

Explanatory Note for the Public Consultation on the draft Operational Programme and draft Environmental Report for the Baltic Sea Region Programme 2014-2020

Regular consultation period: 31 January – 28 March 2014

The **Baltic Sea Region Programme** will be continued during the funding period **2014-2020** as transnational cooperation programme of the European Regional Development Fund (ERDF). It will aim at strengthening the territorial integration of the Baltic Sea Region by supporting cooperation between the EU Member States Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Sweden and the partner countries Belarus, Norway and Russia.

The new Programme has been under preparation since early 2012. During the entire process a **participatory approach** has been applied to assure that the Programme meets the actual needs for transnational cooperation in the region. Stakeholders and experts have been involved in various phases of the programming, e.g. by surveys on Programme focus and project implementation arrangements, by national consultation rounds as well as by a series of thematic workshops which helped to specify the key challenges in the region related to the funding priorities.

Aim of the current public consultation is to identify potential gaps or inconsistencies in the documents based on the expertise and views of stakeholders and potential target groups. However, due to the advanced state of programme development, fundamental changes in the Programme's strategic focus and set-up are unlikely. Comments are thus expected to focus mainly on qualitative improvements within the given structure of funding priorities.

The **current public consultation** is organised as a parallel consultation process for:

- a) the **draft Operational Programme** and
- b) the **draft Environmental Report**.

Comments to either of the two documents are welcome **until Friday, 28 March 2014** (*due to national legislation Lithuanian institutions can exceptionally provide their comments until Friday, 11 April*). We kindly encourage earlier responses that would provide more time to the programming bodies for appraisal and follow-up. All comments need to be provided in English language and have to specify clearly the commenting institutions. Comments to the draft Operational Programme and the draft Environmental Report have to be submitted in separate PDF Commenting Forms by email to consultation@eu.baltic.net.

All documents for the public consultation are available for download on the website <http://eu.baltic.net/>

Based on the comments received the final version of the Operational Programme will be developed. Submission of the Programme to the EU Commission is currently envisaged for mid-2014. An approval by the EU Commission is expected in the last quarter of 2014.

Additional information regarding the draft Operational Programme

The **draft Operational Programme** was approved by the Joint Programming Committee (JPC) on 4 December 2013. It is an advanced draft resulting from an intensive transnational discussion process between the involved countries. The document defines the strategic approach of the Programme and outlines the scope of the following four funding priorities:

- Priority 1 'Capacity for innovation'
- Priority 2 'Efficient management of natural resources'
- Priority 3 'Sustainable transport'
- Priority 4 'Institutional capacity for macro-regional cooperation'

Further the Programme explains the integrated approach, summarises main elements of the implementation arrangements, its contribution to the reduction of administrative burden for applicants and beneficiaries as well as horizontal elements like sustainable development and equal opportunities.

Yet, this draft version of the Programme is still **missing some major elements**, in particular budget-related information, as the financial allocation to the Programme was not finally decided by all countries at the time of the JPC decision. In the meantime, all EU member states of the Programme have decided upon their budget allocations to the Programme. For the EU part of the Programme a budget of about 263 million Euros will be available, which is an increase of more than 25% compared to the Baltic Sea Region Programme 2007-2013. Allocations for the partner countries Norway, Belarus, and Russia are not yet decided.

The **division of the budget into the four funding priorities** is still under discussion in the JPC. Previous discussions have shown that the great majority of the funds (around 90%) are expected to be made available for project funding under thematic priorities 1-3 (see above).

The **involvement of Belarus and Russia** in the future programme is envisaged, but depends on budget allocations by the European Neighbourhood Initiative (ENI) as well as on specific management provisions to be defined in a separate Financing Agreements with these countries. As both elements are still under preparation it is expected that the involvement of Belarus and Russia might become operational at a later stage.

Practical provisions on programme implementation, e.g. project set-up, application and monitoring procedures are not defined in the Operational Programme. They will be laid down in a separate Programme Manual, which is currently under preparation and will be available for the first application round of the new Programme. Implementing provisions will aim at simplification and harmonisation with other European Territorial Cooperation programmes. Comments from more than 800 beneficiaries of the current Programme gathered during three online surveys in autumn 2012 will be considered.

Additional information regarding the Strategic Environmental Assessment (SEA)

The **purpose of the SEA** is to identify environmental impacts of the proposed Programme activities. The SEA is carried out by an external consultant (who is also responsible for the ex-ante evaluation of the programme). The SEA aims to identify likely significant environmental impacts of the proposed Programme activities. This should avoid any negative impacts beforehand and thus optimise the Programme's environmental performance.

The SEA is carried out in line with the requirement of Directive 2001/42/EC and the purpose is to provide for a high level of protection of the environment and to contribute to the integration of environmental considerations into the preparation and adoption of the programme with a view to promoting sustainable development¹

The SEA has to be carried out during the preparation of the programme and to be completed before the adoption and submission to the Commission. The SEA has to be carried out while it is still possible to influence the programme development and support the environmental integration. The SEA process contributes to social acceptance, and ensures that potential conflicts between development and environment objectives and likely significant negative impacts are addressed.

The draft **Environmental Report** (SEA report) was drafted by the external evaluator based on a scoping report. In November 2013, the scoping report was submitted in consultation to the environmental authorities in all countries in the Baltic Sea Region. The scoping report described the scope and methodology for the assessment. Upon receiving comments from the authorities and revising the methodology where relevant, a draft Environmental Report was elaborated according to the set methodology.

The draft Environmental Report thus includes recommendations on measures to prevent, reduce and offset any significant adverse effects on the environment as well as measures for environmental monitoring of the programme. The Environmental Report will be finalised taking into account comments received during the public consultation and reflecting on how the recommendations have been included in the programme design. The SEA evaluator will issue a final **statement** on how the environmental consideration and opinions have been taking into account.

The programming authority takes into account the environmental report and the opinion expressed in the public consultation during preparation of the programme. The ex-ante evaluation of the Operational Programme will take account of the SEA process as such in the final report of the ex-ante assessment.

¹ Ref SEA Directive 2001/42/EC, Article 1