measures) and extended towards other locations and regions where such investigations in transnational context are needed (e.g. towards former military sites and towards other types of areas like river and mountain regions). On all issues, spatial planning has a crucial role in establishing a multi-sectoral framework for land use development and management in order to balance the needs of environmental protection with an integrated socio-economic development. Coastal zones should be defined, where transnational co-operation should be encouraged in particular. Preference will be given to zones where integrated coastal zone management can result either in better utilisation of natural resources for development and rising quality of life for local

population or in new methodological insight broadening the application of integrated coastal zone management plans comparing to the current situation. An integrated development approach should also be applied to river, lake lands and mountain regions.

Project activities on **coastal zone and larger island and archipelagos** that are facing common opportunities and challenges are most welcome under this measure. In the framework of INTERREG II C several projects have already investigated how conflicting interests for the coastal zone, islands and other specific areas can be managed in order to ensure sustainable development. Further development of activities in this field could demonstrate how cities can regain or strengthen their functionality for the Baltic Sea Region in raising the attractiveness of the waterfronts, e.g. making use of old industrial areas. In addition, the creation of networks of sport boat harbours around the Baltic coast will be supported, taking into account economic, environmental and spatial impact criteria. The practical feasibility of existing VASAB "Common Recommendations for Spatial Planning of the Coastal Zone in the Baltic Sea Region" has been tested through several projects. This experience will be further extended towards integrated development of coastal zones and islands paying attention also to offshore activities. Four areas of activities should be paid special attention:

- Integrate the needs for development with those for protection,
- Include all types of coastal areas, e.g. areas of intensive tourism, urban expansion areas, infrastructure development areas, wetlands, etc.,
- Equally include offshore and landside coastal areas. Growing spatial conflicts in coastal waters like the one between off-shore wind-mill parks and undisturbed sea traffic show a need to apply instruments of spatial planning,
- Link the project oriented approach with the process of legally established spatial planning and widening participation to all public and private actors that can contribute.

Objectives

- *Strengthening the economic potential around the Baltic Sea based on attractions and qualities in all specific areas,*
- *Contributing to sustainable development of the islands in the Baltic Sea with emphasis on tourism, environment and networking;*
- *Effectively linking coastal zone management and development with regional/spatial planning required by law;*
- *Securing an integrated development and management of the coastal zone around the Baltic Sea, enabling integration of land-side with sea-side development*
- *Establishing integrated approaches towards the development of mountain areas, river regions and lake lands*

Main activities, eligible for support:

- Promoting transnational co-operation on integrated planning and management for coastal zones, islands and other specific areas, such as mountain areas and lake lands,
- Promoting links and networking between islands,
- Rehabilitating and maintaining in a creative way the landscapes degraded by human activities, focusing on derelict industrial land areas, arms conversion areas and areas threatened by agricultural abandonment,

- Elaborating and disseminating/exchanging best practise of local initiatives in sustainable coastal zone development and management,
- Developing potentials for sustainable tourism, leisure and recreation in coastal areas,
- Developing strategies and actions to avoid uncontrolled developments – from tourism or other sectors - that can harm the natural capacity or quality of life in coastal zones and other specific areas.

Expected impacts of the measure

- Strengthening integrated development and management of specific areas, especially in relation to:
 - ⇒ Environmentally sustainable development (e.g. diminishing pollution)
 - ⇒ Economically efficient land use and wise management of natural resources (e.g. diversifying economy)
 - ⇒ Socially equitable effects, incl. gender perspective (e.g. creating new jobs)
- Better integrated development and management:
 - ⇒ Integrating different sectoral policies
 - ⇒ Integrating management with statutory local and regional planning standards
 - ⇒ Integrating land and off-shore development
- Applying spatial planning tools such as territorial impact assessment and strategic environmental assessment to specific areas;

Assessment of the environmental impacts of activities

The basic starting point is the sustainable development of areas facing special opportunities and challenges. Those areas also include great natural and cultural values. The idea is to support comprehensive regional development approaches and preparation of best practises.

