

## **TRANSNATIONAL COOPERATION IN THE BALTIC SEA REGION PROGRAMME 2007-2013 AND ITS INFLUENCE ON RURAL AREAS' ENVIRONMENT**

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**Abstract.** The main aim of the paper is to assess the scale of cooperation under the Baltic Sea Region 2007-2013 Programme and show its effects on rural areas basing on the example of one selected transnational project. The specific tasks were to present the territorial, financial and subjective diversity of cooperating institutions from countries around the Baltic Sea. For deeper analysis, the author has chosen project Baltic Ecological Recycling Agriculture and Society Implementation, in which 24 partners from 9 countries were involved and which was concentrated on environment in the rural areas and agriculture. The research was conducted using programme documents and brochures, statistical data gathered by the Joint Technical Secretariat of the Baltic Sea Region Programme, the author conducted also individual interviews with partners of the project. The main results show that the transnational cooperation was quite intense. The structure of 1050 institutions which took part in BSR projects was rather balanced; the number of projects implemented in most EU countries was similar and varied from 56 in Denmark to 81 in Germany. Number of project partners was more diversified, both on country and NUTS-3 level. The cities with the highest number of participations were Riga, Tallinn, Vilnius and Helsinki. The Baltic Deal and Beras implementation projects have had a direct, although not very strong, impact on rural areas environment, their effects were newly established ecological agriculture demonstration centres and promotion of the principles of sustainable agriculture and food production on the basis of regional distribution systems.

**Key words:** Baltic Sea Region, transnational cooperation, rural areas, BSR Programme 2007-2013.

**JEL code:** R11, R58

### **Introduction**

The Baltic Sea Region (BSR) Programme 2007-2013 was one of the European Transnational Cooperation programmes and has been designed in order to strengthen the development towards a sustainable, competitive and territorially integrated Baltic Sea region by connecting potentials over the borders (Celata F., Coletti R., 2015). As the BSR Programme implementation time is coming to an end, it is worth assessing the level of cooperation and effects of spending EUR 200 mln from the European Regional Development Fund. The main aim of the paper is to assess the scale of cooperation under the Baltic Sea Region 2007-2013 Programme and show its effects on rural areas. Due to the limited length of the article also the scope of investigation was limited to a few selected issues. The specific tasks were to present the territorial, financial and subjective diversity of cooperation of institutions from countries around the Baltic Sea. For deeper analysis, the author has chosen project BERAS Implementation, in which 24 partners from 9 countries were involved and which was concentrated on rural areas and agriculture.

The author used desk research, descriptive methods and comparative analysis. The research was conducted using programme documents, brochures and statistical data gathered by the Joint Technical Secretariat of the

BSR Programme. The project database has been corrected by the author, as many names of cities and institutions were given with some errors. However, the results of the study may contain some inaccuracies, e.g. in the number of partners, as sometimes the different departments of one institution were recognized as separate entities. The effects of the project were also discussed with Polish partners of the project – individual interviews were conducted. The period of analysis covers the project implementation period, the years 2010-2013. The data were presented using tables, figures and maps created using MS Excel and QGIS software.

### **Research results and discussion** **1. General information on the BSR Programme**

The Baltic Sea Region (BSR) Programme 2007-2013 was built on the experience of its two predecessor programmes supporting transnational cooperation in the Baltic Sea region under the Initiatives "INTERREG IIC" (1997-1999) and "INTERREG III B Neighbourhood Programme" (2000-2006) (Hącia E., 2010).

