



VASAB Long-Term Perspective for the Territorial Development of the Baltic Sea Region



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Towards better territorial integration of the Baltic Sea Region and its integration with other areas of Europe

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VASAB LONG-TERM PERSPECTIVE
FOR THE TERRITORIAL DEVELOPMENT
OF THE BALTIC SEA REGION

TOWARDS BETTER TERRITORIAL INTEGRATION
OF THE BALTIC SEA REGION AND ITS INTEGRATION
WITH OTHER AREAS OF EUROPE

October 2009

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INTRODUCTION

VASAB Long Term Perspective is a transnational strategic spatial planning document on territorial integration, which leads to territorial cohesion in the Baltic Sea Region. The document highlights the present territorial development trends and challenges, and presents a long-term perspective for the Region, with focus on urban networking and urban rural relations, accessibility and management of the Baltic Sea. It also proposes a list of actions to stimulate territorial development potentials and to overcome the existing gaps — for both the coming years and in a longer run. To fulfil this aim there is a need to continue ***transnational cooperation in spatial planning in the Baltic Sea Region***.

The documentation for the Long Term Perspective has been prepared in a period of economic growth. Yet the global financial and subsequently economic crisis strengthens the requirement for common transnational actions in the Baltic Sea Region, which can stimulate further convergence processes, improve coherence and competitiveness, and be conducive to the further development of the Region.

RATIONALE AND FOCUS OF THE LTP

Since the first VASAB long-term strategic document in 1994, the Baltic Sea Region (BSR) has undergone deep political and socio-economic changes. The European integration processes, challenges of the globalising economies and advent of an information society have made the Baltic Sea Region a unique region with the Baltic Sea as a unifying factor and a shared resource.

Over the period of fifteen years the institutional cooperation within the Baltic Sea Region has resulted in a number of joint development visions, strategies and action plans in several policy-making sectors at the national, cross-border and transnational levels of governance. The Council of the Baltic Sea States has set the political agenda for thematic actions. Some of them, such as the HELCOM Baltic Sea Action Plan, have reached a stage of politically endorsed documents and launched implementation projects. Some other initiatives, such as the series of the 'State of the Region' reports by the Baltic Development Forum, provide a diagnosis of the development status of the BSR.

VASAB has delivered an added value to the pan-Baltic cooperation by presenting a concerted view of the BSR countries on the most efficient spatial planning measures to cope with socio-economic development disparities between the countries and regions. Furthermore, during the years of its activity, VASAB has employed a spatial planning expertise to macroregional development initiatives, such as the maritime spatial planning — one of the instruments for the implementation of the EU Integrated Maritime Policy.

At the European scene, EU Member States have endorsed the Territorial Agenda of the European Union as an action-oriented political framework to make a better use of territorial diversity and to strengthen territorial cohesion in the EU. Following the Territorial Agenda, the European Commission adopted the Green Paper on Territorial Cohesion, in order to make the EU Cohesion Policy respond to specific location-related challenges and opportunities of the European Union in a better way, and to turn territorial diversity into strength.

The Baltic Sea Region can become a practical demonstration area for the territorial dimension of the EU Cohesion Policy and the development cooperation with the neighbouring countries, with a prominent role of the Northern Dimension policy. The EU Strategy for the Baltic Sea Region is foreseen to promote a stronger transnational cooperation between various actors in dealing with important issues, which transcend the administrative borders. Among them are the issues of environment, prosperity, attractiveness and accessibility, as well as safety and security challenges. The Strategy takes notice of the development opportunities related with an inflow of EU Structural Funds to the countries and regions around the Baltic Sea, and calls for harmonisation of actions across the borders in order to minimise overlaps and contradictory activities.

The context of the EU and the Baltic Sea Region policy frameworks for the territorial cohesion determine the character of this VASAB document. **It sets a long-term perspective and an action plan for prioritised issues of transnational relevance, which spatial planning systems, tools and methods are capable of influencing.**

The LTP document covers such policy sectors, where the transnational cooperation in spatial planning provides a substantial added value. These have been deliberately limited to: (1) urban networking and urban-rural cooperation, (2) accessibility, and (3) maritime spatial planning. The policy guidelines and actions proposed in the document are to be perceived as complementary and synergistic to initiatives of other organisations in dealing with the sustainable development and territorial cohesion of the Baltic Sea Region. This includes, inter alia, HELCOM actions targeting the Baltic Sea pollution or UBC actions in promoting sustainable growth of the Baltic cities.

The LTP document has a manifold purpose. **First**, it intends to position the Baltic Sea Region in the European framework by introducing VASAB concepts and priorities into the ongoing discussion on the territorial dimension of the EU Cohesion Policy, and on the territorial context of the EU cooperation with the neighbouring countries. **Second**, it aims to sustain a dialogue between the BSR stakeholders on connecting potentials across the borders and strengthening transborder synergies between national/regional plans, strategies and programmes in the Baltic Sea Region. **Third**, it emphasises a need for the BSR countries to plan appropriate financial resources for the implementation of the guidelines and actions settled by the Perspective. **Fourth**, it features a policy orientation towards maritime spatial planning, thus supporting Europe-wide effort in this matter of importance, as the sea is an outstanding feature of the BSR. **Fifth**, it may provide ground for the monitoring and evaluation of territorial development processes in the BSR.

The Long Term Perspective operates with three different time scales, starting from the endorsement date of the document. Actions denoted with a short time horizon are recommended to be completed within five years (till 2015). The medium time horizon implies completion of the actions within ten — fifteen years (till 2020-2025). Finally, the long time horizon indicates that the actions will be implemented on a constant basis throughout the whole period (till 2030).

The Long Term Perspective has a character of a living document. The content of the document may see new actions and initiatives resulting from the evolution of trends and challenges. Based on the established monitoring principles the Perspective will be periodically reviewed and the implementation progress reported to the ministers responsible for spatial planning in the BSR countries and the relevant stakeholders.

I. TRENDS AND CHALLENGES FOR TERRITORIAL DEVELOPMENT

Successful convergence processes

The Baltic Sea Region has become one of the fastest growing areas in Europe, acknowledged for skilful coupling of a dynamic economic growth and export-profiled production with environmental competence and well-developed social environment. Swift economic growth of the eastern BSR countries and efficient innovation systems of the western BSR countries, combined with well-educated labour force and good investment climate, has provided a solid basis for convergence processes in the Baltic Sea Region.

Successful transformation of the national economies and societies in effect of political integration processes during the last two decades has resulted in a considerably better position of the Baltic Sea Region vis-à-vis other regions in Europe in terms of competitiveness, quality of life and well-being of the citizens. The Region has to a large extent managed to adjust its production infrastructure to globalisation challenges and the advent of the information society. This became possible through investing in new skills and specialisations, developing cooperative networks and clusters, and overcoming digital divide between the BSR capitals and rural areas, and between western and eastern parts of the BSR. At the same time revitalised historic ties around the Baltic Sea have stimulated trade exchange and increased the intensity of pan-Baltic cooperation.

Implementation of the EU Cohesion Policy has boosted investments in productive environment, human capital and technical infrastructure. This, in turn, has created new opportunities for growth and employment in the Baltic Sea Region. Moreover, the EU financial aid rules have activated new organisational arrangements towards multi-level governance of regional development, with coordinated actions of the European Union, the Member States, and local and regional authorities in the area.

While Norway is integrated in the single European market through the European Economic Area (EEA) agreement and is involved in joint economic and social cohesion actions, EU cooperation with Russia and Belarus on the scale of the Baltic Sea Region is based on specific policy areas. They aspire to strengthen the prosperity, stability and security of the whole Region.

Sustainable development threats

The skilful exploitation of the Region's assets and strengths has contributed to rising economic, social and environmental interdependencies between the BSR countries. However, as the national economies are exposed to economic downturns, such interdependencies may bring detrimental effects for the territorial integration processes across the BSR. Hampered access to energy, population decline and ageing of the societies, as well as progressing climate change phenomena may endanger

the sustainable development of the Region, and especially the vulnerable coastal zones even further. Even positive processes may have adverse side effects. To exemplify, concentration of knowledge-intensive and talent-absorptive activities within capital and metropolitan city regions may not only reinforce a gap between urbanised and rural areas, but may also result in a shortage of business space, higher housing costs, as well as increased congestion and urban sprawl. This may, in turn, negatively affect the image and competitiveness of such city regions.

Demographic changes in several BSR areas, which record a natural population downfall and ageing, put a pressure on securing enough labour force to sustain the growth and to manage third age services. Shrinking productive age resources may not be sufficient to match employment demands and, subsequently, may in itself lead to economic stagnation of the Baltic Sea Region.

The negative demographic tendencies are often coupled with some adverse migratory trends. Outward migration to find attractive jobs still prevails in the Nordic peripheries and eastern territories of the Baltic Sea Region, generating a significant decline in population balance. This is seen especially in the rural areas, primarily among young and well educated inhabitants. While on one hand the migration processes contribute to a comparatively good labour market situation in the largest cities, on the other — they challenge the liveability of peripheral, rural and old industrial areas in the BSR, e.g. by increasing the knowledge gap. These movements are accompanied by migration processes set in motion by a gradual opening of labour markets in the European Union and Norway for employees from the new Member States.

Some manufacturing industries in the BSR will still be vulnerable to competition from the rising economies of Far East countries. Cheaper labour costs in these countries may become a decisive factor for relocation of production and assembly activities, thus causing severe implications for the labour market in the Baltic Sea Region and deterioration of the social environment in some of its parts.

The economy of the Baltic Sea Region is still heavily dependent on the oil resources and imported energy. On the other hand, as an outcome of globalisation and an increase in international trading, electricity prices tend to converge between various national and regional markets. At the same time, the Region has a vast potential of energy production, including renewable energy resources, and innovative technologies to exploit them.

The rising energy prices are likely not only to affect the structure and energy efficiency of the BSR economy, but will also lead to increased transport costs. These may directly obstruct the intra-regional transportation and especially passenger and freight services to more peripheral areas in the BSR.

The transport system still reflects the fragmented history of the Baltic Sea Region and inward orientation of individual countries networks. Deficiencies are especially sharp in case of the cross-border and transnational connections, which should provide for good connectivity of the urban network

and smoother integration of the regional labour markets. Except for the densely populated and well interconnected south-western part of the area and for some metropolises (mainly the capital cities), vast areas in the BSR (e.g. north-eastern part, the Baltic States, Belarus) suffer from low connectivity both in external and internal relations.