When taking into account the principles of transnational policy concepts (e.g. ESDP; VASAB, Baltic 21), the environmental aspects will be promoted. Despite of the fact that projects strengthening the economic potential can imply negative impacts on environment, it is possible to minimise risks and harmful effects through development of strategies and actions, which avoid uncontrolled developments.

Priority 2:

Promotion of territorial structures supporting sustainable BSR development

Measure 1: Promoting balanced polycentric settlement structures

Measure 1 on **settlement structures covers urban regions, rural areas and urban-rural partnerships**. The focus is on projects which through transnational co-operation aim at strengthening the competitiveness of the BSR at three levels according to the concept of polycentric development: (a) to make powerful metropolitan regions stronger at the international scale, (b) to promote less dynamic major cities to catch up with those being more successful, and (c) to strengthen medium-sized and not very diversified secondary cities as future growth engines for rural regions lagging behind.

In order to strengthen urban regions as engines for economic development and overall functionality of BSR, **co-operation between clusters of cities on specific development problems will be intensified**. This co-operation should concentrate on issues like strategic networking, making use of comparative advantages, economies of scale, R&D potential and specialisation, promotion of urban-rural partnerships and balanced development in urban regions as well as reducing urban sprawl. Conversion of city areas to new functions, in particular of

waterfront areas and upgrading of the urban environment especially in the east, are urgent matters too.

The local infrastructure conditions for **improvements of the business environment** becomes central and spatial planning can be used to provide specific preconditions for business location and support creation of urban clusters, including cross-border urban clusters, and development of attractive living environments for the population. The geographical specialisation of business and the unique competencies and advanced knowledge developed in business sectors or groups of businesses must be strengthened in all regions. A better understanding of the spatial role of R&D by which technology and innovation affects regional development has evolved over time. A more interactive model has emerged, which recognises the importance of business environment. Since SME's lack many of the business functions of larger firms, they have to rely more on making use of capabilities external to the firm. Innovation has, therefore, increasingly been associated with concepts like network formation and of clustering. In this respect, it is of outmost interest to include activities that strengthen performance of how firms, universities, research institutes better can interact, particular at the regional level. In view of this, the programme should help to develop **new forms of organisation and institutional co-operation**. This should contribute to improve the structural competitiveness of firms located in rural and peripheral regions and to encourage resources to be shifted to more dynamic and innovative areas of economic activity. In this a **proper utilisation of local and regional R&D capacity** is of crucial importance and could form an integrated component of project activities eligible under this measure.

All settlements in BSR face the challenges of the modern economy. To strengthen a balanced settlement structure a variety of cities and regions must be enabled to complement and to co-operate on various levels. This applies to city networks at regional level and across regional and national boundaries. Regional thinking of local and regional authorities across administrative boundaries in the whole BSR must be further developed and the individual strengths of settlements should be enhanced. In sparsely populated countries and regions, this might result in over-concentration to just a few areas. Therefore cross-sectoral development concepts are required, creating credible alternatives to the metropolitan areas. In that context the programme will also support a **more polycentric BSR development**, and promote the development of towns in rural areas acting as engines for regional economic development. This should help to avoid over-concentration of service supply in too few centres. The economic challenges do, however, also **face the "gateway cities" of the BSR**, which need to be strengthened in order to better compete on a European or even global scale. **Strengthening competitiveness of cities in the east** represents a specific task because of the ongoing erosion of their manufacturing base.

Rural and remote areas have to be better integrated and promoted respectively. In connection with the promotion of small and medium sized urban centres of rural areas, the whole economic structure of those areas needs to be further developed. This requires strategies and actions on economic development and on adapting infrastructure to specific rural settlement conditions. Economic and job alternatives inside agriculture (alternative farming, use of further growing raw materials, maintenance of landscapes) and outside (tourism, health care, handicraft, culture & arts, new economy knowledge and information based activities) should be promoted making use also of valuable natural or cultural landscapes. Also complementarities between urban and surrounding rural areas should be considered, looking at rural and urban areas common development regions. Transfer of knowledge has to be organised, for instance by using modern telecommunication services and developing co-operation between authorities of enterprises, universities, research institutions and settlements. Synergy with activities supported under the EU Rural Development Programme (RDP).

