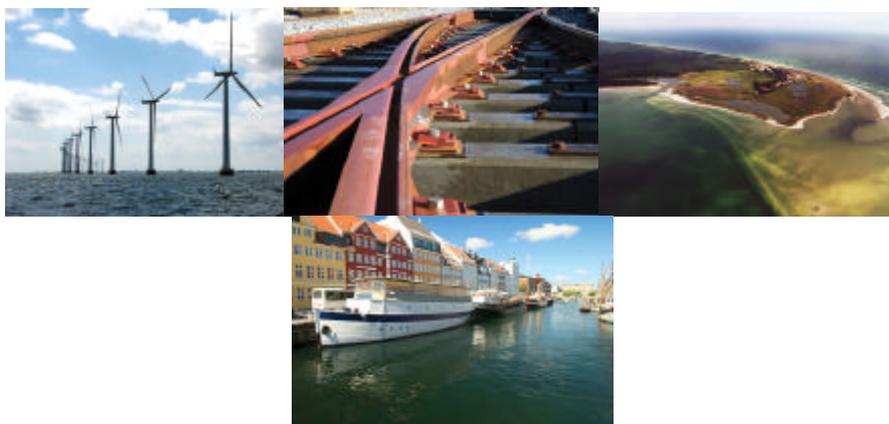




EXECUTIVE SUMMARY*

ANNUAL IMPLEMENTATION REPORT 2009

BALTIC SEA REGION PROGRAMME 2007 – 2013



**Operational Programme of European Territorial Co-operation
financed by the European Regional Development Fund, European
Neighbourhood and Partnership Instrument and the Government
of Norway**

* The full Annual Implementation Report 2009 can be obtained from the Joint Technical Secretariat upon request and after approval by the European Commission (expected by September 2010).



Programme background

The Baltic Sea Region Programme 2007-2013 (in the following text referred to as "Programme") is one of the 13 transnational EU cooperation programmes. Eleven countries from the Baltic Sea area are participating. European territorial cooperation is one of the three main goals of European Union's cohesion policy. Cooperation means to involve partners from several countries from the area in joint projects. Territorial cooperation means that the benefit of joint actions shall be targeted at the Baltic Sea region, or parts of it.

The Programme area includes the EU Member States Denmark, Estonia, Finland, Latvia, Lithuania, Poland, Sweden and northern regions of Germany, as well as the neighbouring countries Norway, Belarus and north-western regions of Russia.

The European Regional Development Fund (ERDF) is the main source of Programme funding. The participation of Belarusian project partners is also financed through European Union's funds, namely by the European Neighbourhood and Partnership Instrument (ENPI). Norway is contributing with national financing to enable Norwegian partners to participate. For partners from Russia no Programme funds are available, but participating is possible if financed from other sources.

The strategic objective of the Programme is to strengthen the development towards a "sustainable, competitive and territorially integrated" Baltic Sea Region. People are learning to join forces beyond national borders in order to solve joint problems, but also to connect existing potentials. The ultimate goal is to make the Baltic Sea Region more competitive on the markets but also to create an attractive place for its citizens to work and live in. It is equally important to reduce the existing socio-economic differences between the western and the eastern parts around the Baltic Sea.

Public authorities are responsible for setting the legal and institutional framework for development, and to allocate public resources to the measures agreed. Thus they are the main target group and the main beneficiaries of transnational cooperation. The private profit-oriented sector is not receiving funds from the Programme but an important partner when planning future investments.

The Baltic Sea Region Programme 2007-2013 supports projects in the following four thematic priorities:

1. Fostering innovations
2. Internal and external accessibility
3. Baltic Sea as a common resource
4. Attractive & competitive cities and regions

The total Programme budget amounts to approximately 293,2 Million Euro (ERDF, ENPI, Norwegian funding, and national co-financing by project partners). Split by funds, this means 195,6 Million Euro from the ERDF, 20,4 Million Euro from ENPI and 5,3 Million Euro Norwegian funds, plus MEUR 71,9 co-financing by project partners.

Date: 09.06.2010

The Baltic Sea Region Programme 2007-2013 is supervised by a Monitoring Committee, composed of representatives of national and regional authorities from all eleven participating countries, and the European Commission as an observer.