The fast growth of the road traffic, especially visible in the volumes of east-west freight flows in the new EU Member States, Russia and Belarus, presents a serious challenge for the territorial cohesion of the Baltic Sea Region. As the road network in the eastern part of the BSR demonstrates rather modest carriage capacity, this growing trend, met with only slow improvements in the infrastructure quality, may lead to an increase in the number of bottlenecks. This is already the case on Latvian-Russian borders. The increasing goods exchange intensity may also deepen congestion problems that are visible already now in the road network of the south-western part of the BSR. Moreover, the growing trend may bring about serious consequences for the connectivity of the Nordic peripheries, vastly determined by such natural obstacles as long distances, harsh weather, or freezing of maritime routes.

The lack of interoperability between the national rail infrastructures, which stems from different technical standards, acts as a clearly limiting factor for enhancing passenger and freight mobility across the Baltic Sea Region. Significant drawbacks in the rail connectivity of the main metropolitan areas in the eastern part of the BSR remain as a noticeable constraint for the integration of the national transport systems. They also counteract efforts to decouple the economic growth from the increase in the road transport volumes.

Very strong dynamism of the passenger air traffic has considerably improved the accessibility status of several remote and poorly connected areas in the BSR. This trend may, in a medium-term perspective, reduce the current imbalances between the Western and Eastern parts of the Baltic Sea Region in terms of intensity of interactions between the metropolitan centres. Further, it may help medium-sized regions to develop significant transnational connections.

The Baltic Sea presents a natural obstacle for the expansion of the terrestrial means of transport, such as road and rail. At the same time, however, it is an outstanding asset for the development of an integrated maritime transport network between the BSR countries and regions to further enhance mobility and integrate labour markets.

The intense development of a range of economic activities, including, inter alia, the offshore energy production, maritime tourism and sea-borne traffic, results in conflicting interests in using the Baltic Sea resources. Complemented with onshore based pollution of the Baltic Sea waters by nitrogen and phosphorus, as well as by hazardous substances from the catchment area, these sea use conflicts contribute to a gradual depletion of the resources and deterioration of marine landscapes. In a long run, they may negatively influence the development and quality of life of the BSR community.

The territorial divides

The growth processes, listed as sustainable development challenges for the Baltic Sea Region, have a diversified territorial pattern. In general, they assume a form of territorially distinctive divides.

The **east-west divide** adheres to administrative borders once dissected with the iron curtain and reflects differences between the eastern and western BSR territories in several socio-economic development aspects. One of the most significant gaps in that respect is the innovation performance and position of western and eastern metropolitan areas in the global networks.

The **north-south divide** results from diversified climate conditions for human settlement in the northern territories of the Baltic Sea Region and its southern parts. Sharply decreasing population density towards the north affects the territorial distribution of urban centres. This, in turn, poses a challenge in connecting the settlement system of the Northern Periphery to the urban networks on the continent and in providing this territory with sufficient access to the transport infrastructure.

The **urban-rural divide** presents itself as one of the major challenges for the BSR cohesion. As confirmed by the current observations, this divide becomes more and more detrimental for the rural areas in effect of the population ageing and outward migration. Additionally, some remote territories with low accessibility suffer from a deficit of affordable and modern ICT connections and ICT-related skills.

The status of these three divides is dependant also upon the global trends, and especially upon the situation in the global markets. Recent financial crisis and the slowdown of the global economy may urge the BSR countries to take care of their own priorities first of all, at the expense of multilateral cooperation around the Baltic Sea. In such a case, the integration processes will be rather based on bilateral and/or sectoral cooperation of the BSR countries. This may substantially delimitate the efforts to decrease the territorial disparities across the national borders. Such disparities may also become visible with regard to the Baltic Sea waters. Joint spatial planning may therefore be a tool to avoid that.

Concertation of sectoral and territorial development policies of the Baltic Sea Region countries is a necessary condition to address the above territorial divides and to pursue the **territorial cohesion perspective of the Baltic Sea Region in 2030**. This perspective cannot be reached by spatial planning alone. It should rather be seen as a sum of actions resulting from the Long Term Perspective document, as well as of other pan-Baltic, national and regional efforts (e.g. to secure access to the basic services for the BSR communities or strengthen international transport links, etc.).

II. TERRITORIAL COHESION PERSPECTIVE OF THE BALTIC SEA REGION IN 2030

In 2030 the Baltic Sea Region is a well-integrated and coherent macroregion. It has overcome the socio-economic development divides between its individual parts and turned the global challenges into assets.

It is regarded a model for successful implementation of the territorial cohesion policy and effective cooperation between the European Union countries and the neighbouring countries for the development of a transnational area.

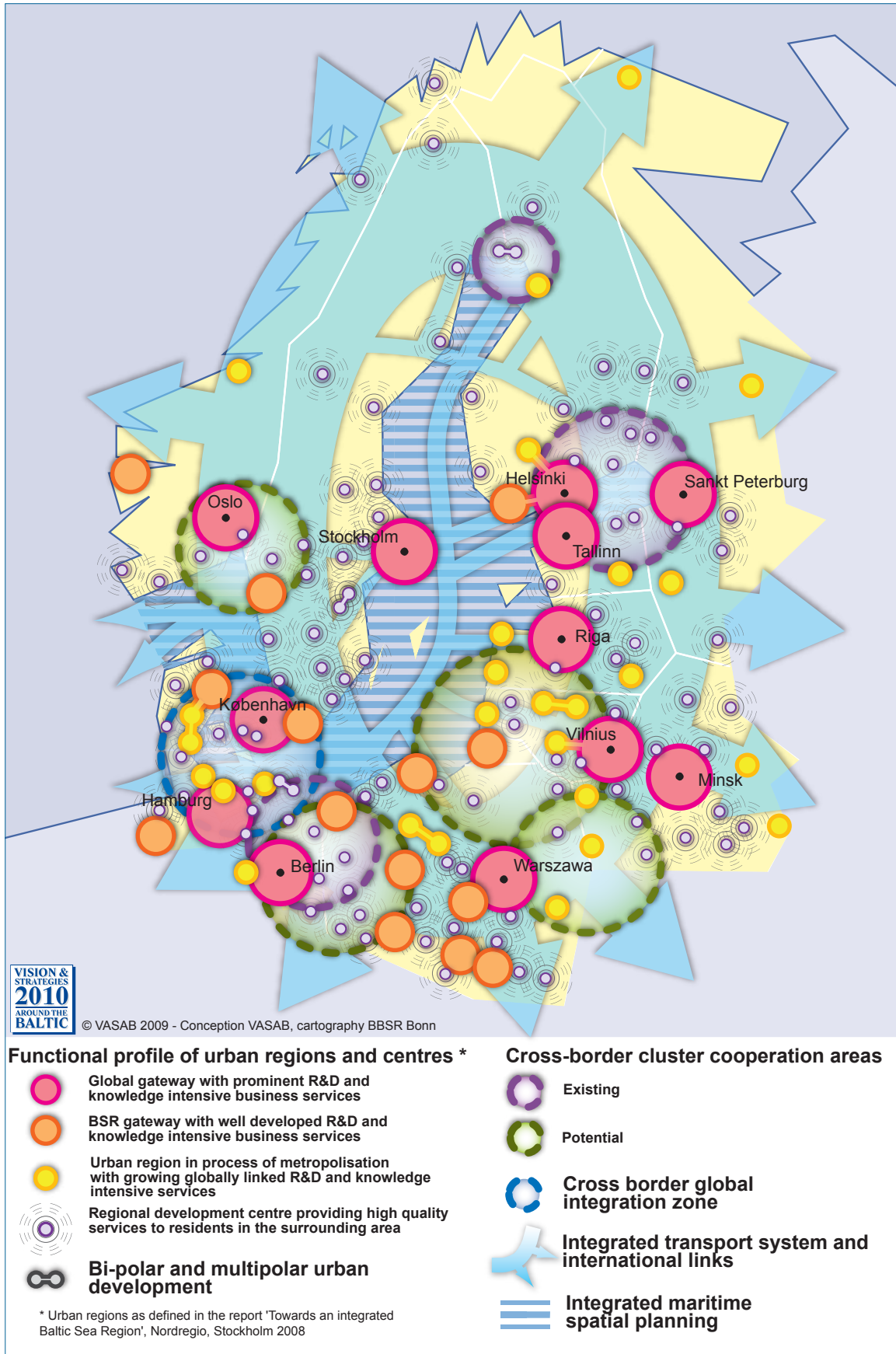
It features a well-balanced setup of metropolitan centres, which act as the global and the BSR gateways, and small and medium-sized cities and towns, which secure a high quality of life for their residents in both urban and rural areas.

It accounts for fast, reliable and environmentally efficient technologies of transport, information and communication that link the territories along and across the Baltic Sea, making the community of the Baltic Sea Region well-connected and highly accessible in the contacts both internally and with the outside world.

It has an integrated energy production and supply system with well-diversified sources of energy, including renewable energies.

It is a veritable European sea macroregion, which demonstrates an integrated land and sea-space planning and management. The Baltic Sea is acknowledged as a common asset and a development resource of all the countries, and the maritime spatial planning principles alleviate the potential sea use conflicts for the present and future generations.

2030: Territorial development perspective



Source: VASAB CSD/BSR.

The perspective promotes better territorial integration of the Baltic Sea Region and its improved integration with other areas of Europe as a means to achieve the territorial cohesion. The territorial cohesion is understood as a desired state and long-term goal of initiatives and actions resulting from both territorial development policies at the national and regional level as well as from these sector policies that show a clear territorial dimension. The perspective thus concentrates on three thematic areas of key importance for the territorial cohesion of the Region. These are: urban networking and urban-rural relations; accessibility, including access to energy, ICT networks and services; and maritime spatial planning and management issues.

Initiatives and actions within the above-mentioned thematic areas should be well-tuned to the specificity of the Baltic Sea Region, but, at the same time, should be able to ensure a notable improvement of the present situation. Some of them could be addressed by spatial planning systems, tools and methods, with VASAB taking the leading role. In some other cases, a strategic dialogue and coordination between VASAB and relevant organisations is necessary. In that respect the role of VASAB is to inspire and motivate respective stakeholders for launching particular actions, to assist in their implementation and to make use of the accumulated results for the benefit of the territorial cohesion in the Baltic Sea Region.

A progress towards achieving the territorial cohesion perspective of the Baltic Sea Region in 2030 should be monitored and evaluated on a regular basis. This is a clear role of VASAB to act as an observatory of trends and processes related to the territorial cohesion in the Region and to provide evidence, either proving a right development of the taken initiatives and actions, or flagging the necessary changes. Fulfilment of this role will not be possible without well-tailored indicators, which should measure the state of territorial cohesion in the BSR. If acknowledged in the Baltic Sea Region, such territorial cohesion indicators should be promoted at the European level and replicated in other European macroregions.