Objectives

- *Strengthening the major urban centres as engines for development through strategic cooperation, enhancing potentials in fields like service supply, R&D, logistics, communication and diminishing deficits in social segregation, nature degradation and pollution;*
- *Supporting sustainable development of the settlement system through new solutions on urban-rural cooperation, regional networking between towns and surrounding areas, organisation of business areas, traffic, communication, land use development, nature protection etc;*
- *Strengthening small and medium-sized cities and villages in rural and peripheral areas through networking and developing of specific economic functions and ensuring adequate living conditions for rural areas through infrastructure solutions adapted to specific rural conditions, taking into consideration the different needs of women respective men.*

Main activities, eligible for support:

- Developing strategic alliances and co-operation between metropolitan areas and “gateway cities” in order to develop larger zones of global economic integration,
- Promoting networking, cooperation, pilot action and exchange of best practice between metropolitan and between other urban areas on key development issues, like promotion of business and R&D, using IT, establishment of technology parks, establishment of partnerships between universities and local authorities aiming at local development, efficient land use, waterfront areas, reduction of traffic, pollution and urban sprawl,
- Promoting appropriate territorial conditions for the SME sector as a driving force for spatial development of settlement structures of transnational nature, including favourable conditions for women in the SME sector,
- Developing networking among small and medium-sized towns and cities, including measures to strengthen the role of smaller towns in rural regions,
- Renewing old industrial areas (brown field) as location spot for new types of enterprises, IT companies, knowledge-based industries, and design, etc. as part of a transnational concept,
- Exchanging experience on national urban clusters.

Main field of intervention*

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Expected impacts of the measure

- Ensuring polycentric and more balanced Baltic Sea Region development structures:
 - ⇒ By strengthening metropolitan regions at the international scale as “gateway cities” of the BSR
 - ⇒ By supporting cross-border urban clusters / transnational metropolitan regions
 - ⇒ By strengthening medium-sized and secondary cities as engines for regional development
 - ⇒ By promoting less dynamic major cities
- Enhancing sustainable urban structures combining transport, environmental and business aspects
- Converting urban areas to new functions
- Upgrading the urban environment
- Reducing urban sprawl
- Better integrating rural areas
- Adapting infrastructure to specific rural settlement conditions
- Adapting (new) economic structures to specific rural conditions
- Strengthening cohesiveness of urban and rural planning
- Integration of gender perspective to urban and rural planning.

Assessment of the environmental impacts of activities

* Reference to list of Structural Funds Areas of Intervention based on Article 36 of General Regulation (See chapter 2.4).

The basic starting point is to promote co-operation between cities on specific development problems. The idea with a strengthened polycentric settlement structure is to avoid over-concentration of activities in a few urban centres. This approach should lead towards more balanced development. It should maintain the urban and rural diversity also in the ecological sense. Despite the fact that the establishing dynamic zones of global economic integration can create negative impacts on the environment, it is possible to minimise risks and harmful effects through integrated spatial planning of economical and environmental aspects.

Priority 2 - Measure 2: Creating sustainable communication links for improved spatial integration

Measure 2 is **dedicated to transport and communication networks**. According to the strategic objectives of the programme sustainable communication infrastructure should contribute first of all to integration of the BSR. Therefore the preference should be given to the transnational transport links important for cross-BSR and cross-Europe integration in particular those which promote unification of the remote parts of the region with the rest of the BSR and with the Europe and those which enhance East-West co-operation. Such projects should counterbalance the situation when infrastructure planning tends to perpetuate existing spatial disparities and insufficient use of regional development potent. All infrastructure measures will be assessed from sustainable and accessibility point of view.