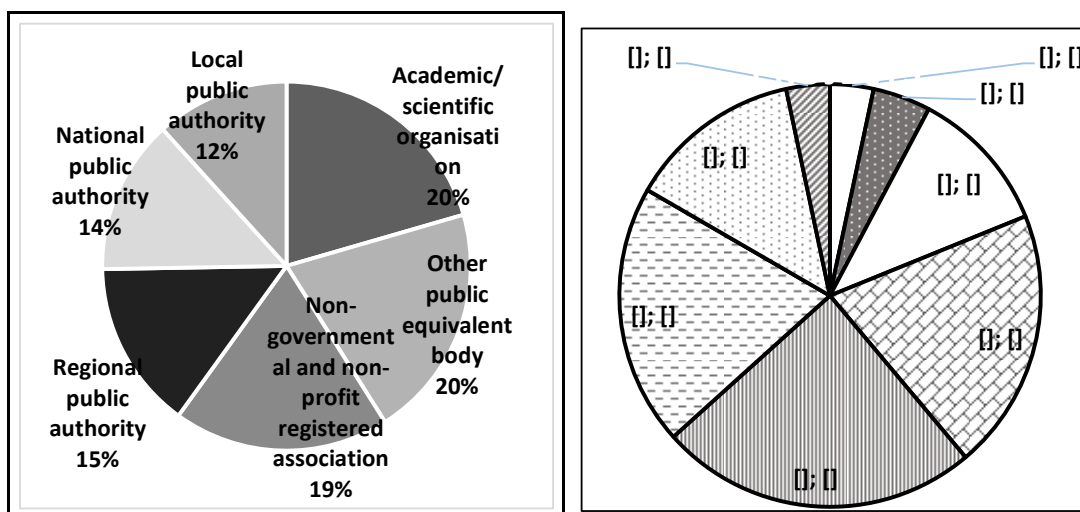
The BSR Programme had a requirement to form a partnership consisting minimum of three benefiting institutions from at least three different countries (Baltic Sea Region Programme, 2012). The potential beneficiaries comprised scientific organizations,

national, regional and local level public authorities and public equivalent bodies (such as research and training institutions, business development institutions). Private organisations could also cooperate in projects but only as additional partners with their own financing.

The BSR Programme area included the whole territories of Denmark, Estonia, Finland, Latvia, Lithuania, Poland and Sweden, and Northern parts of Germany (Executive summary..., 2014). Also the neighbouring non-EU countries: Norway (whole country), Russia (North-Western regions) and Belarus (whole country) belonged to the programme area.

## 2. Intensity and regional disparities of cooperation

The structure of 1050 institutions which took part in the BSR projects was quite balanced (Figure 1). About 220 academic & scientific organizations and similar number of public equivalent bodies were involved in 90 contracted projects. The number of project participants, on the contrary, was varying: ¼ of the projects had 7 partners, 20% of partnerships consisted of 6 or 8 institutions. The minimal required number of participants characterized only 3% of all projects, so it is clear that the networks of cooperation were much wider and stronger than the minimal requirements.



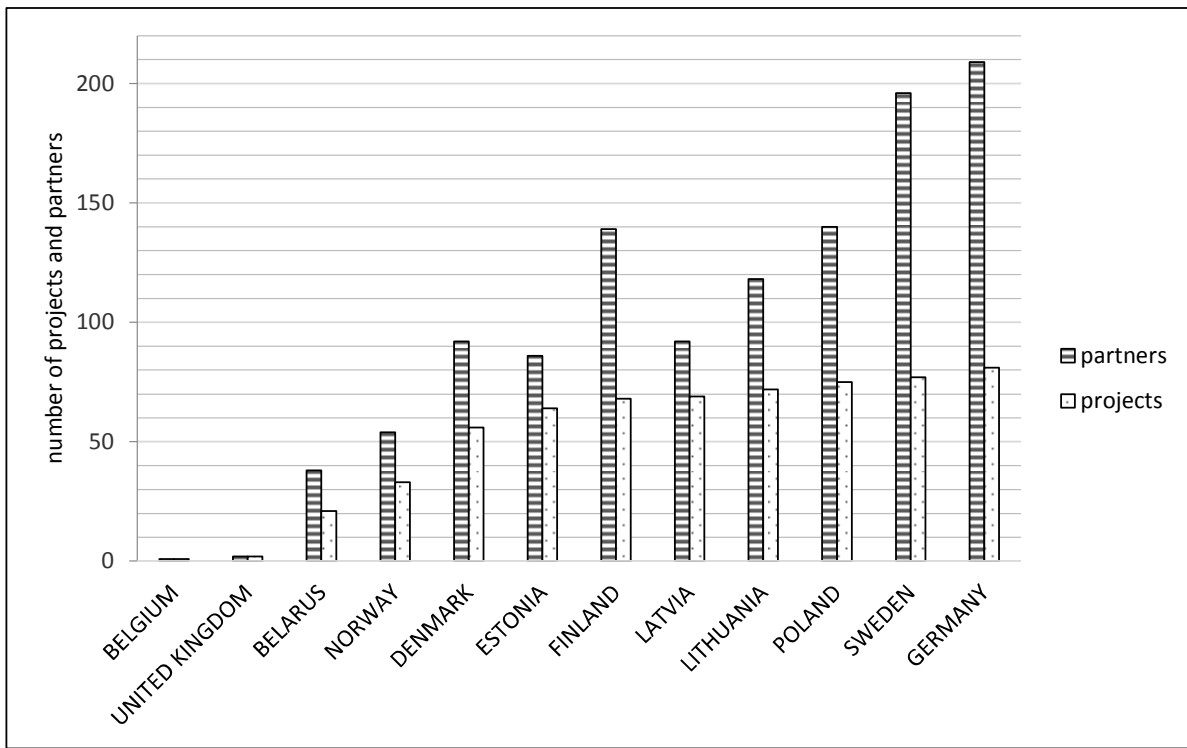
Source: author's construction based on the Joint Technical Secretariat's data