The participating Member States have appointed the Investitionsbank Schleswig-Holstein (located in Kiel, Germany) to act as Managing Authority (MA) and to host the Joint Technical Secretariat (JTS). The Joint Technical Secretariat, focal point of the Programme's implementation, is located in Rostock, Germany and Riga, Latvia.

To date, three calls for applications have been launched, with the third call closed on 22 March 2010. In total 46 projects were approved in the first and second call; 3rd call projects are still subject for approval by the MC. So far, approximately 121 Million Euro (ERDF, ENPI, Norwegian funding) were committed to projects.

Implementation of the Programme in 2009

Calls for project applications and Programme implementation

Overall, the Programme has progressed well during its second year of implementation. Projects met set targets as envisaged. Programme level indicators were fulfilled. Common and priority specific results were achieved according to schedule.

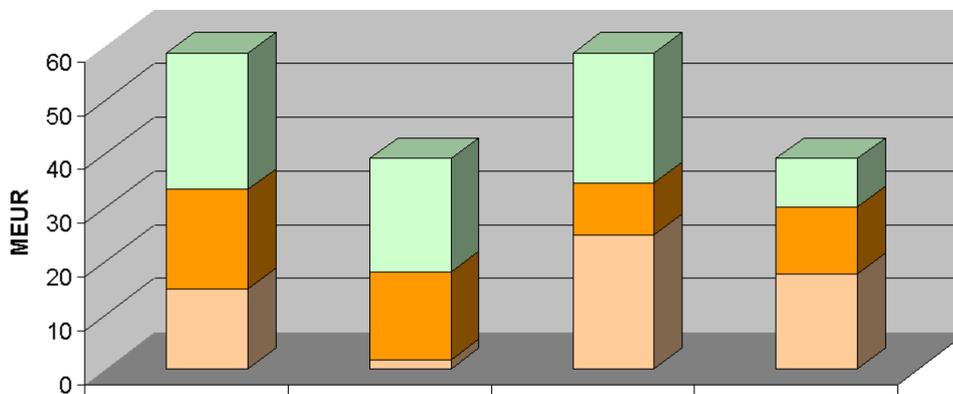
During 2009, the second call for project applications was launched from 19th January to 31st of March 2009. In total, 86 project applications were received, which again showed a high interest in the Programme. In order to speed up the spending of funds under Priority 2, the Monitoring Committee made funding decisions regarding Priority 2 projects already in its meeting on 8-9 June 2009. Decisions on Priority 1, 3 and 4 were taken at the next meeting on 15-16 September 2009. In total, 22 second call projects of good quality were approved. Their implementation started in 2009.

The 24 projects approved under the first call for applications (25 February to 30 May 2008) were contracted during the first half of 2009. Furthermore, the third call for applications was prepared in 2009 and launched on 4th January 2010.

It is expected that remaining gaps in Programme targets and indicators will be filled by future projects. This was reflected in the focus of the third call for applications. Here, topics that were not sufficiently addressed by projects in the first two calls were particularly pointed out in the announcement note.

The graphs below show the commitment of ERDF, Norwegian national and ENPI funds in the first and second call for applications as well as the remaining funds in each Priority.

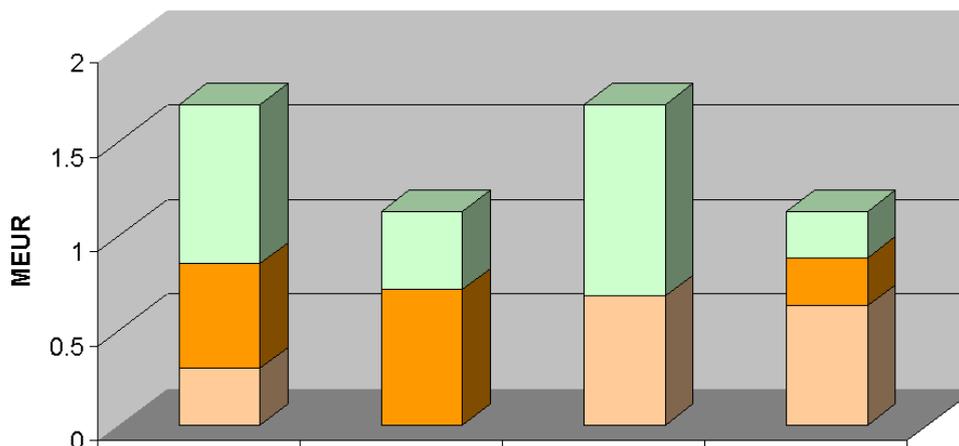
ERDF - Available vs. committed co-financing