Pursuing the Long Term Perspective will go parallel to the implementation of the EU Strategy for the Baltic Sea Region. The EU Strategy is a unique instrument in promoting the Region as a pilot area for the EU Cohesion Policy and as a success story in cooperation across regional and national borders, as laid down in the Green Paper on Territorial Cohesion. It should also become a good showcase of an integrated territorial approach of different EU and national policies. While both documents address deficiencies and shortcomings in the Region's infrastructure and governance practice, the LTP does that in the territorial development context. Compared with the EU Strategy, the LTP shows a narrower thematic scope. At the same time, the LTP has a set time horizon and defined territorial cohesion perspective. The LTP may, however, provide a synergy input to the implementation of the EU Strategy by animating some key actions (especially in the field of maritime spatial planning), by applying spatial planning systems, tools and methods in coping with socio-economic development disparities between the countries and regions, and by setting a monitoring system for territorial development processes in the Region. The set of indicators may serve for measuring of the progress in achieving territorial cohesion at both the BSR and the EU level.





III. POLICY GUIDELINES AND SPECIFIC ACTIONS TO ACHIEVE THE TERRITORIAL COHESION PERSPECTIVE

III. I PROMOTING URBAN NETWORKING AND URBAN-RURAL COOPERATION

Metropolises need to play a strategic role in mobilising the Baltic Sea Region's potential for stronger international services

The metropolitan areas in the BSR show significant differences in acting as centres for international services. There is an acute lack of international decision and control functions (expressed e.g. by hosting the seats of international organisations or headquarters of high market value companies, banks and other financial services) in the metropolitan areas of the three Baltic States, Saint Petersburg, Kaliningrad and Minsk. They may be regarded as an institutional barrier in securing capital flows and thus connecting the markets within the Baltic Sea Region. Easing of such a barrier seems necessary for the further territorial integration of the BSR, and, in that respect, the metropolitan areas should play a crucial role.

The present network of the BSR metropolises may easily evolve into a 'partnership for growth', that is a contractual framework between the metropolitan 'parties' pursuing the same goals and having specified their common rights and responsibilities. In that way partners with firm innovation and entrepreneurship environments assume responsibility for supporting less-developed metropolitan areas, especially these outside the European Union. In effect, the Baltic metropolises would gain by harmonised innovation and entrepreneurship strategies containing elements that are complementary on a transnational scale and BSR-focused.

ACTION AGENDA I

Develop and implement a BSR cooperation strategy for the metropolitan areas of the whole Region by involving relevant urban cooperation actors (e.g., business support organisations, investment agencies, marketing agencies and national/regional authorities, etc.).

TIME PERSPECTIVE: Short/ medium

POSSIBLE LEADING STAKEHOLDER: Baltic Metropolises Network (BaltMet)

Such a development scheme has a potential to become an instrument for influencing the European level policies and strategies, and developing a strong Baltic Sea Region brand.

Breaking the east-west divide pattern in the innovation performance requires a joint network action of the BSR metropolises and stimulation of cluster development in more peripheral areas.

Innovation performance and global network connectivity rankings confirm a better position of metropolitan areas located in the western part of the BSR as compared with these in the eastern part. Different innovation profile of the latter is one of the reasons for this discrepancy, with research and development activities performed more by universities than the private companies, less employees in knowledge-intensive branches and a lower number of registered patents.

The innovation characteristics of the eastern BSR metropolitan areas provides, however, complementary assets for boosting research and development in the Baltic Sea Region and thus fostering the territorial integration. The possible cooperation areas between the metropolitan areas from both parts of the BSR may, in particular, refer to the following areas of competence: health; natural sciences; food, agriculture and fisheries; biotechnology; creative industries and finally — nanosciences & nanotechnologies, materials and new production technologies.

At the same time, knowledge diffusion processes across the BSR pose a threat of leaving behind some non-metropolitan territories of the eastern part of the BSR, including North-West Russia and Belarus. In this perspective transnational and

ACTION AGENDA 2

Implement transnational networking actions to connect the research and development potentials of the eastern and western BSR metropolises and thereby to enhance the innovation potential of the Region.

TIME PERSPECTIVE: Short
POSSIBLE LEADING STAKEHOLDER: Baltic Metropolises Network (BaltMet)

ACTION AGENDA 3

Map the territorial cluster potentials of non-metropolitan areas in North-West Russia and Belarus and develop measures for facilitating the knowledge and technology transfer to these territories.

TIME PERSPECTIVE: Short/ medium
POSSIBLE LEADING STAKEHOLDER: Nordic Council of Ministers, Council of the Baltic Sea States (CBSS)



cross-border cluster initiatives are needed to provide these territories with a better access to the knowledge-based economy. In that respect it is very important to break the mental barriers for the flow of ideas and knowledge.

Integration processes in the BSR will be strengthened by making use of the strategic plans of Saint Petersburg to become a world city.

Ambitions of the city authorities and the Federal Government of Russia are set on integrating Saint Petersburg into the world economy by attracting investments of global multinational companies and branding the city as a global meeting place for summits, conferences, culture and tourism.

Considering the population size and economic potential of Saint Petersburg for the Baltic Sea Region, it is advisable to couple this strategic investment policy with the unused potential of smaller BSR companies attempting to invest in the Russian market. Such companies have been found to create economic bonds with the countries nearby, thus contributing to the regional integration more than the large global firms.

Potential of the small and medium-sized cities and towns in the metropolitan areas should be better exploited to connect the Baltic Sea Region with the global networks more efficiently.

Small and medium-sized cities and towns located in the vicinity of the Baltic metropolises may act as international centres of innovation and specialised services, such as higher education, research and development, or fairs and exhibitions. Crucial factors for unlocking capacity of such cities to support the metropolises within the so called functional urban areas are: adequate transportation; integration into the regional markets of labour, housing, education, culture and

ACTION AGENDA 4

Develop the measures for harmonising the investment plans of Saint Petersburg with the macroregional economic integration needs.

TIME PERSPECTIVE: Short

POSSIBLE LEADING STAKEHOLDER: Baltic Metropolises Network (BaltMet)

ACTION AGENDA 5

Create and spread within the BSR a model solution on using a stakeholder approach in enhancing the potential of small and medium-sized cities and towns within the metropolitan areas as international centres of innovation and specialised services.

TIME PERSPECTIVE: medium

POSSIBLE LEADING STAKEHOLDER: Baltic Metropolises Network (BaltMet), Union of the Baltic Cities (UBC)

events; high quality of services for residents and local enterprises, as well as development of a distinct image.

Outcomes of several Interreg III B projects (e.g. Metropolitan Areas+, MECIBS, Defris, SEBCo, Baltic Palette II, etc.), as well as the case studies delivered by the VASAB work-group on the urban networking and urban-rural partnership (WGI) in the East West Window project, show that public policies aimed at enhancing the innovative potential of such urban centres provide the best result if they apply a stakeholder approach. According to that, competence of the local community, creativeness of private companies and early engagement of regional and national decision-makers facilitates attraction of industrial and real estate investment and highly skilled labour. These success stories need to be better communicated throughout the Baltic Sea area and possibly replicated by other interested stakeholders.

While institutional and cultural cooperation between all BSR countries is on the good track, a key solution for integrating North West Russia into the economic system of the Baltic Sea Region is to provide incentives for creation of economic clusters at the subregional scale.

The high share of intra-industry trade, understood as trade within the same branches or sectors of economy, is the evidence for the growing economic integration of the BSR countries. The constantly increasing volumes of intra-industry trade in the new EU Member States have been very encouraging. However, at the same time, the Russian trade exchange seems to be rather of the inter-industry type, going on between different branches. It is focused on attracting consumer services to the domestic market and on investments in energy and transportation sectors in the global markets. Therefore it has low effects for the territorial integration in the BSR.

On the other hand, some branches in Saint Petersburg and Kaliningrad Region have been identified as the potential drivers of economic integration within the BSR. In the case of Saint Petersburg these

ACTION AGENDA 6

Consider launching cross-border cluster cooperation initiatives with North-West Russian entities in the economic branches with high BSR integration potential.

TIME PERSPECTIVE: Short
POSSIBLE LEADING STAKEHOLDER:
Regional authorities, science and academic sector, business support structures and business representatives (triple helix partnerships) from the territories along the Russian border



are: space and laser engineering, nanotechnology and ICT, while in the case of Kaliningrad Region — renewable energy, fish processing and amber excavation. Similar innovative potential exists also in the economy of Pskov and Pskov Region. Thus efforts should be made to provide transnational networking actions for cluster development and cooperation, which could make use of the location proximity between the respective enterprises and business support structures. These efforts should follow the success story of the ScanBalt cross-border knowledge networks in life science and biotechnology and the cluster collaboration in the Öresund Region (e.g., Medicon Valley). They should also take note of the upcoming cooperation between Danish and German innovative companies located in the prospective development zone around the Fehmarn Belt Bridge.

Overcoming of the urban-rural divide in the BSR is only feasible through enhanced cooperation and partnership, and through developing the local capacities for change.

The current development trends reveal that metropolitan areas and big cities in the BSR benefit mostly from the concentration of capital, labour force and knowledge, whereas areas far away from them experience decline in population and jobs. This calls for a new responsibility of the metropolitan areas for their wider vicinity.

Several medium-sized cities in the rural areas fail to provide a sound alternative for employment of the rural population, as they cannot offer an opportunity of integrating with the housing and labour markets of the larger centres. This is the case especially in areas not endowed with attractive assets for tourism or transport and logistics services. These negative prospects for the urban centres outside the metropolitan regions call for political responses either to compensate the negative trends (e.g., the knowledge gap) or even to try to integrate these cities into the knowledge economy.

Practice shows (e.g., Interreg III B projects MECIBS, Hinterland, A.S.A.P., etc.) that such cities have a hidden capacity to cope with the challenges of socio-economic

ACTION AGENDA 7

Launch joint transnational and cross-border initiatives to combine the development of metropolitan areas and their rural surroundings in a better way.

TIME PERSPECTIVE: Short/medium

POSSIBLE LEADING STAKEHOLDER:

Project New Bridges (co-funded by the Baltic Sea Region Programme 2007-2013) in communication with relevant national, regional and local authorities around the BSR

ACTION AGENDA 8

Activate transnational networking initiatives to facilitate the foreign direct investments into small and medium-sized cities outside the metropolitan areas, based on the documented success stories in the BSR and other macroregions.