Fig. 1. Structure of project partners - legal status name (left) and number of project participants (right)

The national disparities in project involvement are shown on Figure 2. Number of projects implemented in most EU countries was similar and varied from 56 in Denmark to 81 in Germany. Number of project partners was more diversified – from around 90 in Denmark, Estonia and Latvia to around 200 in Sweden and Germany.

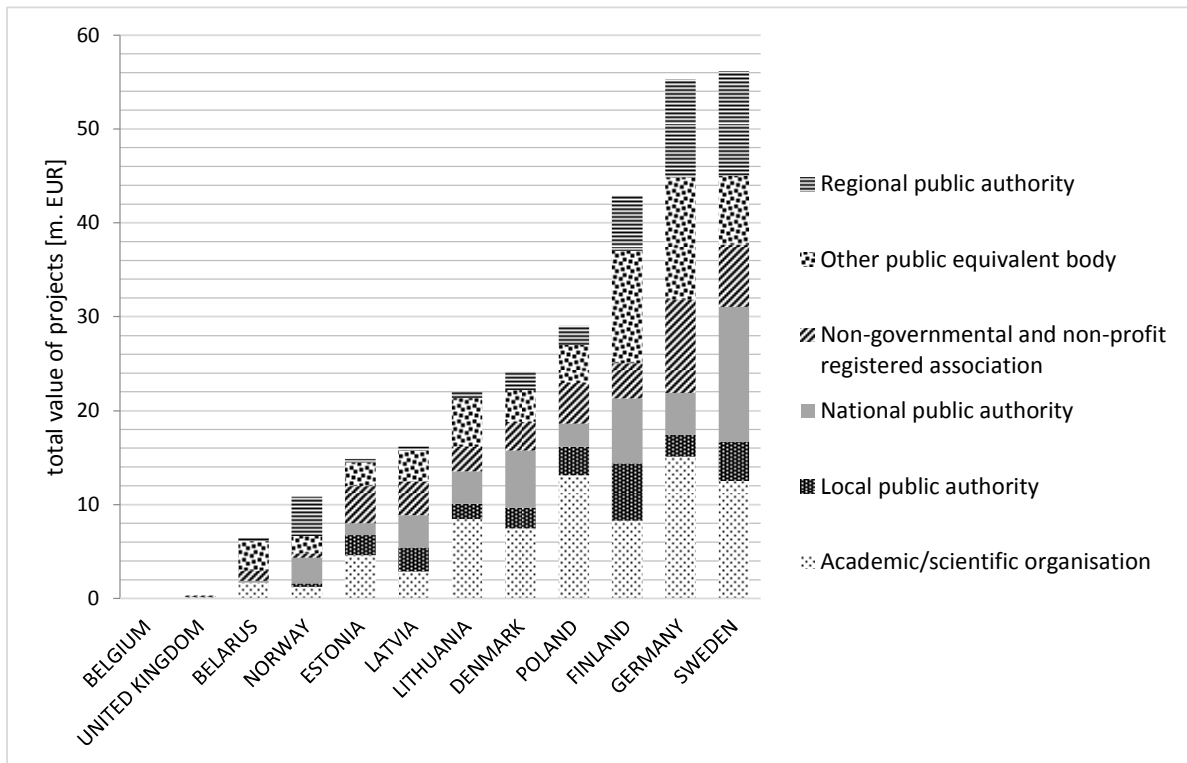
Total value and structure of projects in the BSR Programme is shown on Figure 3. The highest total value had projects implemented by partners from Sweden, Germany (about EUR 58 million in each country) and Finland (EUR 43 million). The structure of beneficiaries was similar although Sweden had a higher share of funds acquired by national public authorities as