With regard to transport it concentrates on multi-modal transport systems and transport axes in relation to settlement structures and environment, and with regard to communications, special emphasis is put on territorial conditions and consequences for development in ICT. Given the dynamism of economic growth of different BSR regions and of changing trade relations, **improvement of transport links and axes**, essential for overall BSR integration and development of strategic sub-regions of the BSR, will also be investigated.

Due to the "inland sea character of the BSR" the major preconditions for closer co-operation around the Baltic Sea and regional cohesion are **efficient communication links, modal split according to the specific BSR conditions and elimination of bottlenecks**. New flows of goods, services and people created by a new international division of labour in the BSR have to be managed in a sustainable way. Despite growing east-west trade and interaction, the Baltic transport system is still mainly a compilation of various national systems. Therefore **Pan-Baltic inter-modal transport strategies** need to be encouraged. Networking of ports, port modernisations and smooth handling of goods to and from the port city and its hinterland will be promoted. Waterborne transport, in particular short sea shipping, will also be promoted as an integral part of an intelligent inter-modal transport system.

The existing networks of **TEN-T, TINA, and PETN and of national ISPA projects within the transport sector might be examined** from the point of view of national and transnational spatial development. The tasks are to:

- prioritise specific axes (including important links to other European territories and those of importance to internal BSR spatial development),
- define priority issues for linking international networks to national and regional transport systems, and
- define transnational areas with particular development potential or need.

All such infrastructure measures will be assessed from a sustainability point of view.

Information and Communication Technology (ICT) is a basic resource of the knowledge economy. It makes it possible to store, process and circulate a growing amount of data rapidly and inexpensively and is an increasingly important source of productivity gains. The transition towards an information society affects the organisation of both economy and society. Factors of importance are, for instance, ICT infrastructure, public awareness, level of education, capability of public sector to promote the Information Society and the organisational and investment capacity of firms.

In order to support overall spatial integration of BSR, the possibilities and requirements of using advanced forms of **telecommunication** will be observed. Structures for **better access to and use of information society** should be created. This should include investigations on using telematic services for structurally weaker areas and to support networking between SMEs and centres of knowledge. Pilot projects and small-scale investment will be promoted in particular in that field. In this connection possible inputs from the e-Europe initiative should be explored. Of importance is also the Northern Dimension action plan, which both for social reasons and to the benefit of the economy advocates the extension and improvement of the telecommunication infrastructure.

Objectives

- *Supporting regional cohesion and development of polycentric settlement structure,*
- *Promoting interactions between urban and rural areas and improving accessibility of peripheral areas from all parts of the BSR,*
- *Strengthening existing networks of regions, cities and other locations (e.g. harbours) through enhanced communication systems and logistic centres,*
- *Combining the development of transport corridors with sustainable spatial/regional development,*
- *Reducing traffic need on corridors and agglomerations already being highly loaded,*
- *Contributing to the development of structurally weaker regions by different forms of information and communication technology,*
- *Supporting extension of existing networks of SME:s and establishment of new networks of SME:s through improved communication systems .*

Main activities, eligible for support:

- Elaborating and preparation of a Pan Baltic intermodal transport vision and strategies connected to the spatial development visions,
- Proposing a joint methodological and procedural approach for the consideration of spatial development aspects when planning for transport infrastructure investments,
- Promoting inter-modality and modal shift towards more sustainable transport modes,
- Contributing structural changes of different traffic modes and especially the railway transport business,
- Supporting the implementation of ESDP policy options, HELCOM recommendations and CBSS and Baltic 21 actions.
- Examining TEN-T, TINA, PETN, national ISPA transport projects from environmental and spatial development point of view,
- Supporting development of "gateway cities" through improved transport and less barriers,
- Supporting studies, which will contribute to understanding the air traffic's factors of growth and its impacts on the production chain and regional structure especially in remote areas,
- Promoting maritime transport, inland water ways and efficient port-hinterland connections and improving operating conditions in winter and ice-infested waters,

- Improving logistics chains by generating new short-sea shipping technologies and short-sea shipping centres in the BSR and improving the systems of information technology in logistics and custom clearance,
- Improving local and regional access to national and transnational transport networks and hubs especially through connections of the secondary networks,
- Improving public transport systems in order to reduce urban sprawl and the growth of private car use,
- Supporting the use of information and communication technologies for the development of networking especially for supporting joint business and marketing strategies and for promoting access to knowledge and innovation, in particular for remote areas and in sectors such as electronic commerce, training, research and teleworking,
- Favouring the use of and safety of transfer of information and communication technologies for improving public services, including the transfer of know-how and technologies amongst local administrations and the development of applications of public interest (education and training, health care etc).