TIME PERSPECTIVE: Short/ medium

POSSIBLE LEADING STAKEHOLDER: Baltic Sea Chambers of Commerce Association (BCCA)

transformation, provided that the revival policies — besides investments in municipal services and infrastructure — also activate initiatives of the local communities and private companies (exploring the so called social economy). Such policies should focus on the quality of the local labour force to stimulate emergence of local companies, as well as to attract new industrial branches suited to the skills of the local labour market. To develop the local capacity for change, also new cooperation schemes between city authorities and other public stakeholders (e.g., universities) are needed. Moreover, successful socio-economic transformation of urban centres into the rural surroundings requires institutional support to help integrating relevant cooperation strategy into plans and programmes of various public institutions.

Besides that, new forms of urban-rural partnership and cooperation have to be developed and tested especially between the BSR metropolises and big cities and their wider vicinity. This may comprise common cluster policies, common economic development, branding, marketing and management efforts, common governance structures, financing, revenue sharing and compensation systems, promotional events to foster common regional identity and joint urban-rural projects. Such schemes are important not only nationally, but also across the borders, e.g., in the south-western and central Baltic area, in the Via Baltica development zone, with regard to Saint Petersburg and across the German-Polish border.

Social cohesion problems caused by the demographic trends and labour force movement in the Baltic Sea Region should be addressed with a policy response at the pan-Baltic level.

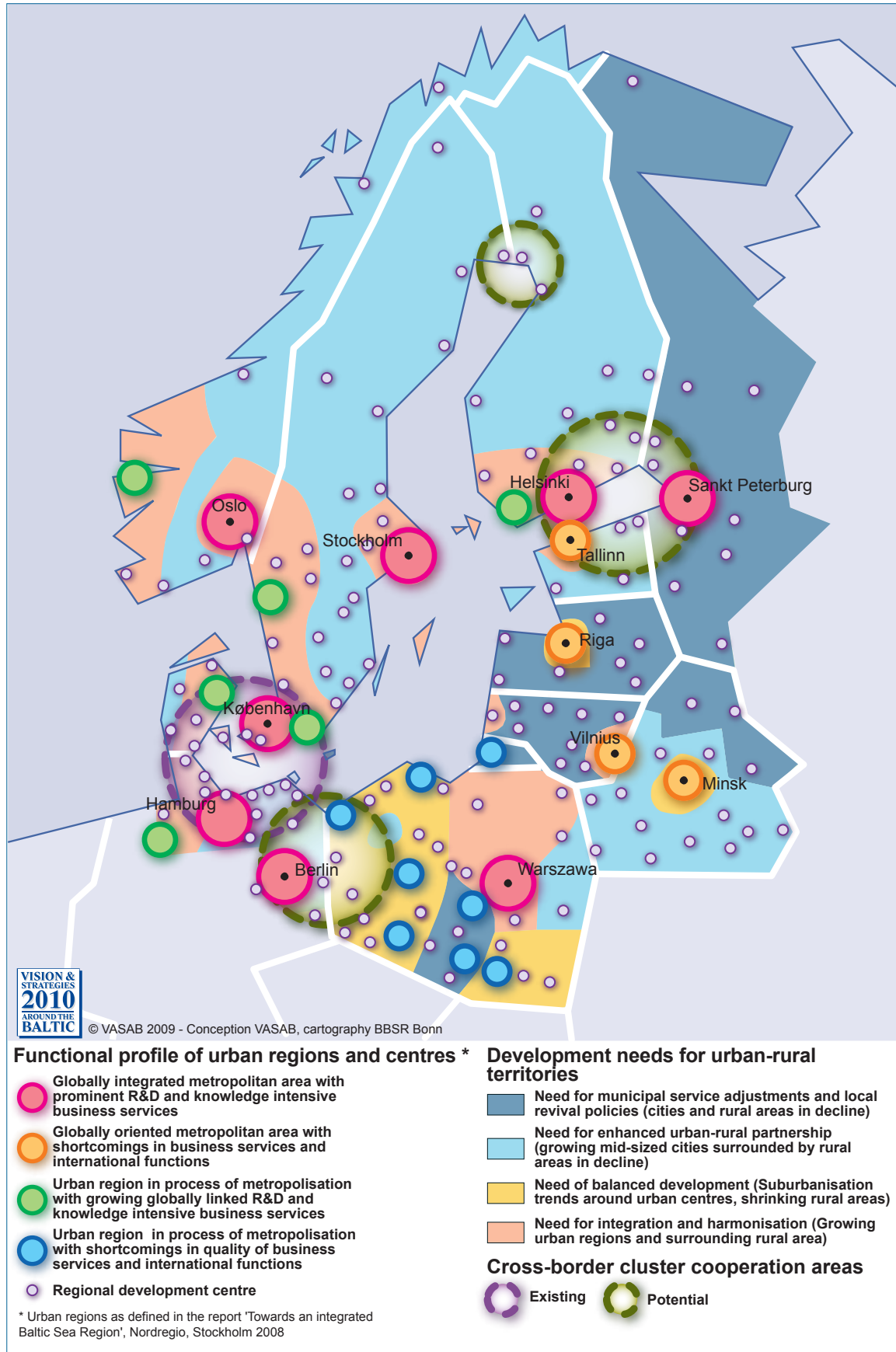
Low birth rates below the society reproduction levels and migration flows from the peripheral and rural areas towards the largest cities have created demographic and social challenges shared by all BSR countries. These challenges threaten the social and territorial cohesion, as the rural areas are left with unbalanced age structure and growing needs for social care. The urban-rural disparities are being magnified by recent labour force movements from the new EU Member States to the gradually opening markets of the western BSR countries.

ACTION AGENDA 9

Organise a pan-Baltic conference to work out measures for counteracting the impact the demographic trends and labour market development have on the urban-rural polarisation and social cohesion in the Region.

TIME PERSPECTIVE: Short
POSSIBLE LEADING STAKEHOLDER:
VASAB in cooperation with relevant stakeholders

2010: Promoting urban networking and urban-rural cooperation



Source: VASAB CSD/BSR.

In order to highlight the consequences of these tendencies for the social cohesion in the Baltic Sea Region and to find measures to cope with the urban-rural polarisation, it is necessary to establish a dialogue at the pan-Baltic level.





III. 2 IMPROVING INTERNAL AND EXTERNAL ACCESSIBILITY

Inefficient transport connections across the borders impede a tighter integration of the regional and national economies around the Baltic Sea and ability of the Baltic Sea Region's infrastructure to serve the intercontinental flows.

Transport policy with regard to the Baltic Sea Region needs to pay attention to the new geography of the European Union and more intensive cooperation with the neighbouring countries. Moreover, a macro-regional development perspective is required to set a background for immediate transport demands.

By virtue of the geographical location and availability of technical standards (e.g., presence of both Russian and European rail gauge sizes), the Baltic Sea Region together with Central Europe may play the primary role in serving the transport flows between the European Union, Russia and the Far East countries. Pursuing this opportunity is, however, dependant upon the provision of sustainable, affordable and intermodal solutions, in order to comply with the environmental, economic, social and territorial requirements. In this line, promotion of green transport corridors across the BSR will allow for transferring larger cargo volumes from road to rail and sea.

In order to enable smooth transfer of goods, also better compatibility and quality of interfaces is needed between individual transport systems of the BSR and the neighbouring countries. In this regard, despite significant infrastructural investments realised from both public and private budgets, cross-border areas in the BSR still witness a number of bottlenecks, missing links and interoperability drawbacks. They limit not

ACTION AGENDA 10

Address the obstacle of cross-border deficits in primary (TEN-T) and secondary (interregional connections) transport networks of the BSR countries for developing transborder labour markets in the Region.

TIME PERSPECTIVE: Medium/ long
POSSIBLE LEADING STAKEHOLDER:
 Leaders of strategic transport development actions at the pan-Baltic level; VASAB to initiate dialogue with the relevant stakeholders, such as the European Commission

ACTION AGENDA 11

During the revision of the EU transport policy and follow-up work on the EU Strategy for the Baltic Sea Region, consider the following examples of road and rail links, the current state of which pose the challenge for the integration of transport networks in the BSR from the macroregional perspective:

- The Rail Baltica corridor (connecting Saint Petersburg, Finland, Estonia, Latvia, Lithuania and Poland with western EU Member States), as it builds the backbone for the integrated railway system in the eastern part of the BSR;
- Corridor IA of the TEN-T network connecting seaports of Gdańsk, Kaliningrad and Riga, and its western extension towards Szczecin, as they allow for a better integration of Kaliningrad region with the

only the external accessibility of the Baltic Sea Region, but also connectivity between its urban centres.

Provision of high-capacity multimodal connections between the BSR metropolises and to other main markets in Europe is a necessity in times of enhanced economic globalisation. For the areas characterised by a dense network of medium-sized towns, the capacity of the regional transport networks to connect them together is essential in building integrated labour markets based on commuting. In turn, for the scarce settlement territories with unbalanced population structure, integrated regional transport networks are necessary for sustaining socio-economic growth.

Deficits in efficiency of the cross-border connections are especially visible in the eastern part of the Baltic Sea Region. Fragmented motorway sections and lack of electrified double-track railway lines significantly hinder the mobility of goods and persons in the North-South direction between the Baltic States and Poland, and in the east-west direction between the Baltic States and Russia. At the same time, institutional obstacles when crossing the borders prohibit more enhanced integration of North-West Russia and Belarus with their EU neighbours.

Moreover, transport links in North-South direction between the Baltic Sea and the Adriatic Sea via Central Europe need to be improved in line with the regional development. This will contribute to more efficient transport from and to the Mediterranean Sea, Africa and Asia, reduce congestions in Western Europe and help

neighboring EU territories and improve accessibility of the regions on the south-eastern shores of the Baltic Sea;

- North-South routes from Scandinavian countries via Central Europe (eastern Germany, Poland) to the Adriatic Sea, as they support more efficient transport services between the Baltic Sea Region and other European macroregions and help develop markets along the corridor;
- road connections in some key cross-border areas within the EU territory, e.g., between Germany and Poland in the vicinity of Szczecin and between Poland and Lithuania in the vicinity of Suwałki, as they stimulate the formation of cross-border labour markets, such as the already developed ones in the Öresund area and between Tornio in Finland and Haparanda in Sweden, or in the process of development between Helsinki and Tallinn;
- Road connections and border crossing infrastructure on the external EU borders, including the sections of Narva (Estonia-Russia), Kaliningrad-Gdansk, Vyborg-Imatra (Russia-Finland), Terehova – Burački, Grebņeva — Ubiļinka and Vientuļi – Ludonka (Latvia – Russia), as well as between Norway and Russia (Kirkenes-Murmansk), to promote harmonisation of the transport networks between the EU and Russia;
- Road and rail links from the ports of Lithuania, Latvia, Estonia and Finland to Russia and Belarus with the extension to the Far East, Central Asia and the Black Sea region to ensure reliable Eurasian transport connections and services;
- Tallinn-Saint Petersburg and Kaliningrad-Klaipėda rail links to secure a good connection between the TEN-T and



to increase competitiveness of both the Baltic Sea Region and Central Europe.