	Priority 1	Priority 2	Priority 3	Priority 4
Remaining	25.3	21.1	24.2	9.0
Remaining	43%	54%	41%	23%
Committed 2nd call	18.4	16.4	9.6	12.4
Committed 1st call	14.9	1.6	24.9	17.7

ERDF – Available vs. committed co-financing

Norwegian funds - Available vs. committed co-financing

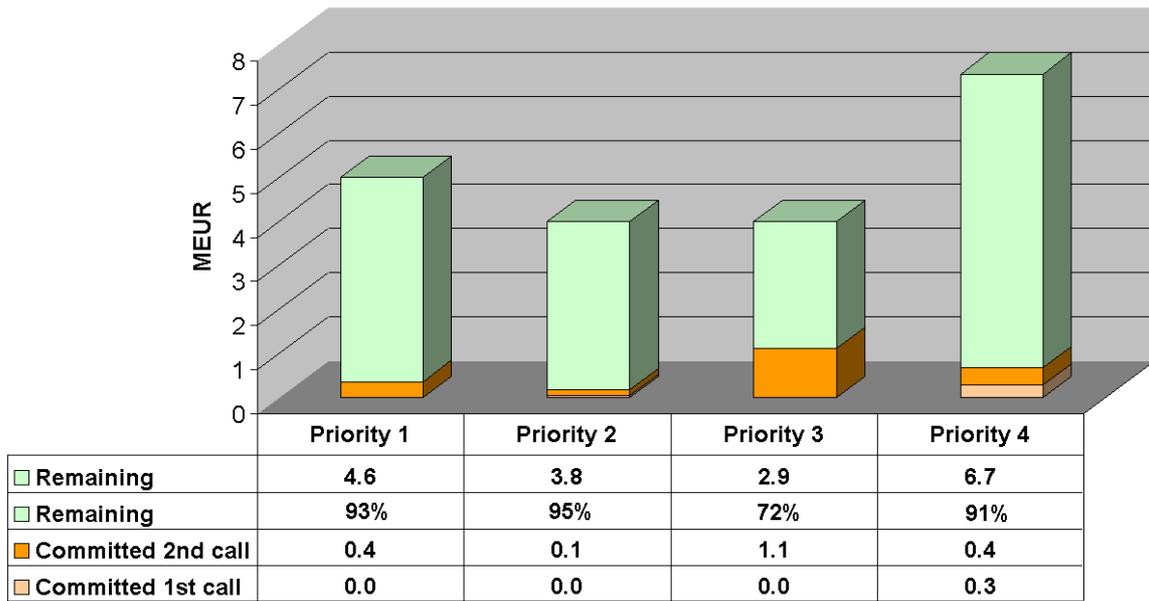


	Priority 1	Priority 2	Priority 3	Priority 4
Remaining	0.8	0.4	1.0	0.2
Remaining	50%	37%	60%	22%
Committed 2nd call	0.6	0.7	0.0	0.3
Committed 1st call	0.3	0.0	0.7	0.6

Norwegian funds – Available vs. committed co-financing

Note: Norwegian funds are not bound to a Priority, but can be shifted between the Priorities if needed.

ENPI - Available vs. committed co-financing



ENPI funds – Available vs. committed co-financing

Major changes in the Programme context

One major change in the Operational Programme (OP) in 2009 concerned the opening of the Programme for private limited expenditure of bodies governed by public or private law, such as labour organisations or non-governmental organisations. The OP was amended by adding a new category of eligible partner and approved by the European Commission on 22 December 2009.

Effects of the economic crisis hit the Programme as well. It has become a challenge for many potential projects but also for already approved projects to finance their participation in joint projects.

Another challenge was linked to involving Russian organisations in the Programme. European funds from the ENPI were not available but Russian organisations in approved projects could be ensured through other means. Nevertheless, involvement as initially foreseen could not be achieved.