Expected impacts of the measure

- Development of transport systems and transport axes, especially in relation to:
 - ⇒ Promoting interaction between urban and rural areas
 - ⇒ Improving accessibility or peripheral areas
 - ⇒ Elimination of bottlenecks
 - ⇒ Development of multi-modal transport strategies
 - ⇒ Reducing transport needs
 - ⇒ Combining the development of transport corridors with sustainable spatial/ regional development strategies
 - ⇒ Supporting regional cohesion and polycentric settlement structures
- Expected impacts related to sea transport:
 - ⇒ Modernisation of ports
 - ⇒ Networking of ports
 - ⇒ Improving port connection to hinterland
- Creating communication strategies for better access and use of information society, especially
 - ⇒ Educating people
 - ⇒ Improving IT-capacities of the public sector
- Applying spatial planning tools such as territorial impact assessment and strategic environmental assessment to transport and communication
- Integration of gender perspective to transport and communication strategies

Assessment of the environmental impacts of activities.

The basic starting point is to promote sustainable communication links. The idea with a multimodal transport system is to create/support the development of a system that can avoid unnecessary traffic by using environmental friendly traffic modes. Pan-Baltic inter-modal transport strategies are in key position. This approach should lead to better cross-sectoral work, which can take well the environmental aspects into account.

The creation of sustainable communication links aims at more environmental friendly transportation by promoting multi-modal transport and public transport, by developing telecommunication and by promoting short sea shipping. All these activities should improve the quality of the environment.

Priority 2 - Measure 3: Enhancing good management of cultural and natural heritage, valuable landscapes and natural resources

Measure 3 concentrates on **the use, preservation, maintenance and enrichment of the natural and cultural heritage and on sustainable use of natural resources** (e.g. water management). There are a large number of unspoiled areas preserved intact in the BSR with a high level of biodiversity, which is rare in most other more densely populated parts of Europe. This situation is unique for the region as a whole and an extreme challenging departure for the spatial development co-operation projects encouraged in accordance with the programme strategic objectives. The new economic development is likely to pose pressure on natural and cultural areas, especially in the eastern part of the BSR. A major threat to the natural heritage, the valuable landscapes in the whole BSR, the habitats and the ecosystems is the spatial fragmentation of the "green structure" by the national and administrative boundaries, mobility networks and settlement structures. Therefore a common pan-Baltic approach to a joint management of these specific areas is extremely important. It is an operative aim under this measure to develop the planning tools to overcome the threats against biodiversity and at the same time make use of the natural and cultural landscapes and natural resources for an integrated spatial development. This implies innovative methodological approaches across several sectors and university disciplines (environmentalists, economists, agriculture and forest experts, researchers and land use planners) working together in joint project activities.

Project activities under this measure could draw on investigations of exemplary cases throughout the BSR and will launch respective action. The maintenance of the valuable natural and cultural landscapes and its enrichment has to be seen also as economic factor. Investigations, carried out under INTERREG II C have shown how nature can be preserved and also used for economic development without damaging ecologic functions. These functions are however threatened through delimitation of natural landscapes to even smaller spots. On a larger scale therefore, the establishment of **green networks and transnational green corridors will be promoted** by project activities in order to use and preserve nature values This approach should in particular help maintaining and enriching bio-diversity.