Swedish Board of Agriculture, Swedish Forest Agency, Swedish Transport Administration. Germany and Finland had a higher share of other public equivalent bodies as port authorities and technology centres. The detailed spatial disparities in NUTS-3 regions are presented on Figure 4. In 2 countries academic institutions were more active. In Poland, more than EUR 1 million was raised by Maritime Institute in Gdansk, Motor Transport Institute and Gdansk University of Technology and in Germany the leaders were: Deutsches Elektronen-Synchrotron, Flensburg University of Applied Sciences and University of Rostock (EUR 750-900 thou. each).



Source: author's construction based on the Joint Technical Secretariat's data

Fig. 2. Number of projects and partners in the BSR Programme



Source: author's construction based on the Joint Technical Secretariat's data

Fig. 3. Total value and structure of projects in the BSR Programme

Table 1

**Activity of cities in the BSR Programme**

No	City	Country	Number of participations*	Share in all country participations %
1.	Riga	LV	86	77.5
2.	Tallinn	EE	64	59.3
3.	Vilnius	LT	63	42.0
4.	Helsinki	FI	52	28.3
5.	Hamburg	DE	42	18.1
6.	Stockholm	SE	39	16.7
7.	Gdansk	PL	36	21.7
8.	Berlin	DE	32	13.8
9.	Klaipeda	LT	32	21.3
10.	Kaunas	LT	27	18.0
11.	Rostock	DE	23	9.9
12.	Tartu	EE	22	20.4
13.	Warsaw	PL	21	12.7
14.	Minsk	BY	20	50.0
15.	Oslo	NO	20	35.1

\*) when 1 institution took part in 2 different projects it is calculated as 2 participations

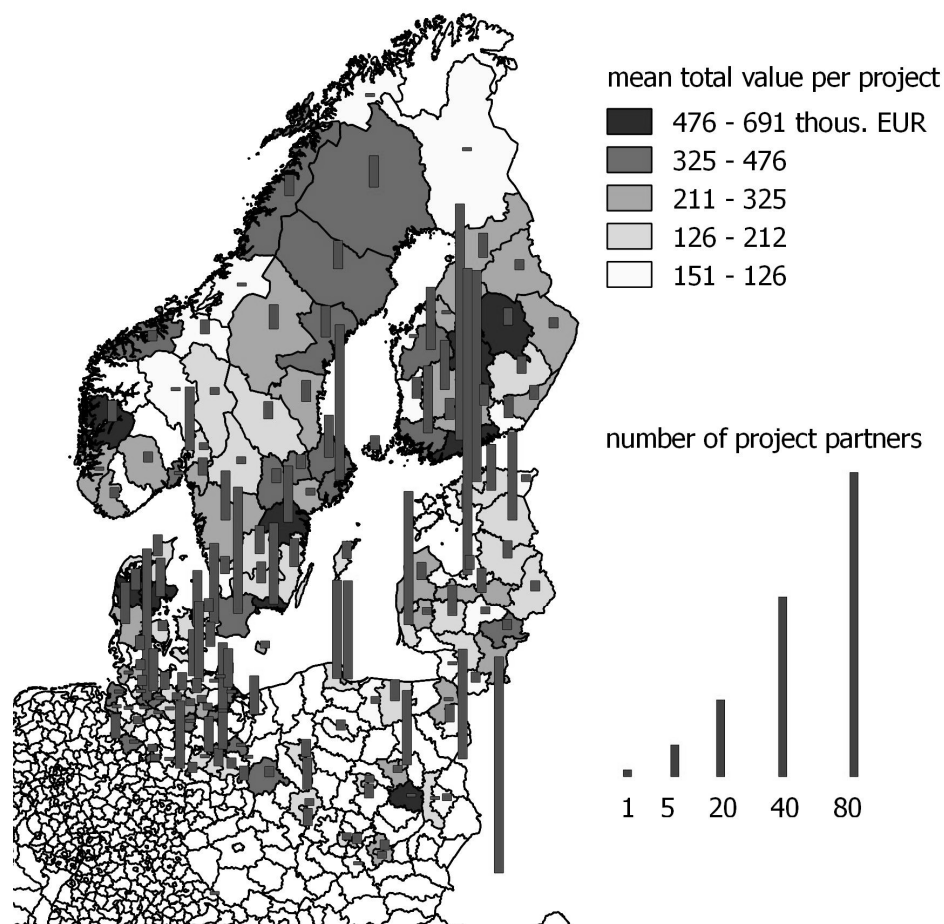
**Source: author's calculations based on the Joint Technical Secretariat's data**