EU Strategy for the Baltic Sea Region

The European Council endorsed the EU Strategy for the Baltic Sea Region in October 2009 under the Swedish EU Presidency. This is the first time that a comprehensive Strategy, covering several Community policies, is targeted on a macro-region.

The Baltic Sea Region Programme takes an active role in implementing the Strategy. This was reflected in a number of promotion activities, such as publication of brochures of the Programme's projects and their specific link to the Strategy, information about the Strategy on the Programme website's main page, and targeted communication about the Strategy at Programme and external events.

In the third call for applications, flagship projects of the Strategy were particularly encouraged to apply for Programme funding and to provide a letter of commitment issued by the responsible Project Area Coordinator. All applying projects were explicitly asked to describe their relation to the Strategy in the application forms.

Furthermore, Programme representatives took an active role in the Laboratory Group operated by the Interact programme. Members of the Group are aiming at finding operative solutions on how EU funded Programmes could contribute to implementing the Strategy. As one outcome of this group work the Baltic Sea Region Programme started cooperation with two international financing institutions – the Nordic Investment Bank and the European Investment Bank.

Management bodies and tools

In 2009, two meetings of the Monitoring Committee were held, supplemented by two meetings of the Task Force "Programme Strategy". The Task Force discussed strategic issues, such as the role of the EU Strategy for the Baltic Sea Region, and prepared the next call for application.

The programme management system called DEEP (Database for Efficient European Programme), developed by the Joint Secretariat of the prior Baltic Sea Region Programme, was further revised in 2009. The objective was to improve the existing monitoring tools and the documentation of activity and financial monitoring. By the end of 2009, the licence of DEEP was already transferred to 16 European Territorial Cooperation Programmes. In order to exchange knowledge and to create synergy effects, a DEEP User Group had been established by the Joint Technical Secretariat (JTS). In 2009, two User Group meetings were facilitated and supported by the JTS.

Programme evaluation

In 2009, the JTS prepared an Evaluation Plan, which was approved by the Monitoring Committee in December 2009. This Plan will be the basis for future evaluation activities in the Programme as regards their focus, evaluation questions, time plan, budget and decision-making. The Programme differentiates between an operational (internal) and a strategic (external) evaluation. The operational evaluation is carried out continuously and internally by the Programme management bodies and directly linked to the Programme monitoring. A self-evaluation targeting at Programme delivery, the financial performance and management structures in 2009 was carried out retrospectively in early 2010. A strategic evaluation will be launched in the second half of 2010 with the final report expected by mid-2011.

Financial performance of the Programme

The total amount spent by the Baltic Sea Region Programme in 2009 amounts to 1,720,575 Euro, including ERDF, ENPI and Norwegian funds. The spending rate of the Technical Assistance budget was about 60% of what was initially planned for the year 2009.

Communication and information activities

The Programme bodies put special emphasis on communication and information activities in 2009. The objective was to raise awareness of potential beneficiaries and of Programme stakeholders. In particular, potential project applicants for the second and third call for project applications were addressed.

The JTS implemented a number of Lead Applicant and Lead Partner seminars, and organised a targeted workshop for applicants from the Barents region. A major information event took place back to back with the BSSSC Annual Conference. The JTS carried out individual consultations for applicants. In total, more than 700 potential beneficiaries, projects and stakeholders took part in events organised by the Programme.

The Programme website - one of the most important communication tools of the Programme - was continuously extended and updated during 2009. The website was selected as one of five RegioStars 2010 finalists in the category "Information and Communication: Websites offering quality information and showing the European added value". Furthermore, two brochures featuring first and second call projects as well as five newsletters were published and distributed in 2009.

Snapshots from Programme events in 2009



Task Force meeting, Berlin, 14.01.2009
(Ulla Ropponen, COM/DG REGIO, Susanne Scherrer, JTS director)



Task Force meeting, Berlin, 14.01.2009
(TF participants Krista Kampus, EE and Harry Ekestam, FI)



Monitoring Committee meeting, Vilnius, 8-9 June 2009 (Giedre Šviediene, MC chair, Lithuania)



Monitoring Committee meeting, Oslo, 15-16 September 2009 (Arve Skjerpen, MC co-chair, Norway)



Lead Partner Seminar, Rostock, 25.02.2009 (Eeva Rantama, JTS project team leader)



Lead Partner Seminar, Rostock, 25.02.2009
(Project representatives)