Natural heritage of pan-Baltic importance and valuable landscapes should be identified and promoted through and networking. Synergy with similar other activities and programmes will be ensured. In that context, identifying, managing and networking of green areas, as the programme will support a part of the Natura 2000 network. Nature values of Natura 2000 – sites or BSPA, or any other area will not be jeopardised in a manner contradictory to Council Directives 92/43/EEC and 79/409/EEC by projects co-financed through the programme.

The **Baltic cultural heritage and cultural landscapes** needs to be maintained enhanced and more intensively used. The quality of the landscape in a basic way influences the liveability of most parts of the BSR and will also decide the quality and quantity of tourism. Cultural landscape is continuously created through the way it is used (mainly through economic activities). Therefore, solutions are needed on how sectors as forestry, agriculture and even industry and cultural aspects as a whole can be better integrated in spatial policies. In the majority of cultural landscapes there is a need of ecological consideration in agricultural and forestry development. Proposed activities under this measure should in that respect search for synergy with activities supported under the EU Rural Development Programme (RDP).

Through INTERREG II C, thematic and regional examples have been gained on how the cultural heritage can be maintained, enriched and used for promoting tourism and overall business

development. This experience will now be used to **identify and market cultural heritage in the interest of the whole BSR.**

The water quality of the Baltic Sea as a common resource depends to a large extent on wise water management and infrastructure measures in coastal settlements and alongside rivers of all Baltic Sea States. It has in turn significant influence on coastal economy, nature and quality of life. Also nature, industry, agriculture, forestry, fishery, recreation and population of islands, lake lands and river regions are highly dependent on water quality and management. The programme will therefore support an **integrated sustainable management of water resources through spatial planning measures.**

Objectives

- *Using and strengthening the main assets of natural and cultural heritage in the interest of the entire Baltic Sea Region;*
- *Protecting and develop a continuum of natural landscapes as important elements in a BSR ecological network and "green corridors".*
- *Promoting an efficient use and wise management of the BSR natural resources without endangering a necessary transformation of the economy of respective areas, strengthening sustainable forestry and energy production.*

Quantification

Under the measure at least one example solution should be produced for each of the above-mentioned objectives. In total 8 best practice examples are envisaged. The concrete output should be aggregated after finishing the projects.

Main activities, eligible for support:

- Strengthening regional development potentials through better integration of cultural landscapes and valuable natural landscapes and through enhancing polycentric settlement structures;
- Developing methods on how to maintain and develop valuable natural and cultural landscapes in E-BSR countries being under pressure of their populations to speed up GDP growth;
- Identifying, classifying and management of a Baltic network of green areas and wetlands as a part of the European Natura 2000 network and launching strategies and pilot projects for using these rural areas as spatial development potentials, adding spatial development dimension to the formal EU/HELCOM concepts like Natura 2000 or BSPA
- Exchange of experience on the implications of Natura 2000 on spatial development between EU and non EU countries, leading to creation of a continuum of landscapes which provide a basis for economic prosperity in harmony with nature;
- Elaborating and implementing good management and efficient marketing of the unique cultural heritage areas and objects of Pan-Baltic and European importance as part of integrated spatial development concepts and pilot activities (e.g. tourism);
- Developing methods for preserving, development and promotion of "green corridors" in a pan-Baltic and European perspective, stimulating biodiversity and creating a green infrastructure for social recreation and tourism;
- Implementing concerted management concerning coastal waters, improving water quality and promoting a sustainable use of the marine resources (e.g. fish production, sea transportation, harbour facilities, energy production and boat tourism) and safeguarding bio-diversity of the Baltic Sea through specific analyses and spatial development strategies and pilot actions;
- Promoting integrated sustainable management of water resources alongside rivers
- Formulating joint strategies for broad marine and land based risk analyses and management strategies in areas prone to natural disasters.

- Compiling and assessing national experience in implementing networks of nature protection areas.