However, the need for a better and more reliable transport infrastructure should be coupled with measures in the area of labour market policies, which would enhance a greater cross-border mobility of the labour force and better access to the services for businesses and individuals.

Air and maritime transport complement each other well in securing transfer of goods and people-to-people contacts in the Baltic Sea Region, yet some missing or inefficient connections should be placed on the pan-Baltic political agenda.

As the Baltic Sea acts as a physical obstacle for developing land transport networks across the BSR, the road and rail connections are able to stimulate only cross-border interactions between its territories. For transnational interactions to bridge the Baltic Sea Region together, maritime and air transport are essential.

Air transport

With the diminishing passenger flows, disparity between the airports in western and eastern part of the BSR, and with the growing number of the global connections offered by the Baltic hubs, the main issue for the air transport network in the BSR is the capacity for developing services for specific destinations. At present, smaller metropolitan areas lack direct connections to some BSR capitals, as well as to other secondary metropolitan areas, which makes one-day business trips

Russian networks in the context of EU – Russia – Far East transshipments and thereby to enhance the integration of North West Russia into the Baltic Sea Region;

- East-West routes in the Northern Periphery area (such as Barents Link, North East Cargo Link and Northern Maritime Corridor) to connect the natural resources-rich Barents Region with the large markets of North America and the European mainland, and to provide a better access of these territories to the cargo facilities.

TIME PERSPECTIVE: Medium/ long
 POSSIBLE LEADING STAKEHOLDER: EU Commission (DG TREN, DG REGIO) in cooperation with Northern Dimension Transport and Logistics Partnership

ACTION AGENDA 12

In the EU Strategy for the Baltic Sea Region and its follow-up work, consider the following air transport issues of relevance to the BSR territorial cohesion:

- East-West connections in the northern and eastern parts of the BSR (including the city of Murmansk), the scarcity of which reduce the potential for interaction between the peripheral regions;
- low connectivity of Hamburg and Berlin to other BSR metropolises;
- low frequency of transport services between the metropolises in the eastern part of the BSR, including Kaliningrad.

TIME PERSPECTIVE: Short/ medium
 POSSIBLE LEADING STAKEHOLDER: EU Commission (DG TREN, DG REGIO)

impossible. A challenge also remains to extend the air transport network to duly integrate North West Russia and Belarus, and to use the air transport to secure good accessibility of the peripheral regions.

The development of airports in the peripheral or disadvantageous areas should be enhanced in an integrated way. Building a system with the regional airports linked to the BSR capital cities and metropolitan areas is of a great importance for strengthening sustainable regional development of these areas.

Maritime transport

The configuration of the Baltic Sea coastline predestines maritime transport for both sustaining cross-border scale interactions and connecting more distant areas with each other. The potential of the maritime transport for the territorial integration of the Baltic Sea Region may be further strengthened especially in the areas where distances are too short for using air connections, and bridges or tunnels would be, if feasible, too expensive and not profitable enough. Such an opportunity exists especially for further development of the 'motorways of the sea'. They are an important tool to create viable solutions fostering growth and development and, at the same time, to alleviate the pressure on the land infrastructure. In the territorial context, the motorways of the sea may, on the one hand, facilitate the cross-border integration of the areas separated by a narrow strip of water, and on the other — contribute to making the BSR a gateway area

ACTION AGENDA 13

Monitor the trends in airborne connectivity of the BSR metropolises and report about the prevailing shortcomings and the possible improvement measures at the transnational political meetings

TIME PERSPECTIVE: Long

POSSIBLE LEADING STAKEHOLDER: VASAB

ACTION AGENDA 14

Develop the Motorways of the Sea in the Baltic Sea Region as a systemic solution to enhance the cross-border scale integration and a transfer of goods between the EU, the eastern neighbours, Central Asia and the Far East. Consider in the revised EU transport policy the extension of the Baltic Sea Motorways system to include further short-sea links between the EU ports, as well as connections from the EU ports to Kaliningrad and Saint Petersburg.

TIME PERSPECTIVE: Medium/ long

POSSIBLE LEADING STAKEHOLDER: EU Commission (DG TREN)



for the intercontinental flows. The maritime transport corridors between the northern part of the BSR and the mainland of Europe are important in serving the transport flows between East and West, but may also help mitigate the future congestion in the Baltic Sea lanes.

In the context of rapidly increasing sea-borne cargo volumes, including the transport of dangerous goods, an introduction of the intelligent sea transport corridors in the BSR would allow for electronic monitoring of specially designated sea traffic lanes in order to prevent ship accidents and take appropriate actions in case of such incidents.

On par with more connections between the eastern and western electricity transmission grids, also a better assessment of the territorial capital of the Baltic Sea Region with regard to renewable energies is necessary to succeed with an integrated energy network.

Energy dependency is one of the most important topics for the Baltic Sea Region, since with the exception of Russia, Norway, and to a lesser extent Denmark, all BSR countries are net importers of energy. It thus becomes a vital argument for developing integrated energy networks and markets, enabling to regulate the supply and demand patterns across the borders, following the example of the Nordic cooperation in that field. The memorandum of understanding on the Baltic Energy Market Interconnection Plan, signed by the eight Baltic Sea Member States and the European Commission in June 2009, has been a step in that direction. To date, there are few connections between the transmission grid systems of the Western and Eastern shore of the BSR. This low number increases the vulner-

ACTION AGENDA 15

Initiate work on the intelligent sea transport corridors in the BSR (separated and electronically monitored traffic routes) by activating at least one pilot project for a corridor with high traffic volumes in an environmentally sensitive area.

TIME PERSPECTIVE: Short/ medium
POSSIBLE LEADING STAKEHOLDER: Council of the Baltic Sea States (CBSS)

ACTION AGENDA 16

Analyse the territorial development implications of more East-West connections to secure a fully integrated BSR transmission grid.

TIME PERSPECTIVE: Short
POSSIBLE LEADING STAKEHOLDER: Baltic Sea Region Energy Cooperation (BASREC)

ACTION AGENDA 17

Consider a BSR Energy Supergrid to interconnect the power plants producing renewable energy in the BSR sea areas as a possible component of actions towards a fully integrated BSR transmission grid.

TIME PERSPECTIVE: Short
POSSIBLE LEADING STAKEHOLDER: Baltic Sea Region Energy Cooperation (BASREC)

ability of the whole system to the possible temporary disruptions at specific nodes.

At the same time, the interplay of energy production areas and location of energy recipients, with a need to provide energy supply to the metropolitan areas as engines of the national economies, gives room for the transnational territorial planning tools. These may contribute to the production of regionally-based, renewable energy sources.

In the context of energy dependency and climate change, it seems necessary to better exploit the own territorial energy capital of the Baltic Sea Region. Attention should be paid to the potential of renewable energies and a need for energy efficiency improvements by reducing the amount of energy required for providing services.

While the digital divide in access to the information and communication technologies (ICT) between and within the BSR countries has in general been mastered, the target of 100% of the local population covered by mobile phone, affordable ICT infrastructure and access to on-line services should be set as the norm.

The tendency in access to the ICT services in the BSR countries shows a rather common pattern. According to it, the disparities between the countries tend to shrink rather quickly and can thus be regarded more as temporary rather than persistent ones. In the time span of only two years, all BSR countries have significantly reduced the disparities between the use of broadband connections by the households in densely and sparsely populated regions. Consequently, the 'digital

ACTION AGENDA 18

Analyse and demonstrate solutions for better utilisation of renewable resources on the pan-Baltic scale and thus a higher energy independency of the Region; exemplary topics:

- Possible investments in offshore wind-power installations along the Baltic Sea coast, with an emphasis on raising the potential of Poland and the Baltic States in that field;
- Possible investments for a better use of the potential municipal and industrial waste to produce energy in the Baltic States;
- Territorial development implications for biomass, solar and geothermal energy use in the BSR.

TIME PERSPECTIVE: Short

POSSIBLE LEADING STAKEHOLDER: Baltic Sea Region Energy Cooperation (BASREC)

ACTION AGENDA 19

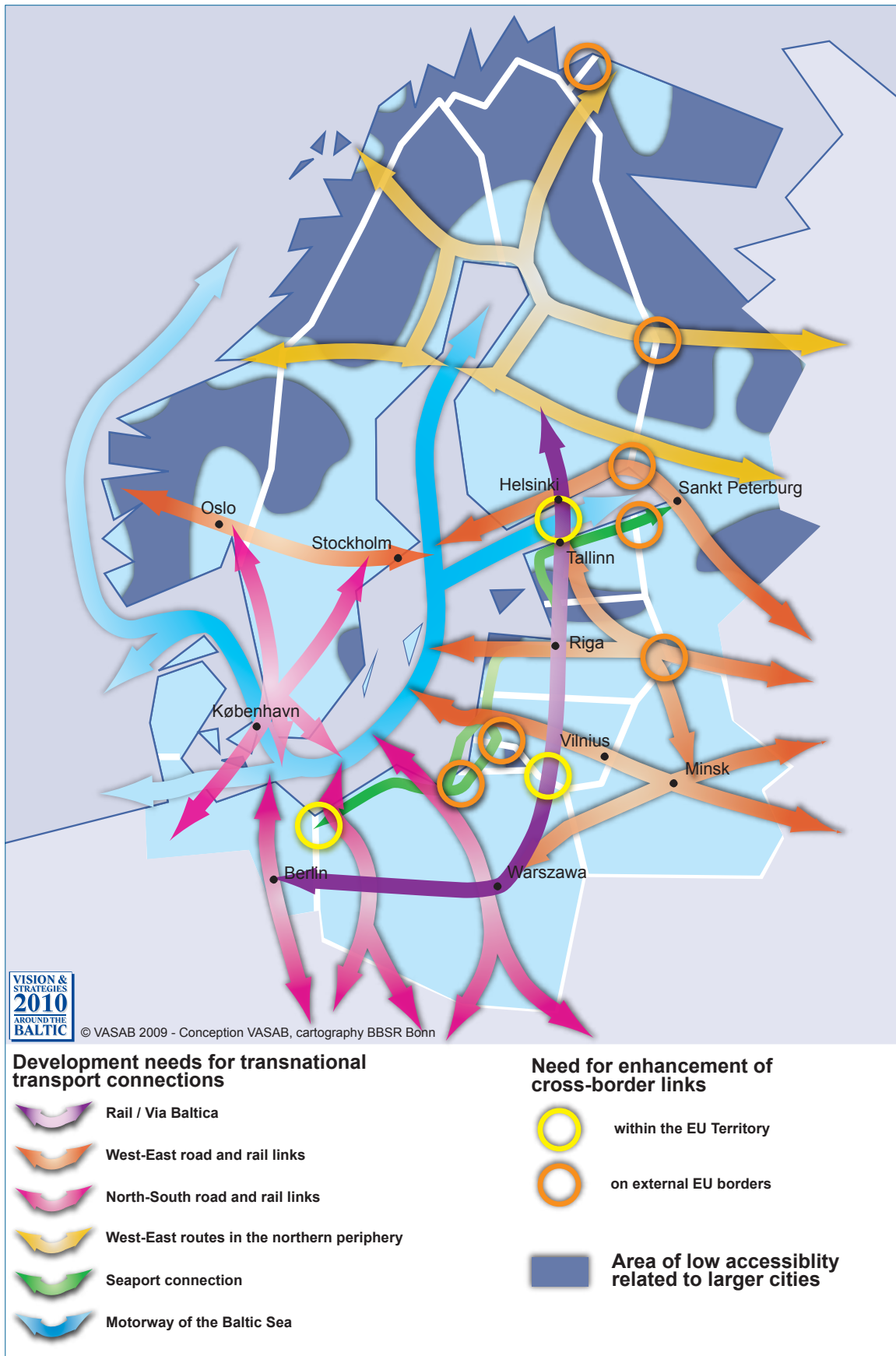
Map the coverage status for the ICT services in the BSR cross-border territories and develop joint initiatives to address the detected disparities.