Comparing the countries' cooperation activity with the number of participants from the entire cities of the region, it is clear that the entities cooperating in the BSR programme were highly spatially concentrated in the three Baltic States and Belarus. Institutions from Riga, Tallinn and Minsk implemented more than half of all projects in these countries. In other states, the institutions were more dispersed, which can also be seen at Figure 4.

The mean total value of project in NUTS-3 regions was calculated by dividing the total amount of projects by the number of participating institutions located in the region. The highest values can be observed mostly in regions of the Scandinavian countries and also in Radomski sub-region in Poland. This was a result of one project Baltic Deal implemented by the Radom Branch Office of Agricultural Advisory Centre. The aim of the project was to improve the Baltic Sea environmental status by supporting farmers to reduce the nutrient losses from agriculture. This shows the weakness of the database, as the project was implemented in all Polish regions (47 demonstration farms were established) but the funds were assigned to one NUTS unit.

**Characteristics and goals of the project**

The BERAS Implementation Project was continuation of an earlier research project Beras implemented in the years 2003–2006 and its goal was to implement the idea of organic farming in countries around the Baltic Sea in order to protect Baltic water against leaching of plant nutrients and chemicals having its source in agriculture. As in many other projects, it was initiated by a research sector (Mikhaylov, A., Bolychev, O., 2015), the lead beneficiary was Södertörn University in Sweden, there were also 23 partners: institutes, universities (Estonian University of Life Sciences, University of Helsinki, Lithuanian University of Agriculture), Rural and Agricultural Advisory Centres (2 from Poland, one from Latvia), foundations, municipalities, NGOs. In addition, 35 other organizations such as ministries, financial institutions, supply chain actors, NGOs and environmental organizations from all Baltic Sea countries, including Russia and Norway participated in the project. The project lasted three years from June 2010 to September 2013 and its total value amounted to EUR 4.6 million, with value of the subsidy of EUR 3.4 million.



Source: author's construction based on the Joint Technical Secretariat's data

Fig. 4. Mean value of projects and number of partners in the BSR Programme  
 Influence on rural areas environment - case study of the project BERAS Implementation  
 (Baltic Ecological Recycling Agriculture and Society Implementation)

The analysed project - due to its scope and pro-environmental interaction - was complementary with many projects, among other ETC programmes: the mentioned Baltic Deal project, Modern Water Management in the South Baltic Sea Area (Operational Programme South Baltic CBC), the Protection of the Baltic coastal water - NEFA BALT II and Integrated Development and Implementation of the New Waste Water Treatment Facilities for the Reduction Pollution of the Baltic Sea - Acronym IntegroProBalt (Cross-Border Cooperation Operational Programme Lithuania - Poland - Russia).

The Beras Implementation project aimed at improving the state of the Baltic Sea, among others, through the promotion and implementation of the ERA (Ecological Recycling Agriculture) - sustainable agriculture based on the recycling of nutrients on the farm based on the closed circuit (WYG PSDB, 2015). As required by the ERA, a sustainable farm should result in the production of animal and plant with closed circuit of

nutrients - nitrogen and phosphorus. Number of animals should be kept at a reasonable level allowing their diet to be based mainly on feed produced in the same farm. The management of the ERA system is also associated with the use of diversified crop rotation and the abandonment of the use of the means of production (synthetic fertilizers, chemical pesticides etc.). It is also assumed that farm income should come from a variety of sources. As most farms operating in Poland and other Central European countries did not implement the requirements of the ERA, one of the project goals was to raise the awareness of farmers and promote this system of farming.