Expected impacts of the measure

- Developing and promoting natural and cultural heritage as asset for regional development
- Developing and promoting natural and cultural heritage as tourist attraction
- Integrated strategies for and sustainable management of valuable cultural landscapes and (rural) development
- Diversifying rural economy (e.g. transforming from agricultural food production to new uses)
- Identifying "green corridors" and valuable natural areas for inclusion in the network of Natura 2000
- Fostering an increased public awareness of limited resources
- Developing spatial planning as a forceful tool for sustainable use of limited resources

Assessment of the environmental impact of activities:

The basic starting point is to concentrate on the sustainable use, preservation, maintenance and enrichment of the natural and cultural heritage. The idea with activities in this measure is to focus on protection of nature and diversifying the rural economy.

Priority 3:

Transnational promotion of institution building, strengthening the capacity for spatial development activities

(The Neighbourhood Programme should be further taken into account and the text below slightly revised /BoL)

Priority 3 is dedicated to **institution building in regional and local authorities and other bodies of importance to spatial development**. This is done through trans-national co-operation. The purpose is to strengthen local and regional capacity to run efficient spatial policies and eliminate crucial hindrance related to spatial planning and regional development. Institutions having the overall responsibility to run comprehensive policies will be of special importance to the priority. The priority is not divided into measures.

A particular focus under this priority will be **co-operation between W-BSR and E-BSR**, in this drawing on experience gained under for instance the SWEBALTCOP programme, in the Barents region and under other co-operation schemes. Experience already gained through twinning arrangements should be used and further developed and people-to-people contacts can be promoted. All BSR regions will be encouraged to participate in the various activities.

Appreciable differences in the presence and efficiency of institutions can be found between the traditional and transitional market economies of the BSR. While changes in laws can be carried out more easily, it is difficult to build new social and institutional structures. There are also internal differences within the group of transitional countries in the BSR. The programme will pay particular attention to institution building in the emerging market economies. The intention is to strengthening the capacity for spatial planning and regional development activities among local and regional authorities in the BSR through a two-way cooperation process between the W-BSR and the E-BSR countries. The purpose is therefore to support institutions dealing with spatial planning and regional development; especially improvements relating to the accession process. The priority is also open to co-operation between W-BSR regions and between E-BSR regions.

Promotion of territorial structures, supporting spatial development, will hardly bring desirable results unless also some legal and administrative barriers, hampering proper use of these structures, are removed. Cumbersome border procedures can be taken as examples, diminishing benefits from improved rail or road infrastructure and multimodal port-hinterland connections. The same is true for **weaknesses in the business environment**, for instance deficit capacity for e-commerce, telemetric and courier services. This might be particularly problematic in smaller towns, preventing the development of a polycentric settlement structure. Existing experiences show that the promotion of, for example business development across boundaries, can fail if not supported by developed market institutions. Particular emphasis will be put on **environmental quality and management**, as solutions in this field have clear trans-national effects in BSR, but also are important to EU accession, as well as providing a basis for the establishment of new economic sectors. It is important to **involve the general public, non-governmental organisations** and other social actors in trans-national spatial planning processes, to increase participation, to strengthen regional identity in the BSR and to better deliver benefits from spatial planning to the final addressees.

Specific preconditions for interventions

Definition:

By "institutions" are meant, not only individual organisations, but also the networks, by which actors, within different sectors and at different administrative levels, can co-operate in an efficient way.

The role of good institutions: Basic to all spatial development activities is that it rests on a capacity to mobilise different sectoral activities. As the proper mix of sectoral activities varies between regions, due to widely varying circumstances, regional actors have to have the capacity (and competence) to both identify and implement a profile of measures based on those special circumstances. To reach a proper mix of measures, planning, analysis and decision making have to be well_organised. The effectiveness of spatial policies thus depends on the quality of institutions. Such institutions should be capable:

- to identify the challenges facing the region and the capacity of the region to master these challenges (which asks for a capacity to identify national and international trends of importance to the region, but also the strong and weak points of the region with regard to such trends);
- to identify and establishing priorities between goals and between measures (which asks for a capacity to analyse various sector activities and establish how they, in various ways, interact and influences spatial development);
- to reach decisions under democratic influence;
- to establish and run an efficient implementation process (which asks for a decision making system where a common strategy for the region will reflect on the actual direction of various activities).