TIME PERSPECTIVE: Short/ medium

POSSIBLE LEADING STAKEHOLDER: Local and regional authorities in mapped areas, CBC programme authorities



2010: Improving internal and external accessibility



Source: VASAB CSD/BSR.



divide' between and within the countries, at least when it comes to the broadband technology, has been minimised.

Although these disparities are of a temporary nature, they nevertheless represent a competitive loss for territories with low or non-existent coverage by the ICT services. This especially holds true for some cross-border areas, in case of which the jointly elaborated solutions would reduce the cost for infrastructure investment. At the same time, they would increase the customers' market and thus the profitability of the operations for the ICT providers.





III. 3 ENHANCING MARITIME SPATIAL PLANNING AND MANAGEMENT

Protecting the Baltic Sea environment and securing sustainable use of the sea resources requires integrated planning and management actions by all BSR countries and relevant sectors of economy

The contradictory interests of different stakeholders in the Baltic Sea resources and the subsequent use conflicts cannot be solved by each BSR country alone. This applies also to the principle of securing safe navigation to avoid incidents detrimental to the marine environment. They require a pan-Baltic approach, based on a clear vision, goals and principles for planning and management of the sea space. Such an approach should employ a cross-sectoral involvement and dialogue between the political bodies of all levels, to follow land-based examples in preventing similar types of conflicts.

At the same time, planning and management of the sea space should be harmonised with the statutory planning and management of the adjacent terrestrial areas due to obvious interlinkages between the land and offshore activities. This postulate requires not only mere legislation changes, but, first of all, the transfer of appropriate knowledge and experience of terrestrial planning and management in order to build capacity of sea planning and management institutions. Linking of the planning and management on the land and sea should be done at different levels of territorial administration, together with installing proper management instruments related to each other.

At present, the existing conventions or agreements tend to harmonise the use of the Baltic Sea resources within respective sectors. There is hence an evident shortcoming of a comprehensive instrument to guide the sea use planning and management at the BSR level, which, among all, could

ACTION AGENDA 20

Arrange a BSR conference together with relevant stakeholders in order to develop a common approach for the Baltic Sea Maritime Spatial Planning.

TIME PERSPECTIVE: Short
POSSIBLE LEADING STAKEHOLDER: VASAB and HELCOM

ACTION AGENDA 21

Prepare and implement demonstration projects for some Baltic Sea areas of severe use conflicts (e.g. the Gulf of Finland, the Gulf of Riga, Norra Kvarken, southern part of the Gulf of Bothnia, including the archipelagos, the Danish straits, and offshore areas south and east of Öland and Gotland, as well as other appropriate Baltic Sea locations).

TIME PERSPECTIVE: Short/ medium
POSSIBLE LEADING STAKEHOLDER: VASAB and HELCOM

enforce concertation of the strategic documents on the sea resources by the neighbouring countries. Such a politically committed instrument could lead to a significant reduction of the potential sea use conflicts, as it would provide a basis for the BSR countries to include the sea space in the spatial planning legislation and national strategic documents, and to prepare the sea use plans for specific offshore areas.

The Baltic Sea Region has a potential to become a model region for the implementation of the EU Maritime Policy.

The Baltic Sea Region is an ideal testing ground for the European Commission ambitions to see the EU coastal countries introduce compatible and comparable maritime spatial planning systems. Apart from VASAB work on a transnational concept for maritime spatial planning, also other pan-Baltic organisations, like HELCOM through their Baltic Sea Action Plan, or Baltic 21 are active in this field. Most of the BSR countries implement or at least develop their national strategies for integrated coastal management and maritime activities. Several Interreg IIIB projects, like *Balt-Coast*, *PlanCoast* and *Balance*, have delivered good basis for elaboration of prudent maritime spatial planning principles. The BSR is also advanced in examining climate changes, developing risk assessment methods and efficiency analyses of applied policy instruments, including relevant monitoring indicators, as shown in the BSR Interreg IIIB project *Astra*.

The Baltic Sea Region has therefore a good capacity to become a macroregion of maritime excellence, specialised in sustainable management of the sea resources. In this context an agreement on maritime spatial planning in the BSR may become a pilot activity on the European scale for joint development and application of the maritime spatial planning principles between the EU

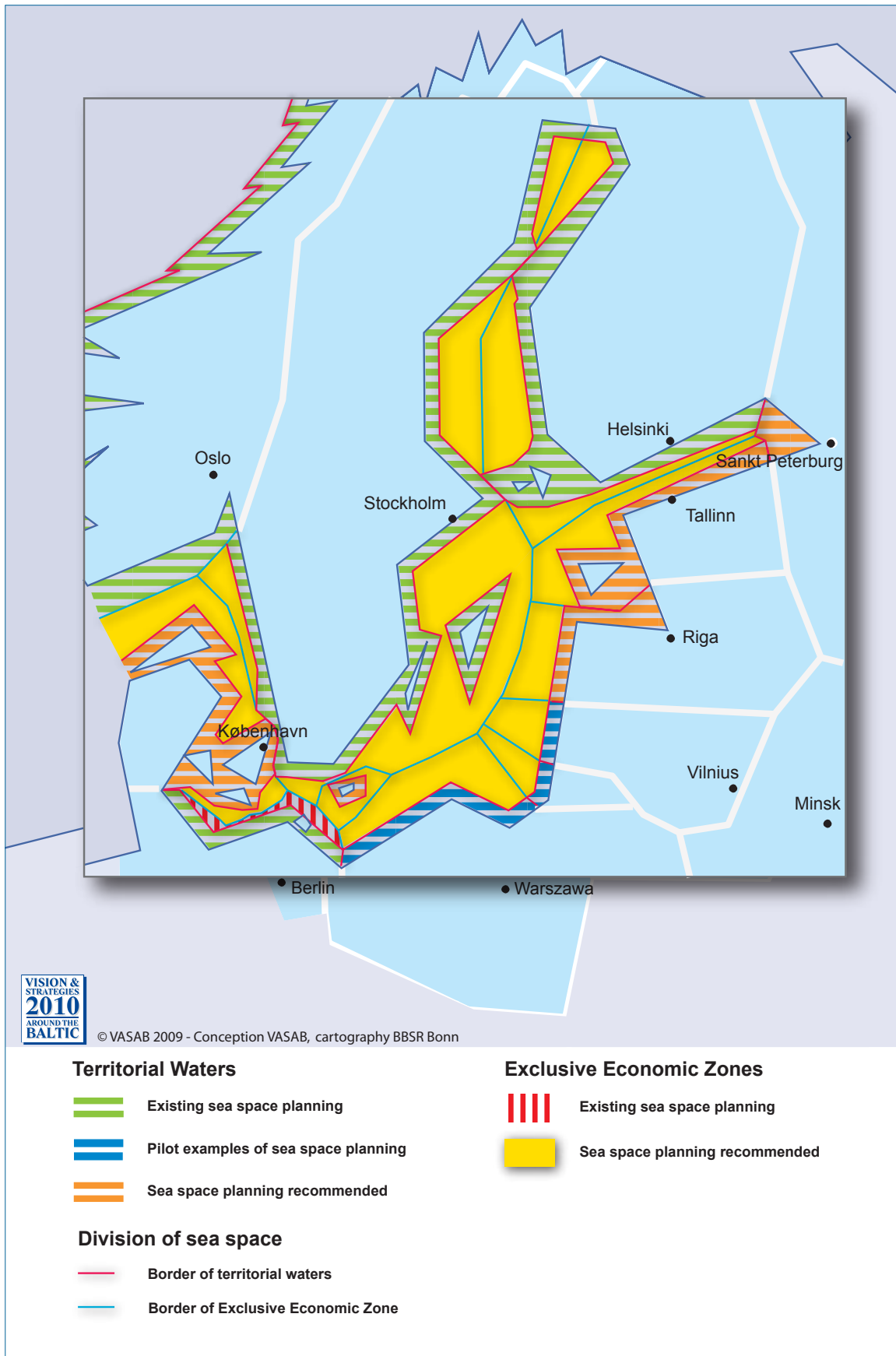
ACTION AGENDA 22

Initiate joint capacity building actions in maritime spatial planning to ensure exchange of experience, promote education availability and to increase competence in that field at the BSR level.

**TIME PERSPECTIVE: Short/ medium
POSSIBLE LEADING STAKEHOLDER:
Baltic University Programme (BUP)**



2010: Enhancing maritime spatial planning and management



Source: VASAB CSD/BSR.



Member States and the neighbouring countries. To fulfil these aspirations, joint efforts are required in collection and management of relevant data for systematic assessment of the impacts of different types of sea uses on the offshore and coastal area development. An example of such efforts could be creation of a joint Baltic Sea data pool with harmonised country and sector information. With a growing cooperation among the maritime spatial planning stakeholders, a need emerges to provide a future-oriented education. Joint capacity building actions should thus place an emphasis on developing educational curricula in maritime spatial planning at the BSR universities, permanent training opportunities for maritime spatial planning experts and setting up a network of focal points providing consultation and exchange of experience in the field of maritime spatial planning and sea use management.