Therefore, the project goals were strictly connected with rural areas, one of them was to establish demonstration centres and promote the principles of sustainable agriculture and food production on the basis of regional distribution systems. These Beras Information Centres (BICs) were located in Sweden in the Rural Development Centre Järna, Gotland,

Agriculture High School in Kalmar, 5 farms in different regions in Poland, Finnish agriculture museum and organic Heikkilä farm (Heinonen S., 2011), Research Centre of Organic Farming of the Estonian University of Life Sciences in Tartu, Advisory Centre in Ozolnieki (Latvia), Lithuania established a Mobile BIC (Staniszewska M., 2011). Also the project promoted environmentally safe food products and took specific actions to increase entrepreneurship in rural areas.

### **Benefits, costs and effects of the project in the rural areas**

Due to the nature of the project, financial benefits were assessed as low, comprised mainly part financing of the jobs of workers involved in the project. In some institutions for the implementation of the project new staff was employed, usually not more than 1-2 people. Non-financial benefits were assessed as higher: the most important was extending knowledge of the people involved in the project about the mechanisms and way of functioning of the market for organic products in other EU countries. Other issues included public education, promotion of organic products and distribution channels of organic products in selected countries. Significant are also established contacts with universities and institutions participating in the project. In this way the institutions gained the possibility to continue similar actions in the future in partnerships created during the project implementation. An additional benefit was the knowledge and intercultural experience, both over the project during meetings and training as well as after its completion - the training centres in farms belonging to the project are now being visited by farmers from different countries (also from Asia and Africa). For farmers holding demonstration farms, the project became an opportunity to acquire new teaching skills and learn and practice foreign languages.

The costs included mainly the own financial contribution of institutions, which in the case of non-governmental organizations was a significant load. Generally, the cost-benefit relationship can be assessed positively.

The direct results of the project were the created demonstration farms operating in the ERA system which were chosen on the basis of Agricultural Advisory Centres knowledge. These farms operate according to the principles of the ERA also after completion of the project, conduct training on organic farming and the opportunities to reduce emissions of pollutants into

groundwater. The knowledge about the real number of farms that through participation in training have switched to environmental activity is limited but a network of at least 42 ERA farms for developing and communicating best practices was established (Annual Implementation Report..., 2014). In addition, trained students of agricultural schools and university students may in the future implement the ideas of organic farming on their own farms. The impact of the project on the state of natural environment is difficult to assess. The activities in the project, although of great potential importance to improve water quality in the Baltic Sea and the inhibition of eutrophication processes were soft in nature, and thus, they are difficult to be measured.

### **Conclusions, proposals, recommendations**

To sum up, the study shows the intensity and effects of the Baltic Sea Region Programme implemented in the years 2007-2013(2015). The transnational cooperation around the Baltic Sea was quite intense. About 1050 institutions took part in 90 projects funded by the BSR Programme. Number of project partners was diversified, both on country and NUTS-3 level. The cities with the highest number of participations were Riga, Tallinn, Vilnius and Helsinki. Other conclusions are presented below:

- 1) The BSR Programme contributed to creation of many partnerships consisting most often of 6-8 institutions;
- 2) There was a balanced number of implemented projects and balanced structure of institutions which took part in BSR projects;
- 3) Higher developed EU countries acquired more funds from the BSR Programme;
- 4) Although Finland and Poland had a similar number of implemented projects and participating partners, the total value of project was Finland 50% higher than in Poland;
- 5) Entities cooperating in the BSR programme were highly spatially concentrated in the three Baltic States and Belarus (in the capitals: Riga, Tallinn, Minsk, Vilnius);
- 6) Partner organizations on NUTS-3 level were more evenly distributed over the German, Danish, Swedish and Finnish regions.

The Baltic Deal and Beras implementation projects have had a direct although not a very strong impact on

environment at rural areas. Their effects were newly established ecological agriculture demonstration centres and promotion of the principles of sustainable agriculture and food production on the basis of regional distribution systems. Farms transformed into demonstration centres function according to the Ecological Recycling Agriculture rules, they conduct training on organic farming and inform about the

opportunities to reduce emissions of pollutants into groundwater. The knowledge and experience gained in the project contributes continuously to promote the idea of organic farming and inspires farmers to transition to ERA farming, which may positively affect the reduction of agricultural pollutants emissions into the Baltic Sea.

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