Relation to other parts of the programme:

Institution building is an obvious component also in priorities 1 and 2, i.e. in those parts where "learning by doing situation" exists. To avoid overlapping activities it is then essential that projects under the present priority *primarily* deals with those issues, which *transcend* individual projects and programmes; which, in other words, constitute a development of such institutions which can be used for many different purposes regarding spatial development, i.e. *creating an environment conducive to good spatial planning behaviour*.

Objectives

The *overarching objective* of this priority is to *improve the capacity of institutions* in the BSR, directly or indirectly involved in spatial development activities, to:

- deliver sustainable development policies in all parts of the BSR,
- develop a better integrated BSR,
- facilitate the enlargement process,
- guarantee local and regional democratic influence.

This overarching objective can be divided into two *specific objectives*.

The first specific objective is *to improve the capacity of individual actors* to work on issues of importance to spatial development. This is implemented through e.g.:

- an improved capacity to identify the challenges facing spatial development, including an international overview,
- improved methods by which the organisation can identify, discuss and decide on issues of importance to spatial development,
- exchange of information on methods by which development strategies can be established for a sustainable regional development,
- improving the capacity to build an efficient business environment, including for instance e-commerce, telemetric services and courier services.

The second specific objective is *to improve the capacity to interact sectorally and internationally* through e.g.:

- promoting institutions capable of trans-sector analysis and action by establishing the proper types of networks,
- promotion of systems through which trans-national co-operation can be run in an efficient way,
- strengthening the involvement of women in the decision making process in institutions and networks.

Quantification

Under this priority at least 20 networks comprising regional and local authorities of different countries should be strengthened. The effects should be measured through the numbers of newly established networks or increase the capacity of existing networks.

Main activities, eligible for support:

- Trans-national co-operation between W-BSR and E-BSR aiming at improving the institutional capacity in the field of spatial development,
- Exchange of information between different actors how spatial development activities can be organised, preferably through benchmarking exercises, including experiences of integration a gender equality perspective;
- Exchange of information between actors as to the systems by which different administrations interact in a region or nationally.
- Exchange of information on, and development of, models by which development strategies can be elaborated.
- The establishment of networks in the field of spatial development, which can help in the formulation of properly, focussed spatial policies.
- Developing institutions, which can improve the business environment.
- Training measures (including language training) in order to strengthen cross-sector and trans-national approaches.
- Organising transfer of knowledge and best practises to local and regional actors.

Expected impacts of the priority

- Building new networks of importance to spatial development
- Improving the capacity of existing institutions of importance to spatial development:
 - ⇒ Broadening the knowledge base
 - ⇒ Strengthening involvement of the people and organisations (NGOs)
 - ⇒ Improving democratic decision-making methods
 - ⇒ Improving use of ICT or R&D
- Strengthening interaction between institutions and organisations (network formation, clustering) as a source of innovation in business development
- Strengthening the involvement of women in the decision making process in institutions and networks

Environmental assessment of impacts of activities

The main activities within this priority are to promote institution building at local and regional levels. Particular emphasis will be put on environmental quality and management that has clear transnational effects in the BSR. Experiences have shown that especially local participation in the decision-making processes can effectively contribute to sustainable development focusing on the environmental aspects. Local Agenda 21 could for example be a useful tool in this respect. The development of Local 21 Agendas is to a large extent depending on the strong activities carried out by the local authorities and local NGO:s. The purpose of strengthening a polycentric settlement structure in the BSR (See Priority 2) is to avoid over-concentration of activities in a few urban centres or metropolitan areas. Due to several administrative weaknesses in particular smaller towns the polycentric settlement structure could be hampered by this weakness and prevent the development towards a more balanced and environmentally sustainable situation. In general it is possible to reduce risks and harmful environmental effects of e.g. global economic integration and weakness in the business environment by involving local and regional authorities and other social actors in the decision-making processes when delivering benefits from spatial planning to the final addressees.