APPENDIX I: LIST OF ORGANISATIONS AND PROJECTS MENTIONED IN THE LTP DOCUMENT

ORGANISATIONS

Agenda 21 for the Baltic Sea Region (Baltic 21) — A BSR-wide process for sustainable development initiated by the member states of the Council of the Baltic Sea States.

Baltic Development Forum (BDF) — A networking organisation involving businesses, local governments and associations the objective of which is to promote the Baltic Sea Region as an integrated, prosperous and internationally competitive growth region.

Baltic Metropolises Network (Baltmet) — a forum for capitals and large metropolitan cities around the Baltic Sea (with Berlin, Copenhagen, Helsinki, Malmö, Oslo, Riga, Stockholm, Saint Petersburg, Tallinn, Vilnius and Warsaw as members) aiming to promote innovativeness and competitiveness in the Baltic Sea Region by engaging cities, as well as academic and business partners into close cooperation.

Baltic Sea Chambers of Commerce Association (BCCA) — organisation uniting chambers of commerce from Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Norway, Poland, Russia and Sweden in their effort to protect and uphold the interests of private entrepreneurship in the Baltic Sea Region.

Baltic Sea Commission (CPMR BSC) — a geographical commission of the Conference of Peripheral Maritime Regions promoting and defending interests of the coastal regions around the Baltic Sea.

Baltic Sea Region Energy Cooperation (BASREC) — an intergovernmental cooperation of energy ministers of the Baltic Sea Region countries.

Baltic Sea States Subregional Cooperation (BSSSC) — A political network of regional authorities of the countries in the Baltic Sea area.

BSR Interreg III B — an EU INTERREG Initiative programme supporting transnational cooperation to enhance balanced and sustainable development of the Baltic Sea Region territory.

CEMAT — European Conference of Ministers responsible for regional and spatial planning, bringing together representatives of the 47 member states of the Council of Europe.

Council of the Baltic Sea States (CBSS) — an overall political forum for intergovernmental cooperation of 11 states of the Baltic Sea Region.

The Helsinki Commission (HELCOM) — an intergovernmental cooperation between Denmark, Estonia, the European Community, Finland, Germany, Latvia, Lithuania, Poland, Russia and Sweden aiming to protect the marine environment of the Baltic Sea from all sources of pollution.

Union of the Baltic Cities (UBC) — cooperation at a local level between cities surrounding or close to the Baltic Sea.

BSR INTERREG III B PROJECTS AND THEIR MAIN PURPOSE

'A.S.A.P' — the challenge of compensating lower economic potentials and safeguarding the rural development through strengthened institutional capacity in the rural municipalities.

'Astra' — assessment of the regional impacts on the global climate change and developing strategies and policies for climate change adaptation.

'Balance' — development of marine information management tools for the Baltic Sea, based on spatial planning and cross-sectoral and transnational cooperation.

'BaltCoast' — an integrated coastal zone management for the Baltic Sea, including use conflicts in the offshore areas.

'Baltic Gateway' — development of transport and infrastructure in the South Baltic Sea area.

'Baltic Palette II' — development of a dynamic and sustainable region in cooperation between the metropolitan areas of Stockholm, Helsinki, Tallinn, Riga and Saint Petersburg.

'Defris' — competitive strength of medium-sized regions located geographically outside the metropolitan region, but still in its influence area.

'East-West Transport Corridor' — strengthening the transport corridor between Esbjerg (Denmark) and Vilnius (Lithuania) through a wide range of activities dealing, e.g. with development of an overall strategy for the corridor, infrastructure improvements, new solutions for business and logistics and strengthened transport research, and co-operation between researchers.

'East West Window' — territorial integration of the North-West Russia and Kaliningrad into the Baltic Sea Region through joint spatial planning and development actions and acceleration of the Baltic Sea Region development through better connection of the existing potentials within the Region.

'Hinterland' — long-term population decline tendencies in the hinterland areas of the BSR.

'LogOn Baltic' — impact of logistics and ICT competence on the regional development.

'MECIBS' — policy responses to the BSR medium-sized cities facing the restructuring processes.

'Metropolitan Areas+' — strengthening of the metropolitan regions towards a balanced polycentric development of the BSR.

'Rail Baltica' — investigation of the most favourable route for the Rail Baltica railway link (Helsinki – Tallinn – Riga – Kaunas – Warsaw and continuing to Berlin) in terms of spatial planning and regional development, and raising of the awareness of the relevant actors in the Baltic Sea Region on the benefits of attractive railway connections.

'Rural Broadband' — better broadband access in selected rural regions of all BSR EU member-states and Norway by identification and dissemination of the best practice examples, development of the local or subregional broadband strategies and by encouraging the local stakeholders to promote broadband solutions as a key element of the future regional development strategies.

'SEBCo' — city-hinterland cooperation as a motor for the regional development in the south-eastern part of the BSR.

'SEBTrans-Link' — support for the preparation process of investments and other initiatives to improve accessibility to the road-, rail and sea transport networks of the north-south corridor between Sweden and Poland/Kaliningrad Region/Lithuania.

OTHER TRANSNATIONAL PROJECTS

'PlanCoast' — an INTERREG IIIB NP CADSES project with the aim to develop the tools and capacities for an effective integrated planning in the coastal zones and maritime areas in the Baltic, Adriatic and Black Sea regions.

APPENDIX 2: BACKGROUND INFORMATION ON THE MAPS OF THE LTP DOCUMENT

The maps are intended to visualise the content statements of the LTP with regard to their three main themes: (1) urban networking and urban-rural cooperation, (2) internal and external accessibility and (3) maritime spatial planning. The fourth map presents an overall development perspective for these themes towards the year 2030. The maps do not constitute an official planning document and do not respectively prejudice or revise national/regional planning objectives in the BSR countries.

The LTP maps contain information derived from several sources as described below.

URBAN NETWORKING AND URBAN RURAL COOPERATION

Classification of urban/metropolitan regions is based on the report „Towards an integrated Baltic Sea Region“, Nordregio, Stockholm, 2008, further processed by the VASAB Working group on Urban Networking and Urban-rural cooperation (see also the LTP Background Synthesis Document).

The concept of cross-border cluster cooperation is based on the LTP document (see also the LTP Background Synthesis Document).

The concept of regional development centres is based on VASAB 2010, Tallinn Report, 1994.

Development needs for urban-rural territories are based on the categories of the population change 2002 – 2006, as defined by Nordregio 2008 (see also the LTP Background Synthesis Document).

INTERNAL AND EXTERNAL ACCESSIBILITY

The map does not contain all currently nationally and EU prioritised corridors, but only those seen as particularly important for the territorial cohesion of the Baltic Sea Region and therefore mentioned in the LTP document.

Low accessibility areas are based on Schürmann/Spiekermann: Accessibility Analysis for the Baltic Sea Region. The Final Report. Study for the BSR INTERREG IIIB Joint Secretariat within the framework of the preparatory process for the BSR Transnational Programme 2007-2013.

The cross-border links are based on the LTP document (see also the LTP Background Synthesis Document).

The corridors/transport connections are based on the LTP document (see also the LTP Background Synthesis Document).

MARITIME SPATIAL PLANNING AND MANAGEMENT

The map is based on investigations by the VASAB Working group on Maritime Spatial Planning (see also the LTP Background Synthesis Document).

TERRITORIAL DEVELOPMENT PERSPECTIVE 2030

The map visualises the perspective on urban networking and urban-rural cooperation, accessibility, as well as maritime spatial planning and management as expressed in the LTP.

ACKNOWLEDGEMENT

The present document is the result of a number of preparatory activities of the Long Term Territorial Development Perspective (LTP) coordinated by VASAB Committee on Spatial Development (CSD). We would like to thank all persons involved in preparation of the document.

In particular, we would like to mention that the LTP development process was initiated by Polish chairmanship (2004-2005, CSD Chairman Zbigniew Rykowski), architected by VASAB Swedish chairmanship (2006-2007, CSD Chairman Olle Lundgren), steered further by Latvian chairmanship (2007-2008, CSD Chairmen Edgars Zalāns and Gunārs Anšņš) and concluded under Danish chairmanship (2008-2009) skilfully orchestrated by Peter Pouplier.

Elaboration of the LTP would not be possible without financial support provided by the European Commission as INTERREG IIIB Neighbourhood program Tacis strand project *East West Window*. The project involved 10 partners of Russia, Denmark, Germany, Sweden, Poland and was led by the Ministry of Regional Development and Local Government of the Republic of Latvia. More than 40 experts were involved in analytical work, as well as in formulating policy messages and recommendations.

The Territorial Perspective of the Baltic Sea Region till 2030 was developed during two LTP workshops inspired by moderators Kaur Lass and Lowie Steenwegen. The themes, vision and policy messages were discussed during VASAB seminar in Pärnu (2006), VASAB stakeholder conferences in Warsaw (2006) and in Riga (2008), and VASAB stakeholder seminars in Saint Petersburg (2008) and in Riga (2009).

Special thanks go to consultant Wiktor Szydarowski for excellent work on drafting the document, patience while discussing all the comments and finding compromises on the text.

We would like to thank also the BSR ministries responsible for spatial planning and development for organising the national consultation process, collecting responses and providing summaries of comments. In addition, we would like to thank for active participation the Pan-Baltic organizations, regions and individuals who provided their comments to the draft versions of the LTP.

The document could not be complete without maps drafted by Volker Schmidt-Seiwert of the German Federal Office for Building and Regional Planning.

Additionally, we would like to thank the VASAB Secretariat for assisting in the LTP elaboration process and Inga Nemše of McAbols Poligrafija Ltd for English proofreading of all the texts.

VILNIUS DECLARATION

TOWARDS BETTER TERRITORIAL INTEGRATION OF THE BALTIC SEA REGION

Visions and Strategies around the Baltic Sea (VASAB) is an intergovernmental forum for co-operation of ministers responsible for spatial planning and development of Belarus, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Norway, Poland, the Russian Federation and Sweden. The Ministers have met upon the invitation of Lithuania in Vilnius on October 16, 2009 and adopted the following Declaration (Russian delegation took part at the Conference in observer status).



Heads of Delegations (from left): **Ms Ingūna Urtāne** (Ministry of Regional Development and Local Government, Latvia), **Mr Anatoly Nichkasov** (Deputy Minister, Ministry of Architecture and Construction, Belarus), **Mr Jan Vapaavuori** (Minister of Housing, Finland), **Mr Odd Godal** (Ministry of Local Government and Regional Development, Norway), **Mr Manfred Sinz** (Federal Ministry of Transport, Building and Urban Affairs, Germany), **Ms Gabriella Lindholm** (Ambassador for Marine Environment, Ministry of the Environment, Sweden), **Mr Gediminas Kazlauskas** (Minister of the Environment, Lithuania), **Ms Elżbieta Bieńkowska** (Minister of Regional Development, Poland), **Ms Kirsten Vintersborg** (Agency for Spatial and Environmental Planning, Denmark), **Mr Karl Laas** (Ministry of the Interior, Estonia)

The Ministers,

being aware of the necessity of co-operation on spatial planning and development in compliance with such challenges as climate change, energy efficiency, urbanisation, maritime spatial planning, as well as economic performance of the Baltic Sea Region (below: 'Region') as a European macro region in a global setting,

bearing in mind that remains of the political divide of Europe are still reflected in the disparities between the countries in the Region, and that spatial planning co-operation can be an effective instrument in abolishing these disparities as rapidly as possible,

sharing the interest to develop the Region into a model case of concrete co-operation in spatially related cross-border and transnational spatial planning and development tasks towards territorial cohesion,

recalling the validity of statements in the Vision and Strategies around the Baltic Sea 2010, adopted in Tallinn in 1994, the VASAB 2010 Plus Spatial Development Action Programme adopted in Wismar in 2001, as well as the Gdansk Declaration on Connecting Potentials, adopted in Gdansk in 2005, as a recognition of fifteen years of experience in co-operation after adoption of the first Baltic Sea Region Spatial Development Vision,

recognizing the EU Strategy for the Baltic Sea and the EU Commission's Green Paper on Territorial Cohesion as frameworks, as well as the Territorial Agenda of the European Union, drawn up in co-operation with Non-EU countries in the Region,

noting with satisfaction the active input by the Committee on Spatial Development in the Baltic Sea Region (below: 'Committee') as a common effort of the EU countries, as well as Belarus, Norway and Russia to policies relevant for territorial cohesion within the Region, the European Union and in the wider European Continent,

therefore welcoming the new VASAB Long-Term Perspective for the Territorial Development of the Baltic Sea Region, prepared for the period till 2030 and presented for this meeting,

emphasizing the importance of further concrete cooperation between countries, regions and cities, as well as pan-Baltic organizations, according to the actions proposed, would like to highlight the following findings and conclusions from the Long-Term Perspective work:

New challenges for pan-Baltic co-operation to achieve a territorially integrated Region

1. During the present time, new common responsibilities and challenges have emerged which call for deeper pan-Baltic co-operation on spatial planning and development and integration of spatial development policies into all relevant sectors. The present economic restructuring has different effects in different places. Place-based planning and development policies have to react to that.

There is a growing understanding that the Baltic Sea itself is in urgent need of maritime spatial planning. The new Long-Term Perspective for the Territorial Development of the Baltic Sea Region is an effort to define important challenges of a trans-national relevance and to illustrate how to deal with them.

2. Spatial planning is more than ever a cross-sectoral exercise and needs involvement of many actors. The array of actions in the Long-Term Perspective can only be identified, decided upon and implemented in close co-operation with other pan-Baltic organisations and partners from public, as well as private sector. Common efforts are needed to fulfil them. Therefore, the Long-Term Perspective is also a call to the pan-Baltic organisations, institutions, as well as national and regional authorities to co-operate in a transparent and efficient way.
3. The specific added value provided by VASAB to the co-operation and development in the Region is its expertise in long lasting international co-operation in spatial planning. In the Long-Term Perspective, policy guidelines and specific action agendas are presented and suggested in the following three thematic areas and outlined in 3 time horizons.

Promoting urban networking and urban-rural co-operation

4. A cooperation strategy is needed for the metropolitan areas in order to develop a strong Baltic Sea Region brand. Territorial divides should be overcome by building on the potentials of urban networking, as well as urban-rural cooperation and partnership. The development gap between Eastern and Western parts can be diminished by supporting cluster development. Potentials of small and medium sized cities and rural areas —close to metropolises but also in their wider vicinity — should be utilized to connect the Region with the global networks. Responsibility of metropolises for spatial development of the whole Region should be strengthened. North-West Russia should be better integrated with the other parts of the Region.

Improving internal and external accessibility

5. Accessibility links are still missing or are inadequate mainly because of the former East-West divide. The situation should be improved in short term, which would positively influence spatial development of the eastern part of the Region and territorial cohesion of the Region and Europe.

While overcoming the negative spatial effects and improving territorial cohesion, there is a particular need for fast road and rail connections between the Region and Central and Western Europe, above all —connections from the Eastern part of the Region to Western Europe by the Rail Baltica and Via Baltica. There is also a need of improving connectivity in the northern parts of the Region and connections to the South and East. Rapid implementation of the Motorways of the Baltic Sea is necessary in order to make full use of the potentials of an integrated and sustainable transport network. The EU Trans-European transport networks (TEN-T) and the EU Strategy for

the Baltic Sea Region should be implemented and the EU transport network needs to be better linked with the neighbouring countries.

The main objectives are intelligent green transport corridors in the Baltic Sea Region with logistics to connect land, sea and air transport to secure a well-functioning multi-modal transfer of goods and people in the Baltic Sea Region. New solutions should be created for improving the accessibility of renewable energy sources and connections of energy networks to ensure better energy integration of the Region.

Enhancing maritime spatial planning and management

6. The Baltic Sea environment and the sustainable use of the sea resources needs to be supported through an integrated land and sea space planning and management. This is a common Baltic responsibility and should be shared by all countries in the Baltic Sea Region and relevant national sectoral policies. A common Baltic approach for Maritime Spatial Planning should be discussed and tools and methods of such planning developed. Enhanced co-operation is necessary in the field of capacity building actions to ensure exchange of experience, to promote education and to increase competence in Maritime Spatial Planning.

Future tasks for VASAB

7. The Ministers

7.1. encourage the present and coming chairmanships and all members to implement this Declaration and the Long-Term Perspective by allocating adequate resources and establishing appropriate structures, i.e. especially

- to discuss the perspective of urban networks and urban-rural relations towards a knowledge-based development of the Region with relevant stakeholders, disseminate experience of well-performing small and medium size cities of all areas, and develop new forms of urban-rural partnership in view of the growing urban-rural divergence, making use of experience of respective countries and relevant projects,
- to enter into a dialogue with the European Commission, relevant national ministries and stakeholders towards the implementation of the proposals on improving the external and internal accessibility of the region, taking into consideration aspects of transport demand, regional impact and expediency,
- to promote the introduction and development of Maritime Spatial Planning in the Region, making use of experience gained in the Region and elsewhere. To achieve this, a close co-operation with HELCOM with regard to environmental aspects and with other relevant actors is essential.

- 7.2. note the importance given to land-based and maritime spatial planning in the EU Strategy for the Baltic Sea Region, consider the Long-Term Perspective as a contribution to it and to the further development of spatial planning in the Region and affirm the role of VASAB to continue this work,
- 7.3. instruct the Committee to monitor the territorial development of the Region and to report periodically to the ministers responsible for spatial planning and development and impart this information to the national governments, the European Commission and relevant stakeholders,
- 7.4. emphasise the building of knowledge of the Region's spatial planning and development and advise the Committee to co-operate with ESPON — the European Spatial Planning Observation Network on territorial development and cohesion — making use of European facts and evidence on territorial dynamics, as well as Russian and Belarusian research institutes and other sources of information towards further development of the Long-Term Perspective of Territorial Development,
- 7.5. appreciate the intention expressed by the Council of the Baltic Sea States 15th Ministerial Declaration to contact the co-operation of the ministers responsible for spatial planning of the BSR countries (VASAB) with a view to establish closer co-operation,
- 7.6. instruct the Committee to develop proposals for the ministers' approval on an appropriate organization of VASAB work and establish it after ending of the present extended mandate of the VASAB Secretariat,
- 7.7. ask the Lithuanian chairmanship, in cooperation with the Committee and the Secretariat, to distribute this Declaration and the Long-Term Perspective to relevant national, Baltic, European and global actors, emphasising in particular the Long-Term Perspective in the context of the European continent as a common effort of the EU and Non-EU countries with regard to the Council of Europe 15th CEMAT session in 2010,
- 7.8. decide to rename the Committee by adding the word 'planning', so from now on it is the Committee on Spatial Planning and Development in the Baltic Sea Region (CSPD / BSR),
- 7.9. decide that the next Ministerial Conference will focus on implementing the Long-Term Perspective of Territorial Development with particular emphasis on Maritime Spatial Planning in the Baltic Sea Region and ask the next presidency to prepare a progress report with the assistance of the Committee.

THE VASAB COOPERATION

VASAB — Vision and Strategies around the Baltic Sea — is an intergovernmental network of 11 countries promoting cooperation on spatial planning and development in the Baltic Sea Region. The member countries are: Belarus, Denmark, Estonia, Finland, Germany, Lithuania, Latvia, Norway, Poland, Russia and Sweden.

THE LTP PREPARATORY PROCESS

In 2005, the Council of the Baltic Sea States encouraged VASAB to update the vision of long-term territorial development of the BSR. Therefore, in the Gdansk declaration of September 2005, the ministers responsible for spatial planning and development agreed to prepare a long-term perspective for the territorial development of the Baltic Sea Region (LTP) with active participation of the regional authorities and in a dialogue with relevant pan-Baltic organisations.

Preparation of the LTP was coordinated by the VASAB Committee on Spatial Development. The document was deliberately profiled to certain policy sectors (urban networking and urban-rural relations, accessibility and transnational development zones, sea use planning and integrated coastal zone management) and developed by the thematic working groups. Financial support for the LTP working groups was provided by the BSR INTERREG IIIB project *East West Window*.

The final draft of the LTP went through the concertation process by respective national ministries. It was also forwarded to all relevant organisations, both at the pan-Baltic level and in the BSR countries, to gather feedback on the content quality and on the feasibility to lead and be involved in actions stipulated by the document.

The LTP document identifies the most important assets, development trends and challenges affecting the long-term development of the Baltic Sea Region; predicts the state of the Region in 15- 20 years as a result of joint efforts of countries and organisations; and presents the most important instruments and actions to guide the development of the Region towards territorial cohesion. Background Synthesis Document is an appendix to the LTP featuring a synthesis of most relevant development tendencies resulting from analyses conducted by the three *East West Window* working groups.

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